



Partner Retirement and Exit Support

Introduction

Firms that are faced with the prospect of buying-out an owner often are not sure exactly how to manage the process. Or they are concerned that the plan they have in place will not be affordable. Sometimes firms are not certain how their plan compares to norms in the profession. They may not have ever bought an owner out before. 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.

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 transition. 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:

- Determining as certain as possible the timetable for owner transition the firm is facing
- A determination of firm value and buy-out terms that is fair to all parties, will protect the firm and the remaining owners from financial hardship and the exiting owner's interest in the firm consistent with the firm's long term strategies
- A determination of what changes are necessary in the firm's owner agreement to properly manage the buyout of an owner currently and long term
- Assistance with any changes that might need to be made to owner compensation due to this transition
- A transition plan for re-allocating the duties of the exiting owner
- If new owners will be admitted as replacements for exiting owners, ensuring the agreements and plan will work for their situation as well

Process

Transition Advisors will obtain demographic and performance data on all of the owners of the firm. 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 and key management to gauge their thoughts on the issues and to develop a preliminary understanding of alternative 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