**Buying and Selling an Investment Advisory Business**

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Three primary components:

* **Off-ramp**: *The outgoing advisor*
  + Personality of incoming advisor
  + Client personality
  + Investment style and mix
  + Willingness to let go
  + Passing of baton
  + Expect clients/friendships to change/evaporate
  + Long-term payoff
  + CPA
  + Compliance
  + Valuation
  + Down-payment
  + Installments over time
  + Exit duration
  + Options if default by purchasing advisor
  + **🡺 “I miss the phone ringing and emails”**
* **On-ramp:** *The incoming Advisor*
  + Size of book
  + Cost of book
  + Number of clients
  + % of clients who leave (expect about 20%...just because)
  + Clients are also evaluating YOU
  + Ability to handle
  + Working alone or with outside support (BD support staff)
  + Style of outgoing advisor: Is there a match?
  + Investment mix: Is it your style?
  + Cost of book: Initial ‘down-payment’ as skin-in-the-game.
  + Expected work hours; reality vs. fantasy. Hint: it’s not 7-1, then golf…
  + Advisor survival stats: 90% fail after three years
  + **🡺 “After 40 years I’m just now starting to understand this”**
* **Self-evaluation**: *Know thyself* ; The most important step
  + **🡺 “First date jalapeno”**
  + 🡺 **“Piloting a plane”**
  + Personal ethic
  + Investment style
  + Stomach for market swings
  + Understanding economics
  + Understanding companies
  + Tolerance of personalities. 100 clients, 100 personalities
  + Know the *entire*  family…especially the ‘non-money’ person.
  + Timeline
  + Revenue needs. It will take time to earn
  + 🡺 **“It’ll cost you $150k to get into this business”**
  + **🡺 “The training of my clients”**
  + You are the Steward of *their*  money and trust. Think about it. 12 hour days, 7 days a week