**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