

Dos and Don'ts of M&A Checklist

Dos

1. **Do ask questions throughout the entire process.**
 - What are the buyer's goals? Do they align with what is in the best interest of me and my clients?
 - What does the timeline look like? When will major milestones occur?
 - What additional value does the buyer provide for my clients?
 - How and when do I get paid for my firm (cash vs. equity, upfront vs. overtime)?

2. **Do evaluate your options. In today's market place, there are all different types of buyers.**
 - What buyers are out there (RIA's, private equity firms, banks, financial institutions, etc.)?
 - What are the buyers' investment horizons and return requirements?
 - What are the buyers' goals and motives?

3. **Do conduct counter due diligence.**
 - Have you made the effort to meet as many members of the buyer's organization?
 - Are you devoting enough resources—time and money—to making the right choice?

4. **Do stay enthusiastic throughout the process.**
 - Are you remaining positive and optimistic?
 - Are you motivated to a deal or *this* deal?

5. **Do consider culture.**
 - Define what culture means to you.
 - Is the culture a good fit for your clients and staff?
 - Do you see similarities between management approaches of your and the buyer's businesses?

6. **Do maintain open and transparent lines of communication.**
 - Are you communicating clearly and openly? Are you being direct and honest?
 - Are you addressing any outstanding issues swiftly so they don't fester?

7. **Do engage your trusted advisors/cabinet.**
 - Have you consulted with peers, attorneys, accountants, friends and family who can be valuable resources to decision making process?

8. **Do begin considering a succession plan at all stages of your firm's lifecycle.**

Have you considered how short-term business decisions will impact the success of a transition as well as valuation in the future?

Even if you're not ready to sell your firm, are you staying up to date on industry trends?

Do you have a plan if tomorrow you had to sell your firm?

9. **Do engage appropriate outside counsel and accountants to fully comprehend the legal and financial impacts of a sale.**

Have you consulted objective, unbiased professionals to provide a clear picture of the implications of selling your firm?

10. **Do put the client first, always.**

The most important area of consideration when selling your firm is the client and the continuation of the quality of service that your firm is providing to them. Have you put clients first?

Don'ts

1. **Don't focus solely on the monetary aspect of selling your firm.**

Have you factored in considerations other than valuation?

Have you reflected on culture, service model and operational compatibility (which determine the outcome of how your clients will fair post transition)?

2. **Don't partner with a firm that lacks the experience and resources to transition clients smoothly.**

Is the buyer experienced in doing multiple transitions?

Does the buyer have the human and financial capital to execute effectively?

Will geography play a part and present a risk? Or has the firm proven capability?

3. **Don't rush through the process.**

Are you being proactive and thoughtful in planning to ensure a good outcome?

Do you continue to reassess your plan as things come up?

4. **Don't sacrifice the long term just for the sake of making things easier in the short term.**

Are you considering both the short term and the long term when making decisions?

Have you taken this great opportunity to make changes you've been putting off?

5. Don't underestimate the psychological and emotional impact of selling your firm.

As you make one of the biggest (if not the biggest) decision an advisor will make, have you spent adequate time to fully prepare yourself to make the decision to sell your firm?

6. Don't forget the benefits or negatives of a sale as it pertains to your staff.

There can be tremendous opportunity for staff as a result of a sale, do you understand the goals of each member of your staff?

Have you planned for an outcome where a staff member will leave?

7. Don't forget to ask the small questions.

Have you made sure to not forget to also focus on the small questions?

8. Don't enter the sale process until all partners are on the same page.

If you have multiple partners, will you all act as one cohesive unit?

9. Don't invent unnecessary complexities.

Are you making sure to simplify processes when possible?

Are you staying focused on the big picture?

10. Don't lose sight of the most important aspect of your firm—your clients!

The most important area of consideration when selling your firm is the client and the continuation of the quality of service that your firm is providing to them. Have you put clients first?