The Succession & Exit Planning Starter Kit for Advisors

A practical toolkit for financial advisors to unlock opportunity by providing succession & exit planning services

www.risr.com

The Opportunity

Most business owners plan to transition out of their business within the next decade.

Yet, **75% of business owners lack a formal succession plan.**

Financial advisors that guide owners through succession and exit conversations are deepening relationships, growing AUM, and adding genuine value to business owner clients.

If you're still building confidence in leading these conversations, know that you don't need to become a succession planning expert overnight to add value to your clients.

You can play a central role in succession and exit planning by applying the same principles you use in core financial planning.

This kit provides everything you need to start having meaningful conversations with business owner clients about their exit plans, **without needing to become a technical exit specialist**.

SECTION 1

Succession & Exit Planning Overview

Succession planning is the process of preparing for the transfer of business ownership and leadership. Planning guidance should address both the business transition and the owner's personal financial goals for life after they exit.

The fundamental responsibilities of a financial advisor apply directly to succession planning. You already help educate your clients, clarify their priorities, create a plan that aligns with their goals, provide them resources, and help them stay on track. The same applies to succession planning.

Common goals among business owners

Understand what drives your client's exit planning decisions to structure conversations around their priorities.

Most business owners share some combination of these core objectives:

- Realizing full financial value potential
- Reaching wealth goals
- Personal satisfaction
- Ensure business continuity for employees and customers
- Minimize the tax impact of their transition
- Preserve family legacy and relationships

Three types of business transitions

Depending on your client's goals and business structure, they may pursue:

Transition to Family	Transfer ownership to children or other family members • Lower purchase price but keeps the business in the family • Requires years of preparation and successor training
Transition to Team	Sell to existing employees or management group • Moderate purchase price with strong legacy preservation • Employees already understand culture and operations
Sell to 3rd party	Sale to outside buyers, competitors, or private equity firm • Highest potential purchase price and fastest liquidity • Complete exit possible with minimal ongoing involvement

SECTION 2

The Step-by-Step Advisor Guide to Succession & Exit Planning

The succession planning process closely mirrors the first principles of personal financial planning: educating clients on the importance of having a plan, identifying priorities and timeline, exploring options, creating action items, and maintaining accountability.

Step 1: Start the conversation

Identify the Right Clients to Approach

Look for business owners who show signs they're ready to start thinking about their exit strategy. The best candidates are often:

- Business owners age 50 and older
- Owners with businesses valued at $1M or more
- Clients expressing concerns about retirement funding
- Owners dealing with health issues or family changes

When and How to Begin

Natural opportunities for succession planning conversations arise more frequently than you might expect. Watch for these openings:

- During annual planning reviews
- After major business milestones or challenges
- When discussing retirement or estate planning
- Following changes in family circumstances

Teach Them the Importance of a Plan

Show clients the importance of having a written plan that surfaces and documents what's most important to the them, which outcomes matter most, and how they will be achieved.

The plan also acts as an alignment mechanism that helps owners and their team of professionals stay in sync throughout the exit process.

Step 2: Define the owner's goals

Identify Personal, Financial, and Legacy Priorities

Help clients articulate what matters most to them beyond just financial outcomes by exploring their exit priorities.

Use trade-off exercises to drive clarity. For example, instead of asking "How important is getting the highest proceeds?" ask questions like "Is it more important that you get the highest proceeds or that you have control over the timing and terms?"

Ask owners to stack rank these potential exit priorities to drive clarity:

- **Proceeds potential:** The maximum liquidity after taxes and fees
- **Legacy:** The preservation of impact, reputation, and values they built
- **Continuity:** The preservation of the business's mission and practices
- **Control:** The level of control over timing and terms of the exit
- **Ability to step away:** The likelihood they can step away completely if desired

Ask: What does success look like for you?

Ask open-ended questions to understand their vision:

- What would an ideal exit look like for you?
- What are your biggest concerns about leaving the business?
- How important is it that the business continues after you leave?
- How involved do you want to be in the business after the transition?

Step 3: Compare exit options

Compare Exit Options to Priorities

Every business owner has multiple exit paths to consider. Help them evaluate the pros and cons of each by comparing options to their priorities.

Exit Path	Proceeds	Legacy	Continuity	Control	Step Away
Family Transition	Low	High	High	High	Low
Team Transition	Moderate	High	High	High	Moderate
Third-Party Sale	High	Low	Moderate	Moderate	High

Step 4: Identify next best personal and business action items

Once you and your client identify a high-level exit plan, focus on both personal and business readiness. This is a great opportunity to act as a "quarterback" and coordinate with other professionals as needed.

Personal Readiness

- Identify net proceeds needed to fund goals
- Build team of professionals
- Develop tax optimization strategies
- Review succession plan with family
- Identify how client will spend time after transition

Business Readiness

- Identify deal structure with team of professionals
- Identify and prepare successors
- Strengthen key employee retention
- Organize financial records
- Prepare for due diligence

SECTION 3

Email Templates + Conversation Starters

Bringing up succession planning doesn't need to be complicated, especially since you're applying the same principles you use in personal financial planning. Use these templates as a starting point:

Introductory email for existing clients

Subject: Planning for Your Business Exit

Hi [Client Name],

I've been thinking about our recent conversation regarding your retirement plans. With long-term plans top of mind, now might be the perfect time to start exploring what a transition might look like when you're ready to exit [Business name].

Waiting too long to start planning for an exit can limit your options and reduce the ultimate value you receive.

I'd love to schedule a brief conversation about what you value most in a future exit and what an ideal path might look like.

Would you have 30 minutes next week to chat about this?

Best regards,

[Your Name]

Re-engagement email for former clients

Subject: Helping You Plan Your Next Chapter

Hi [Client Name],

I hope you and the family are doing well! I've been thinking about our past work together and wanted to reach out.

I've been noticing that business owners typically know they should be planning for their eventual exit but aren't sure where to start.

I'm now offering succession & exit planning services to help owners like you make a plan!

Are you open to grabbing a coffee next week to explore together?

Looking forward to reconnecting.

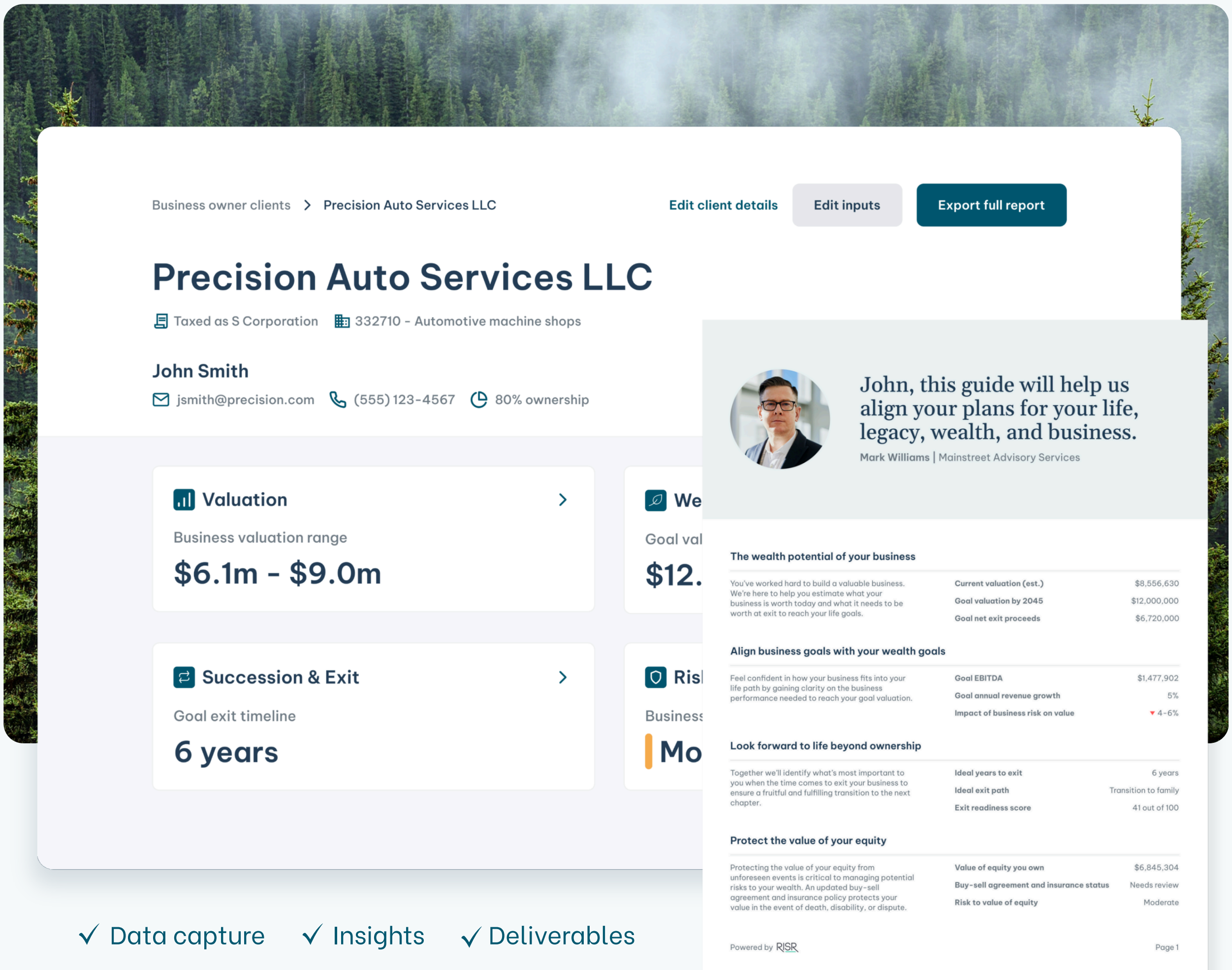
Best regards,

[Your Name]

Conversation Starters for First Meetings

These open-ended questions help you gauge client interest in and readiness for succession planning discussions:

- “What do you value most in a future exit?”
- "What role do you see the business playing in funding your lifestyle in retirement?"
- "If something unexpected happened to you tomorrow, what would happen to the business?"
- “Do you know what your business needs to be worth to fund your goals after exit?”
- “How would you like to spend your time after you step away from the business?”
- "What would an ideal exit look like for you?"
- "Have you given thought to what happens to the business when you're ready to step away?"



Ready to grow your advisory practice with business owners?

Schedule a demo

Or visit www.risr.com

RISR helps you

- ✓ Deepen client relationships through comprehensive planning
- ✓ Increase AUM as business sale proceeds are invested
- ✓ Enhance your value as the quarterback of the planning process
- ✓ Differentiate your firm in a crowded market
- ✓ Earn referral opportunities from satisfied clients and professional partners