The art of succeeding

Good planning brought your business this far, but how much farther have you planned ahead?

You might think succession planning is something that is still years off. A distant need better left for “someday” or a simple proposition you can address quickly when you’re ready to retire.

But what happens when someday sneaks up? Or if the simple future you imagined for your business becomes more complex?

Just as you advise your clients to plan for the long term, to account for the unexpected, it’s important that you consider that same guidance for yourself and for your business. Even if retirement is the last thing on your mind at present.

Raymond James has long made it a priority to help advisors weigh their succession – and even their acquisition – options and plan early for the exit they want. With RetirementChoice, our full-service succession planning program, we offer resources for both retiring and successor advisors and expert support through every step of the process.

In this issue, we introduce you to the RetirementChoice program and its offerings and also explore the different ways you can structure your succession, whether you already have a successor in mind, need to find the right fit or if you might consider selling your business outright. You’ll also learn about Shannon Bennett and Vicki Gray, who transitioned to Raymond James because of our culture of caring. Dissatisfied with the one-size-fits-all approach to succession planning at their old firm, they found a collaborative partner in our Succession & Acquisition Consulting Group, which helped them work out a somewhat unconventional agreement.

As always, thank you for reading. I hope you find this issue illuminating and informative, and that you come away with a better idea of how Raymond James empowers advisors to create, grow and exit their businesses on their terms.
Strategy isn’t just for exits: what’s your plan?

The first step in developing a succession plan is choosing the right strategy

Whether you are building your book of business or starting to think about retirement in the future, it’s never too early to develop a plan to ensure your business and clients are set up to succeed when you decide to exit. Planning starts with an understanding of the three succession strategies and determining which one best fits your practice and time horizon, whether it’s developing a long-term succession plan with an internal successor, merging practices with another advisor or outright selling your practice. At Raymond James, you get to decide the best strategy for your business, clients and family members based on your specific situation.

1. DEVELOPING A LONG-TERM SUCCESSION PLAN WITH AN INTERNAL SUCCESSOR

If you’re five to 10 years from retirement and value the smooth continuity of your business processes, staff retention, and client support with an uninterrupted investment philosophy, then developing an internal successor could be the right approach for you. This strategy involves thoughtfully choosing or hiring a team member for the purpose of purchasing your practice when you’re ready to let it go. You’ll need to invest in training and mentoring this team member on the front end, but as you get closer to transitioning you’ll rest easy knowing your clients feel comfortable with your chosen successor. You may even feel more confident with the future of the business as you build trust with your successor through years of working closely with them. Developing a long-term team succession strategy with an internal successor ensures you have a built-in continuity plan to protect the value of your business.

**BENEFITS:** Continuity for clients and staff, peace of mind your business will be in good hands

**CHALLENGES:** Finding the right successor, longer time commitment required

2. MERGING WITH ANOTHER ADVISOR

Merging practices is an attractive strategy if you are three to 10 years from retirement and your focus remains growing your practice. You may enjoy increased value due to new staff members, partnering with advisors with different service models and client strategies, and sharing best practices. New perspectives and an increase in resources can be a catalyst to grow the merged practice significantly. If and when you plan to retire, you may be able to benefit from a higher payout if the merged branch grows before you retire. Choosing your partner wisely is critical, since you’ll likely need to work closely to negotiate a partnership agreement that withstands the test of time. Another challenge is that fully integrating your processes and staff into the new merged environment can be tricky. It’s important to think through this strategy and develop clear responsibilities and expectations of both partners before diving in.

**BENEFITS:** New perspectives, positioned for growth

**CHALLENGES:** Integration can be challenging, finding the right business partner

3. OUTRIGHT SALE

In an outright sale strategy, you choose to sell 100% of the business to another advisor – whether they are in your network or unknown. The full liquidity of an outright sale can be attractive, particularly if you know you are ready to leave the business for good to pursue other hobbies, for health reasons, or to spend time with your family. With a well-thought out deal structure and an attractive payout, this exit strategy can be relatively quick. An outright sale also works well for advisors on an accelerated timeline, usually with less than 12 months until they want to sell and retire. Selling your practice outright can potentially disrupt your clients and staff, as change happens more rapidly and less organically than the other strategies. A transition period is necessary to ensure clients will be comfortable with the new advisor.

**BENEFITS:** Full liquidity at sale, compressed timeline

**CHALLENGES:** Potential disruption for clients and staff

Questions? We can help. Call us at 727.567.7069 or email RetirementChoice@raymondjames.com
The succession plan that succeeded

When an advisor team planned for a major change, they turned to Raymond James, where flexibility made their unconventional wishes a reality.

With more than 200 employees under her charge in the 1990s, Vicki Gray retired at age 50 as president of a real estate and property management company, and handed over the business to someone she had trained over time.

“That went so well, I thought, Hey, I’d like to do it again,” she said. Vicki always wanted to help people, so she chose to go back into the workforce and help clients understand their finances, help them plan, help them feel more confident. As her business began to grow, she needed someone to assist with day-to-day office work. A casual conversation led Vicki to Shannon Bennett, CFP®.

“She was a bright young woman,” Vicki said, “She was incredibly competent, and she truly enjoyed the business.”

Before long, Shannon received her license and earned her CERTIFIED FINANCIAL PLANNER™ certification just as Vicki did in 1997.

“Once I found Shannon, I immediately wanted my clients to feel comfortable with her,” Vicki said, knowing that she had found the right fit for the practice.

As the practice evolved and the pair continued to balance one another out – Vicki focusing on planning; Shannon on investments and bringing in new business – the two kept in the back of their minds that Vicki had promised Paul, her husband of 52 years, that she would retire – again – this time at age 70, two decades after joining the profession. But first, an official succession plan would need to be put in writing.

At the time, the team was working with a firm where the approach to succession didn’t align with what Shannon and Vicki wanted, so they started looking elsewhere.

“When I visited the home office in Florida, I saw that Raymond James was a quality company made up of good, honest people,” Vicki said. “The caring I saw for the end product was important, and as far as ethics, they were right up there. You wouldn’t ever get that from a big Wall Street company.”

They worked with the Raymond James Succession & Acquisition Consulting Group to develop a payout, but what they wanted was a bit out of the box.

Succession & Acquisition Consulting Group had never before seen what Shannon and Vicki wanted to do. But the pair found the right people to help them make it work.

“Succession planning is evolutionary here,” Shannon said. “At our prior firm, there’s one box and one box only and you check that box and that’s how your succession plan is designed.”

But Shannon and Vicki wanted a two-year payout with Shannon buying the book of business. The arrangement was new to the Succession Planning team, but Raymond James was okay with that.

“The firm was behind us 100%,” Shannon said.

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What started out as a succession plan has grown into a living legacy, all because of a forward-thinking advisor who found the perfect steward who would appreciate and support her clients in the same way she did throughout her career. This story illustrates the ultimate aspiration any advisor should have as he or she looks toward the sunset of his or her career.
Wherever you are in your career and whatever your vision for the future, you’ll find everything you need to plan for your next step right here at Raymond James with the RetirementChoice program offered by the Succession & Acquisition Consulting Group.

FOR THE RETIRING ADVISOR
As an employee advisor at Raymond James, you enjoy the distinct advantage of owning your book of business, which leads to yet another distinct advantage – the ability to pass it along as you see fit within the firm when you’re ready to retire.

Creating the plan that will help you do that – both retire and pass along your business on your terms – is vital, and not simply for you. You have your family, your staff and your clients to consider. With you and them in mind, we developed flexible payment options that allow you and your chosen successor to structure your preferred deal structure, timeline and transition strategy with a dedicated succession consultant. This is designed to help you effectively monetize the equity in the business you’ve built and develop a thoughtful succession plan to ensure your business will continue under the care of an advisor you’ve handpicked.

FOR THE SUCCESSOR ADVISOR
If you and your business are still in growth mode, the opportunity to succeed a retiring advisor could be an ideal way to gain momentum – and build on the legacy of a peer whose professional style and personal values you share.

To help you pursue growth in the way that makes sense for you and your business, Raymond James offers assistance in teaming with retiring advisors, building a smooth transition plan and financing the acquisition of a practice.

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