

A Practical Guide to Ownership Continuity Planning

In the following pages, you'll get a short checklist to help you prepare your RIA firm for unthinkable events that may leave you incapable of leading your business.

Review the personal checklists to see how prepared you are, and use the question prompts to navigate preparedness discussions with your family, employees, and clients.



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OWNERSHIP CONTINUATION GUIDE



What do I want to happen if I don't show up at work tomorrow?

- ☐ Do I want my business to be sold? Do I know who I would want to acquire it?
- ☐ Do I want the business to be kept by my family? Are they prepared for that? What do they have to know in order to step in? What happens if they don't want to take it over, or are unable to do so?
- ☐ Can anyone pick up the client service and asset gathering responsibilities?

How do I want my clients to be cared for?

- ☐ Do I want my clients to maintain the same investment philosophy?
- ☐ Will they be able to have a seamless transition of their financial plan and goal achievement?
- ☐ Will their experience be the same?
- ☐ Who will be their relationship manager?



How do I want my employees cared for?

- ☐ Do I want to provide for their financial stability?
- ☐ Will they be prepared to find a new position?
- ☐ Are they capable of keeping the business running for a short period of time?
- ☐ Are they capable of buying the business?

What is the best result I could hope for in developing a smooth Ownership Continuity Plan?

- ☐ Will I have more confidence when talking to clients?
- ☐ Will I be able to gather more assets by lowering the perceived risk to our clients?
- ☐ Will I be able to garner a higher multiple from a buyer?
- ☐ Will I feel comfortable knowing who my family will receive their financial advice from?



What could go wrong if I don't develop a smooth Ownership Continuity Plan?

- ☐ Will there be any value to my business?
- ☐ Can my employees carry the business long enough for my family to figure out what to do?
- ☐ Do I have anyone else in the business that can sign checks or contracts?
- ☐ Will my existing vendors continue to do business with us? Custodian? Insurance carriers?

On a scale of 1-10, 1 being the lowest, rank your preparedness in each of these key areas:

I am confident that my business will transfer smoothly, in the way I wish, to the people I wish.

I am confident that my family will receive a good multiple for my business.

I am confident that my employees will be cared for in the way that I wish.

I am confident that my family will know exactly what to do.

I am confident that my clients will be cared for.

I am confident that my business will continue to operate and function.

Average Score: _____



YOUR FAMILY'S PERSPECTIVE



Questions Your Family is Asking:

- Where will I even start?
- Who will I turn to to help me know what to do with the business?
- Who will help me manage my money?
- Should I shut the business down, or try to sell it?
- How do I even shut a business down?
- What should I do about the clients and employees?
- What is a custodian again?
- Do I have to get my licenses to run this business?

On a scale of 1-10, 1 being the lowest, rank your preparedness in each of these key areas:

My family knows what their first step would be if I didn't show up in the business.

My family knows who will give them financial advice.

My family knows how to access all of our company records and financial accounts.

My family knows our business well enough to make decisions.

My family knows our clients well enough to give them confidence in the transition.

Average Score: _____



YOUR EMPLOYEE'S PERSPECTIVE



Questions Your Employees are Asking:

- Will I be out of a job if the owner doesn't show up tomorrow?
- Who will meet with clients and give them advice?
- Who will I report to?
- Will I have to look for a new job right away to protect my own financial security?
- Should I tell our clients where I go to help them?
- Can I take over the business?
- How would I afford to buy the business?

On a scale of 1-10, 1 being the lowest, rank your preparedness in each of these key areas:

My employees know what our plan is should I not show up at the office.

My employees are confident in what their role will be.

My employees are confident that our clients will be served well.

My employees are prepared to have the transition conversation with our clients.

My employees can keep the business running until the transition is complete.

Average Score: _____



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YOUR CLIENT'S PERSPECTIVE



Questions Your Clients are Asking:

- Who will manage my money?
- How will they know me and my situation to give me good advice?
- How will the investment decisions get made?
- Will my returns and performance suffer?
- Should I really have all my eggs in this basket?
- How will I go about finding another advisor?
- Will my primary contact still be there?
- Will I have to start all over with a new advisor, or a new firm?
- Who will my family go to for advise?
- Will my fees go up?

On a scale of 1-10, 1 being the lowest, rank your preparedness in each of these key areas:

My clients know our ownership continuity plan and are comfortable with it.

My clients have confidence in our firm's ability to serve them, not just my ability to serve them.

My clients know my successor owner and have a relationship with them.

My firm has a documented client experience continuation plan.

I am comfortable with my family being a client of the new firm.

Average Score: ____

Control Your Legacy.

We know the nagging questions that RIA ownership can put in your head, and we've developed a program to solve them.

Contact us today to learn how to gain confidence in your ownership continuation planning.



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708.326.4750 | hello@prairieviewwealthpartners.com