

Advisor Collaboration is ‘Core’ to a Successful Exit

Many business owners today are thinking about an exit from their privately-held business and are trying to figure out how to begin this seemingly-overwhelming task. Like most owners who are in need of some guidance and advice, you may be looking to your professional advisors for assistance. This newsletter is being written to give you, the business owner, some guidance in thinking through how to build an advisory team that will work effectively together to help educate you and help you reach your overall business and personal goals.

Why Collaboration is Core to an Exit Planning Engagement

Any proper exit planning process will cover all aspects of an owner's personal and business life. As such, this exit planning process covers such a broad array of topics that it is impossible for any single, professional advisor to deliver on all of these topics and provide education and solutions for each. Collaboration must occur.

The value that an exit planning process brings to owners is educating them, developing creative solutions, being objective, and delivering resources for proper execution - hence the need for collaboration. Only a foolish advisor

would lead you, their client, to believe that they can address all of these different areas by themselves, collaboration is absolutely necessary.

Collaboration is ‘core’ to an exit plan because an exit planning engagement is far more than a plan writing exercise – for the majority of business owners, the planning process is a prelude to the implementation phase of the plan. What this means is that owners like you want to take action on their exit plans, they don't just want to learn about their options and read their completed plan. Planning and execution require collaboration.

Why Some Advisors Do Not Collaborate

However, an advisor's ability to collaborate is not as easy as it may sound. In fact, many advisors rightfully have concerns that if they introduce other advisors to you, their client, and that new advisor does not do a good job and / or does not do what they said they would do, then the advisor who made the referral looks bad. And, advisors try to maintain trust by avoiding looking bad.

What Does a Collaborative Team Look Like?

True collaboration goes a bit deeper than making a simple referral; it also involves trust among your advisors. It includes the introduction of an advisor who can bring information, ideas and, perhaps, solutions that one advisor alone cannot bring and the willingness of those advisors to work together to solve your business and personal problems.

A collaborative exit planning team for a business owner can look as follows:

- A wealth management professional to review the owner's financial readiness,
- A business consultant to help the owner improve the value of their business and close that owner's value gap
- A CPA or tax professional to assess to tax implication of a transaction
- A mergers and acquisitions professional to bring real-time market data to an owner to assess their viability for a sale transaction
- An attorney to handle the legal documentation to deal structuring
- A risk management profession to review the owner's insurance policies and overall program,

These are but a few of the professionals that are a part of an exit planning team and it is the advisor who introduces and leads the exit planning engagement that

needs to be in a position to bring in these other professionals.

Why Collaboration Works

Collaboration works because it brings business owners information and resources that they need to learn about and solve for complex issues. When advisors do this effectively on your behalf, they are taking some risk, but do so for your well-being. Collaboration is so 'core' to an exit planning engagement that it is not a matter of *whether* your advisors should be collaborating, but rather of *how well* they collaborate on your behalf.

Closing Thoughts

Consider what your business looks like today and how much you need professional advisor who can collaborate to help you advance with your exit planning. Then, resolve to increase your knowledge, through these advisors and a defined exit planning process to learn about more and better ways to successfully plan for and execute on your future business exit.

Private Wealth Advisor

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