

In the dark when it comes to succession planning?



As a Financial Advisor, it takes a tremendous amount of time and energy to make your business successful. As a result, it is often one of your proudest achievements. That's why it can be difficult for you to consider something that is so completely foreign – planning for succession. A pragmatic look at the trends and realities of succession planning in the financial services industry reveals¹:

- The average Owner age is 57 years
- 84% of Firms have no formal interim continuity plan (in the event of an unforeseen event)
- Of those with an interim plan, only approximately 40% address disability
- 52% lack an Operating Agreement (89% lack an **effective** operating agreement covering profit distributions, losses, and capital contributions, as well as exit provisions)
- 73% lack employee mechanisms (Employment Agreement, non-compete/non-solicit)
- Only 13% have seriously begun planning for a long-term transition (i.e., Next Generation)

The sobering fact is this – **every** Firm will transition at some point; it's as unavoidable as death and taxes. A lack of planning for it, however, jeopardizes the sustainability, viability, and stability of your Firm **TODAY**.

The statistics above emphasize a need for holistic corporate planning – one that incorporates your growth plan with your transition plan. Keep in mind, not having a plan **is** a plan of sorts, though it's usually a plan for disaster. Think of transition planning as insurance for the business – you wouldn't leave your family without life insurance or drive a car without adequate coverage. Why treat your business any differently? Protect what you've worked so hard to build; prepare for the unexpected – you, your Firm, your Clients, your family, and your employees deserve that peace of mind.

IAG is offering the opportunity for a confidential and exploratory conversation to help turn motivation into action. During the conversation, we will explore the various succession options and alternatives that may be available specific to your situation. Please contact us at 215.442.9400 to schedule your conversation and learn how we can help make sure that you have a plan for the future.

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¹ Advisor Succession and Transition; What to Do; What to Avoid, ThinkAdvisor, June 20, 2016