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# Deals & Succession Conference





### POLL QUESTION 1

**What is the primary methodology you or a third-party are using to determine your firm's value?**

- A. Multiple of annual revenue
- B. Multiple of EBOC (Earnings Before Owner Compensation)
- C. Multiple of earnings cash flow or EBITDA
- D. Discounted cash flow
- E. Other



# Transaction Journey—The Seller

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# S-Corp

\$600M AUM

## Structure

- 2-person leadership team (CEO and COO)
- 8 FTE
- 2 service advisors

## Considerations

- Co-founders are equal shareholders
- One wants to sell and stay, and the one wants to exit
- Seller does not want to talk to anyone that has private equity

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\$600M AUM

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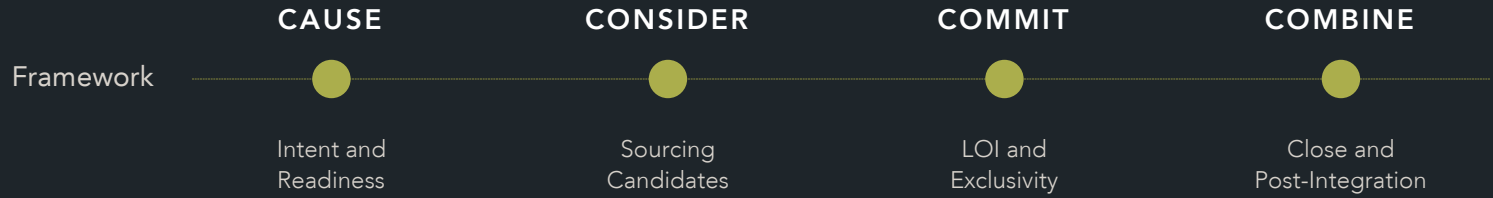
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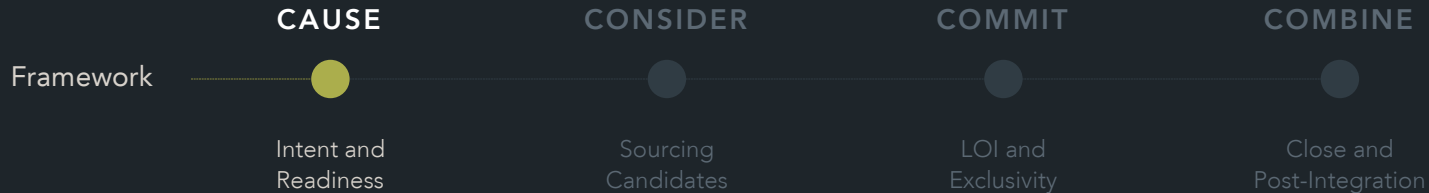
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Framework



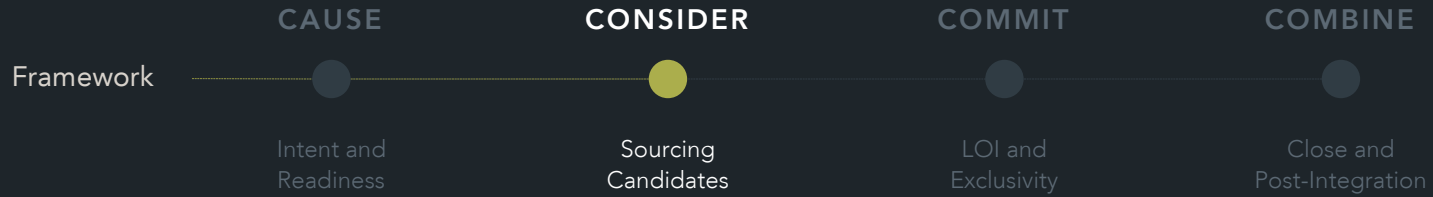


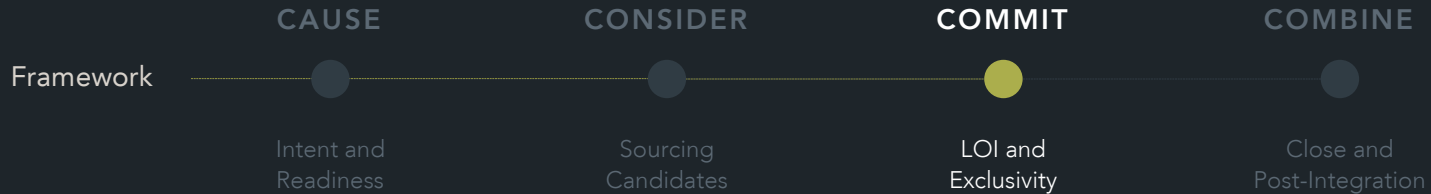
## WHY ARE THEY LOOKING TO SELL?

One partner ready to exit

Lack of ability for internal acquisition of shares

Need career journey and equity plans for service advisors





LIVE POLL QUESTION

## What do you believe is the number one dealbreaker for sellers?

- A. Desired client experience
- B. Firm culture
- C. Investment philosophy
- D. Not in the best interest of clients
- E. Payment terms
- F. Valuation



## SELL TO OPTIONS:

### Capital Partner

Provides financial resources to firm in exchange for an ownership stake

### National/Strategic Acquirer

Large scale firm specializing in acquiring and consolidating firms

### Regional Acquirer

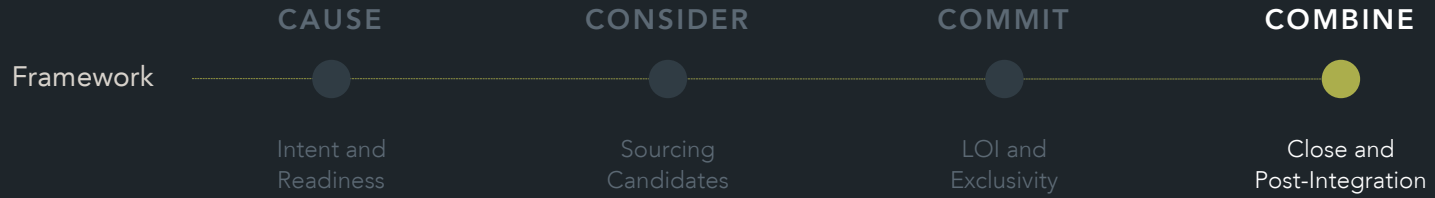
Focused on growth by acquiring smaller, local RIAs

LIVE POLL QUESTION

## Who do you think this firm sold to?

- A. Capital partner
- B. National/strategic acquirer
- C. Regional acquirer





# Key Takeaways

## Cause

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- Get explicit about your personal and economic goals.
- Align internally before you engage externally.
- Name your non-negotiables.

## Consider

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- Ask thoughtful, direct questions.
- Get feedback from previous sellers.
- Be prepared to share good, clean data.
- Assess fit beyond economics.

## Commit

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- Resolve open questions before signing, not during due diligence.
- Make peace with what you are giving up.
- Define governance and decision rights explicitly.

## Combine

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- Behavior sets the tone.
- Redefine roles quickly and visibly.
- Measure success beyond the check.

“Begin with the end in mind.”

—Stephen Covey