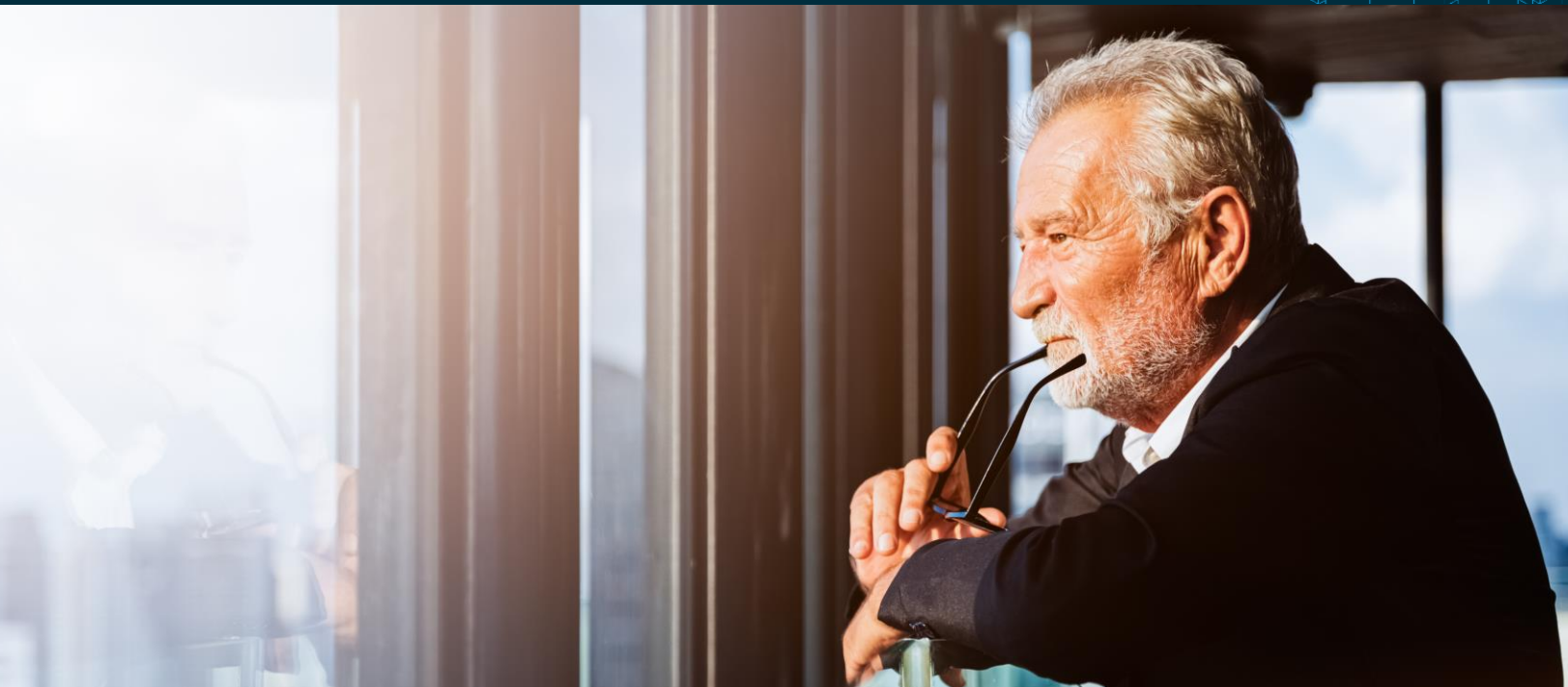


Transition readiness assessment

Advisor succession planning



Whether retirement is years away or you're just starting to explore the idea of stepping back, having a clear plan for succession is critical to protecting the value of your business, ensuring continuity for clients, and creating peace of mind for your family and staff.

This assessment is designed to help you evaluate where you stand today and where you may need to focus as you prepare for a successful transition. It covers 5 key areas:

1. Vision
2. Strategic Planning
3. Emotional Preparedness
4. Financial Readiness
5. Overall Transition Readiness

By reflecting on these dimensions honestly, you'll gain clarity and control over your exit strategy – whenever the time comes. Use this tool for personal reflection or as a conversation starter with your team, business coach or successor.

Vision for life after the business

Before you plan how to step away, it's important to imagine what stepping into the next phase of life looks like – for both you and your business.

A clear vision provides purpose and direction for your transition. Without one, it's easy to delay key decisions or make plans that don't align with what you truly want.

Consider the following, for you, personally:

- What will give your life meaning after you've exited the business?
- How do you envision spending your time – traveling, volunteering, mentoring, pursuing hobbies?
- Are there goals or relationships you've postponed that now deserve your attention?
- What kind of daily structure or purpose will support your well-being?

Take a moment to reflect.

Consider the following, for your business:

- What does your ideal business transition look like? Example: partial exit, internal transfer, external sale.
- What kind of legacy do you want to leave behind?
- How should clients be treated and supported during this transition?
- What values or practices do you hope will continue?
- Who is best suited to carry your business forward?

Take a moment to reflect.

Strategic planning readiness

Reflect on the status of your current succession or transition plan.

1. My succession plan is:

- ☐ Clearly documented, reviewed annually, and communicated to key stakeholders
- ☐ Written, but outdated or incomplete
- ☐ In my head – it exists, but it's not written down
- ☐ On my list of things to think about
- ☐ Non-existent – I don't have or want a plan right now

2. A written plan could help me:

(Select all that apply)

- ☐ Maximize the value of my business
- ☐ Ensure a smooth transition for clients and staff
- ☐ Fund my personal retirement goals
- ☐ Provide peace of mind to my family and me
- ☐ Define my legacy and impact
- ☐ I'm not sure how a plan would help

3. I haven't created and documented a transition plan yet because:

(Select all that apply)

- ☐ I don't know where to start
- ☐ I'm too busy running the business
- ☐ I'm emotionally not ready
- ☐ I'm unsure how to value or sell the business
- ☐ I'm concerned how staff/clients will react
- ☐ I'm not planning to exit anytime soon
- ☐ Not applicable – I have documented my transition plan

4. I would consider selling or transitioning my business if:

(Select all that apply)

- ☐ The right buyer or successor came along
- ☐ I received a strong valuation
- ☐ I wanted more time for hobbies, family, or travel
- ☐ Health or personal issues made it necessary
- ☐ I found someone I could mentor into the role
- ☐ Other: _____

Emotional preparedness

Emotions play a huge role in how ready you are to let go of the business. Assess your emotional mindset by taking stock of your most persistent emotional state.

Check each statement that applies to you.

Low Emotional Readiness

- ☐ I can't imagine life without my business
- ☐ I fear losing my identity or purpose
- ☐ My clients and team rely too much on me
- ☐ I'm not sure what I'd do with my time

Medium Emotional Readiness

- ☐ I enjoy my work, but I think about life beyond it
- ☐ I have interests outside of work I'd like to explore
- ☐ I've been delegating more and stepping back
- ☐ I'm proud of what I've built and I'm thinking about next steps

High Emotional Readiness

- ☐ I'm excited for what's next and I'm ready for a change
- ☐ I know I've made my impact
- ☐ I want to mentor someone to take over
- ☐ I'm emotionally at peace with the idea of leaving

Rate your current emotional readiness:

- ☐ Low ☐ Medium ☐ High

Reflect on your emotional preparedness.

Financial readiness

Your business may be your most valuable financial asset. However, it's also common to find advisors who generate significant income from their business but don't have the financial readiness to transition out of the business. Reflect on your current financial situation and assess how financially ready you are to step away.

Check each statement that applies to you.

Low Financial Readiness

- ☐ I have few or no personal assets outside the business
- ☐ My lifestyle depends on business revenue
- ☐ I use the business to fund personal expenses
- ☐ I'm relying heavily on the sale of the business for retirement

Medium Financial Readiness

- ☐ I have some retirement savings and other income sources
- ☐ The business generates more than I currently need
- ☐ I could partially retire or reduce hours without major sacrifice

High Financial Readiness

- ☐ I've saved enough to retire comfortably
- ☐ I don't need to sell the business to maintain my lifestyle
- ☐ I value a strong succession outcome more than the money

Rate your current financial readiness:

- ☐ Low ☐ Medium ☐ High

Reflect on your financial preparedness.

Overall transition readiness

After measuring your emotional and financial preparedness, you can see there are four predominant combinations of readiness. Let's explore the next steps you may take.

If you scored as "medium," it's important to recognize your present situation and pinpoint the actions required to advance to a higher level of readiness.

Profile	Is this you?	Action Steps
Low Emotional + Low Financial	☐ Yes ☐ No	You are not emotionally or financially prepared to leave the business. Focus on long-term financial planning and start exploring your emotional barriers.
High Emotional + Low Financial	☐ Yes ☐ No	You may want to exit but may regret retiring if you're not able to afford the lifestyle you want. Work with your firm to ensure you're not exiting prematurely.
Low Emotional + High Financial	☐ Yes ☐ No	You may be able to afford the lifestyle you desire but may regret retiring if not emotionally prepared. Spend time envisioning life post-transition.
High Emotional + High Financial	☐ Yes ☐ No	You're prepared to exit the business – whenever you decide. Start developing or executing your plan.

Remember, a well-planned exit is just as important as a well-built business.

Your responses to the questions in this assessment provide a snapshot of where you stand today. Be sure to schedule time to revisit this assessment annually. Transition planning isn't a one-time event—it's a journey that evolves with your business, your life stage, and your goals.

