



Partner Admission Support

Introduction

Firms that are ready to admit new owners either through internal promotion or lateral hires often are not sure exactly how to manage the process. They may not have admitted a new owner for quite a while. Or the last time they did the circumstances were different or the process used didn't seem to be the right way to go about it. Some firms don't have an owner agreement and need one especially if they are going to admit a new owner that may not be equal to the other owners. Some firms have an owner agreement but don't feel the terms will work for bringing in or managing a new owner especially if that new owner is being promoted from within.

Transition Advisors can assist firms with these issues by identifying where existing agreements and processes are lacking to properly manage this important aspect of organizational development. We will provide your firm with a plethora of alternative approaches to these issues based on the hundreds of firms we have assisted over the past 21 years.

Objectives

The objectives of this type of project will depend on what our client needs are, based on what they have in place already. We will ensure the firm is ready to address the following:

- Making a final determination if a candidate is ready to admit to the ownership group
- A transition plan for the new duties the new owner will be assuming
- A determination of a financial plan regarding firm value and buy-in terms that is fair to all parties, will provide the right kind of incentives, and is aligned with the firm's long term strategies
- A determination of what changes are necessary in the firm's owner agreement to manage the admission of a new owner and the relationship all owners have with the firm and each other
- Assistance with owner compensation especially as it relates to a new owner

Process

Transition Advisors will obtain demographic and performance data on all of the owners of the firm and all candidates being considered for admission to the owner group. We will also obtain complete financial and operating metrics for the firm to gain a full understanding of the firm's operating environment. We will interview owners, key management, and owner candidates as necessary to gauge their thoughts on the issues and to develop a preliminary understanding of some ways to address the matter. We will then provide a written memorandum of our analysis and recommendations. If the firm so desires we can provide drafts of new agreements or edits of existing agreements.

Deliverables

- The interview process which will provide a preliminary understanding of some alternative means to build solutions
- A memorandum of our recommendations
- Advice and meetings to assist the firm in deciding how to proceed with the terms of the transaction
- New or edited agreements to govern the admission of new owners and existing owner interests