

5 Things Every

# Potential Acquirer Should Consider



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Speak with us directly:  
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Acquiring or merging with another practice isn't a part-time job. Despite the inherent excitement, it's an undertaking that every advisor needs to approach cautiously and with eyes wide open. When the rubber hits the road, few advisory firms truly have both the appetite and the capacity to take on a project of this magnitude. If yours is a firm that does, however, make sure that you and your team are well-prepared to meet the challenge:

- 1 Carve out time and have a plan** – Not only do you have to go into this with the knowledge that it will require a full-focus effort, you also need to figure out in advance what kind of targets you're seeking to acquire and what sort of businesses will be a good fit. Invariably you're going to find an advisor and team you love; but just because you like the people, it doesn't necessarily mean the firms will be compatible.
- 2 Make sure your team is mentally on board** – Are people excited about acquiring another business? Do they understand what expansive growth looks like and what it means, and do they feel secure rather than threatened by the idea of the firms merging? A positive team attitude towards growth will be vital to your success as an acquirer.
- 3 Ensure that the team has capacity** – If you drop another 150 relationships and \$200MM in assets onto their plate, will your team be capable of handling that influx? How do you gauge excess capacity? You can use industry benchmarks to determine revenue per professional and revenue per client, but your segmentation model and service offering per segment will also need to factor into the equation. Additionally, you'll want to account for the additional capacity afforded by any team members who may be coming over with the acquisition.
- 4 Set realistic goals** – Don't try to bite off more than you can chew. Identify what you want to acquire as far as potential assets and clients, and don't allow yourself to over-shoot just because a larger opportunity suddenly falls into your lap.
- 5 Network** – Start now, in advance of any actual need, to network with professionals who can assist you when the time comes. You'll want to start building trusted relationships with bankers, business valuation specialists, business brokers, local community groups, etc.

