LEGENDARY EXITS

PLAYBOOK

# GETTING LEGENDARY RESULTS FROM YOUR CEPA DESIGNATION

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# CHALLENGES FACING CEPA WEALTH ADVISORS

Congratulations on achieving your CEPA designation! Whether you're newly certified or have years of experience, this playbook will help you maximize the value of your designation and take concrete steps toward implementation.

## Why We Wrote this Playbook

Since 2020, when our consulting practice began focusing on Exit Advisory as Business Value Growth Advisors, we've observed three consistent patterns in the CEPA community:

1. Financial Advisors comprise the majority of CEPAs. As of December 2024, approximately 75% of all CEPAs work as Financial or Wealth Advisors.

2. While the CEPA model relies heavily on Business Value Growth Advisors, there's a significant shortage of these professionals. Currently, only about 230 CEPAs self-identify as Value Advisors—a stark contrast to the 5,000 Wealth Advisor CEPAs seeking partnerships. Even with varying delivery models and capacity levels, most CEPAs can only effectively serve 6-20 clients simultaneously. This disparity highlights a clear need for more value growth advisors in our community.

3. Many Financial/Wealth Advisor CEPAs struggle to launch their exit advisory services due to three primary challenges:

   **Incomplete Exit Advisory Solutions:** Most advisors hesitate to initiate client conversations without a comprehensive solution at hand. While the EPI model offers excellent concepts and tools, it lacks specific guidance on the wealth advisor's role, framework implementation, and team responsibility allocation. This contrasts with systems like EOS (based on Gino Wickman's *Traction*), which provides standardized implementation methods through certified trainers.

   **Limited Implementation Pathways:** The scarcity of value growth advisors in the community leaves many CEPAs without clear direction for moving forward with their services.

   **Uncertainty About Best Practices:** Advisors need practical guidance on translating the CEPA framework into actionable steps, including marketing strategies, service offerings, and client engagement approaches.

   If these challenges have hindered your firm's implementation of exit advisory services, this playbook will provide the clarity and direction needed to overcome these barriers and grow your practice through comprehensive business owner services.

# THE VALUE OF BUSINESS EXIT ADVISORY TO YOUR FIRM

**Exit Advisory services can fulfill 10-30% of your practice's growth goals over the next 5-10 years.**

This growth materializes across different time horizons.

### Short-Term Benefits (3-9 months)

- Financial Planning: Exit Advisory creates immediate opportunities for comprehensive financial planning, allowing you to define the wealth gap so your value growth advisor can define target valuation.
- Referrals: It deepens connections with your clients' advisory teams—CPAs, estate planning attorneys, and corporate/M&A attorneys—creating new referral relationships.
- Retention: In an environment where exit planning discussions are increasingly common, it allows you to retain your clients by addressing what's important to them.

### Mid-Term Impact (9-15 months)

- Client referrals: This is the time horizon when clients begin referring their peers and colleagues to you based on the differentiated client experience.
- Deeper insights: Through joint advisory your value growth advisor can uncover additional details on your client, deeper motivations to reach their goals, and new opportunities for you and your team.

### Long-Term Value (3-10 years)

- Triple the number of liquidity events that your clients experience by focusing on getting every client from 30% likely to exit to over 90% likely.
- 2-4x valuations over five years for your clients resulting in larger exits and AUM increases.

*For a precise analysis of how Exit Advisory could impact your firm's growth, our team offers a detailed growth and valuation modeling service to our partners.*

## What is a Legendary Exit?

The stark reality is that 70% of companies never successfully sell, and of the 30% that do transact, fewer than 3% maximize their sale price and terms. Even more telling: the vast majority of owners who do sell their companies experience deep regret afterward.

Intrigued by these sobering statistics, our firm embarked on a mission to uncover the secrets of business owners who not only sold successfully but found genuine fulfillment in their next chapter. Our research revealed three consistent patterns among these exceptional exits:

1. Successful owners prioritized living a life of significance both before and after their exit. They gained clarity about their personal values, life purpose, and unique strengths—then ensured their decisions aligned with these principles both while running their company and planning for the future. Many tested their post-exit vision before selling, taking extended time away from their business to "test-drive" their planned lifestyle. This practical approach helped them validate their next chapter before fully committing to it.

2. Second, owners who achieved legendary exits partnered with wealth advisors for comprehensive financial planning. This collaboration gave them precise targets for their company's necessary sale value, strategies to minimize tax burden, and the confidence to know exactly what they needed to transition successfully to their next phase of life.

3. Third, these owners transformed their companies into high-performing, best-in-class organizations (ranking in the 75th percentile for profitability). This focus on excellence yielded multiple benefits: exceptional profits, premium exit valuations with favorable terms, greater leadership satisfaction, more personal time outside the office, and deeper positive impact on both employees and customers. Their commitment to building best-in-class operations created a virtuous cycle of positive outcomes.

Drawing from these insights, our firm has structured our entire approach to ensure that every client has the opportunity to achieve their own Legendary Exit — one that delivers not just financial success, but also personal fulfillment and lasting impact.

# LEGENDARY EXITS | OVERVIEW

## Average Client Results in 2024

| | | |
|---|---|---|
| **40% profit increase in first 12 months** | **Strategies for 2-4x valuation increases over 5 years** | **Typical value progression: $3-12MM, $5-20MM, or $10-30MM+** |

## Who we work with

- Privately-Held Companies (No VC or PE)
- 1-10MM in EBITDA with a large concentration in the 500k-3MM in EBITDA range.
- 20-250 employees on average.
- 3+ Years from an exit
- Purpose-driven entrepreneurs seeking to positively impact people (employees, clients, customers, etc.) and communities

## Methodology

**Six-month initial phase addressing:**

1. Current business position
2. Personal goals and aspirations
3. Gap analysis and strategic planning

**Follow-up phases include:**

- Comprehensive business transformation
- Team development
- Leadership evolution
- Identity and mindset work

1

**60-minute Exit Clarity Call**

2

**Exit Clarity Workshop**

3

**Six-week Exit Clarity Engagement** ($5,000)

4

**Ongoing engagement implementation options:**

- Coaching: $3,000 monthly
- Strategic Advisory and Consulting: $7,500-$15,000 monthly

## Investment Levels

- Monthly: $3,000-$15,000
- Annual: $36,000-$180,000

## ROI Analysis

- Five-year investment range: $180,000-$900,000
- Expected returns: $3-30MM in increased enterprise value
- ROI range: 11-33x

## Who does Legendary Exits Partner with?

Our firm partners with Financial/Wealth Advisors who share the following:

**Beliefs**

- You believe that a life of significance is about far more than money. You want to live a life of purpose, and see your clients' live a life of intention also. You bring the conversation of purpose into financial planning with your clients.
- You believe that business owners can be agents of change in our society. You see the outsized impact they have on customers, employees, and the causes they care about.
- You want to positively impact all those you come into contact with whether they be family, friends, employees, or your community.

**Business Practices**

- Serving business owners is a priority in your practice growth strategy.
- You understand that the liquidity event is a long-term game, generally 3-10 years in the future, but short-term there are other growth opportunities through business owners.
- You are committed to the value and importance of exit advisory for both your client and your own practice
- You believe in a team approach to serving clients, know you need outside help to serve your clients, and live in an abundance mindset rather than the fear of bringing others into the relationship.
- You are a person of action, proactively bringing up exit planning to your clients and referral partners, sharing resources to educate, and introducing them when the timing is right.
- You currently serve business owners, or are taking deliberate actions to increase the number of business owners clients to your practice

### Our Firm Supports Practice Growth with 3 Levels of Partnership:

#### EMERGING PARTNER

- 0-9 business owner clients ($500k+ profit)
- Access to content and tools
- One-on-one client support

#### CORE PARTNER

- 10-100 business owner clients ($500k+ profit)
- All Emerging Partner benefits
- 90-day complimentary coaching
- Quarterly collaboration sessions

#### STRATEGIC PARTNER

- 100+ business owner clients ($500k+ profit)
- All Core Partner benefits
- Private educational events
- Process integration support

## Key Personal Decisions

### Making the Strategic Decision

Before proceeding, honestly assess whether your CEPA designation represents merely continuing education or a strategic priority for practice growth. While many successful advisors serve diverse client bases, you must determine whether exit advisory will be central to your practice's future.

### Personal and Business Competencies Needed

Exit Advisory requires expertise in both personal and business matters. While most advisors excel at personal financial planning and life guidance—two legs of the traditional three-legged stool—the business component often presents challenges. This third leg involves complex tasks: company valuation, profitability benchmarking, buyer readiness assessment, and implementing business strategies to enhance value over multiple years.

### Evaluating Your Need for External Support

Two key factors determine whether you need outside assistance:

1. Expertise: Consider your background. Have you served as a COO, CFO, President, or M&A Advisor? Are you well-versed in business growth strategies, capable of guiding clients through improvements in their Go-To-Market Strategy, Operations, and Financial Management? If not, partnering with someone who possesses this expertise becomes crucial.
2. Focus: Examine your current service offerings and regulatory environment. Do you have established services addressing business valuation and growth? Will your broker-dealer or RIA permit involvement in company valuations? Most importantly, do you want this to become a core revenue-generating service? If these answers trend negative, collaboration with a dedicated value growth advisor becomes essential.

# Building Your Exit Advisory Team

### The Core Advisory Team Structure

The CEPA program emphasizes the importance of team-based advisory—a principle we've found essential for success. While additional specialists may be valuable, every successful exit requires five core roles: a Wealth Advisor, business value growth advisor, Estate Planning Attorney, CPA/Tax Strategist, and Corporate/M&A Attorney.

This core team structure directly addresses the three fundamental needs of business owners:

- Building a best-in-class business attractive to buyers and ready to sell
- Minimizing tax burden both during operations and at transaction
- Fully funding personal financial goals for life after exit

### The Inner Circle: Wealth Advisor and Value Growth Advisor

The critical first steps of any exit advisory engagements are:

- Evaluating the business's current sellability
- Determining its present valuation and growth potential
- Understanding the owner's preferred transition strategy
- Developing a comprehensive personal financial plan
- Creating a business strategy that builds enterprise value sufficient to fund the owner's personal financial goals, aka funding the wealth gap

These essential questions require the combined expertise of two key professionals: the business value growth advisor and you, the personal wealth advisor. Together, you can guide clients through both the business and personal aspects of their transition journey.

### Selecting a Business Value Growth Advisor

When selecting a value growth advisor, three key elements require careful consideration:

- Ideal client profile
- Methodology
- Pricing structure

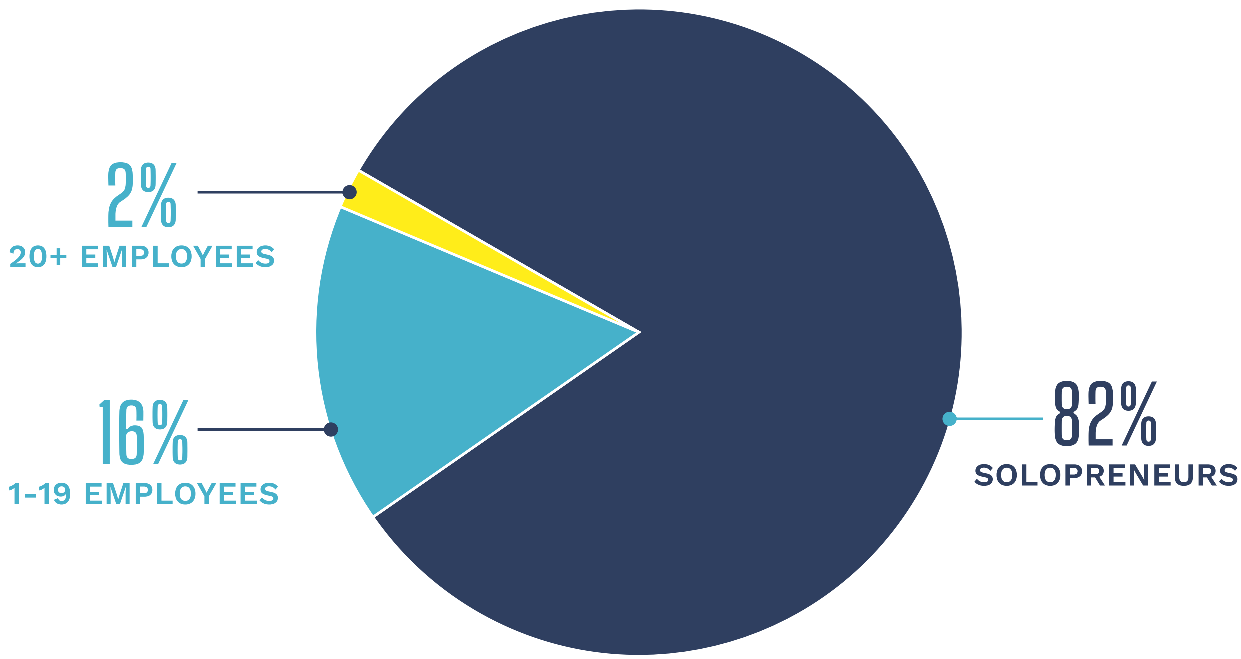
These factors must align with both your practice and your clients' needs. Let's explore each of them.

### Ideal Client Profile

What kind of companies/business owners does your value growth advisor focus on?

A key element to consider is how the size of the company drives varying expectations and needs. Based on a 2024 SBA Study there are 34.7MM small businesses in the country (0-499 employees). In our work at Legendary Exits, we see the combined small business/lower middle market in 5 distinct segments based on:

| $0-500k in Profit/EBITDA | $500-1.5MM in Profit/EBITDA | $1.5-3MM in Profit/EBITDA | $3-10MM in Profit/EBITDA | $10MM+ in Profit/EBITDA |
|---|---|---|---|---|
| EMPLOYEES<br>Typically 0-19 | EMPLOYEES<br>Typically 20-70 | EMPLOYEES<br>Usually 50-125 | EMPLOYEES<br>Generally 75-250 | EMPLOYEES<br>250+ |
| EXIT VALUES<br>up to $1.5MM | EXIT VALUES<br>$1.5MM-6MM | EXIT VALUES<br>$6MM-20MM | EXIT VALUES<br>$20MM-150MM | EXIT VALUES<br>$150MM+ |




**Less than 2% of all business owners will achieve an exit greater than 1.5MM**

### Methodology Considerations

Companies across these segments require different approaches based on their sophistication and complexity. Just as wealth management strategies vary between $2MM and $50MM in assets, business advisory services must scale appropriately. When evaluating a Value Growth Advisor, examine their experience with different market segments and their ability to tailor approaches accordingly.

### Pricing Structure

Understanding your Value Growth Advisor's pricing model enables better client conversations and expectations management. While detailed pricing discussions come after your client meets the advisor, having a general range (monthly or annual) helps frame initial client conversations about engagement costs and potential returns.

### Key Insight

No value growth advisor is able to serve all size companies with equal effectiveness. For example, at Legendary Exits, we do not work with companies generating less than 500k in annual profit or greater than 10MM in annual profits. Our work addresses the middle 3 segments we laid out above spanning from 500k-10MM in annual profits. In order to be highly effective across those 3 segments, we’ve developed modified approaches to serve each market segment and take them to the next level in their business.

## Your First 12 Months Implementation Plan

**Set Your 90-Day Launch Plan Goals**

Success begins with concrete action. At Legendary Exits, we recommend starting with a focused 90-day goal:

- Conduct three one-on-one conversations with current clients
- Make one introduction to your Value Growth Advisor

**Monthly Action Framework**

Each month should include two types of outreach:

1. One-to-many communications
2. Individual client engagement

**Month One: Launch**

- Create separate distribution lists for business and personal clients for email communication.
- Announce the addition of exit advisory services to all clients (both business and personal) via an initial email. (See appendix for an example announcement email.)
- Identify and reach out to three business owners for initial discussions. Reaching out to three clients ensures that you'll have at least one discussion.

**Months Two and Three**

- Implement a monthly email offering both education and engagement opportunities
- Send a monthly email with self-service education options. We provide two that our partners can promote: an Exit Readiness Assessment and a monthly educational webinar.
- Include clear calls to action encouraging clients to reply to your email and share their exit planning questions
- Continue identifying and reaching out to three current clients monthly to have an exit planning conversation. Reaching out to three clients ensures that you'll have at least one discussion.

## Focus communications on what leads to action:

- Fear about business sellability
- Curiosity about current business value
- Understanding the exit process and required team
- Strategy for funding retirement wealth gaps
- Desire to build a best-in-class business for greater profits and greater impact

**Months 3-6: Integration into Existing Processes**

Continuing Momentum

- Maintain your established monthly email and outreach practices

Integrate Exit Advisory into Your Existing Business Processes

- Review and update your questionnaires and meeting agendas for:
  - New business owner discovery sessions
  - Client onboarding procedures
  - Quarterly and annual reviews
- Incorporate into those processes 3-10 key exit planning questions into each process, ensuring your entire team consistently addresses exit planning in client interactions. See the appendix at the end of this guide for suggested questions under the 3 Shocking stats and 8 Questions resources.

**Months 6-12: The Flywheel Picks up Speed**

Accelerating Momentum: The Activities from the 1st 6 months will begin to snowball

- Maintain your established monthly email and outreach practices

Setup tracking in your systems to quantify the impact that exit advisory is having on practice growth

- Track New Clients and Leads by Source
- Referrals from Client's Other Advisors
- Client Intro to Peer
- Track Revenue from Financial Planning and AUM Added

## Responding to Client Interest

When clients express interest in exit advisory, provide two clear pathways:

1. **Educational Path**
   Offer structured resources to build understanding:
   - An Exit Readiness Assessment
   - Monthly educational webinars
   - Exit Strategy Playbook
   - Weekly email insights
   - Case studies of successful exits
   - Purpose-driven entrepreneur interviews via podcast

Legendary Exits Provides all of the above resources to our partners and their clients. We do the heavy lifting to make Exit Advisory easy for you.

2. **1:1 Consultation Path**
   Connect interested clients directly with your value growth advisor for personalized guidance.

# GROWING THROUGH NEW CLIENT ACQUISITION

One of the most common questions we receive from Wealth Advisors implementing exit advisory is: ***"How do I attract new business owner clients?"***

The fastest way is by connecting with them through current personal or business owner clients. For that reason, we don't suggest executing any strategies in this section of the playbook until you've deployed the 1st two sections of this playbook: *Preparing to Serve your Clients and Growing Your Practice Through Current Clients*.

If you're already executing on the suggested activities we lay out above in the implementation section, or you've historically not worked with many business owners and are starting afresh, this section is for you.

Before we go deep and share insights that our team has learned from growing and scaling companies over the last 25 years, we want to be clear that how a 100 person firm approaches this question and how a solo advisor approaches this question will be very different. We will provide actionable insights to both the solo advisor with limited resources as well as growing firms/teams who have the capability to invest in an outside marketing agency for help. Whichever place you find yourself in, this playbook will provide insights and actions to shortcut your growth journey.

## Four strategic considerations to make all of your marketing spend more effective

1. **B2B Targeting Requires a Different Approach**
   Many Advisors know the personal landscape well, but when it comes to meeting business owners of profitable companies they struggle. Let's explore a key insight on why.

   Earlier in this playbook we shared data from the SBA's 2024 small business economic profile which stated that 98% of all companies in the US have 19 employees or less, and those companies will sell for 1.5MM or less on average. Contrast that with the fact that most advisors would like to connect with business owners who have the potential to generate a higher dollar value on their exit.

   If you're seeking to connect with owners of companies with 20+ employees who will sell for more than 1.5MM, you often don't find them at your typical chamber of commerce event. Chamber of commerce events tend to attract 3 types of business personas:

(1) executives from large companies tasked with community involvement (2) salespeople for companies of various sizes (3) smaller sub-20 employee companies where the owners are there to network and make sales themselves.

Simply put, the majority of owners in the privately-held 20-250 employees size aren't going to networking events – they're busy running their own companies. You need a different way to identify the owners you want to meet and connect with them. The following sections will help you do just that.

## 2. A Complete Growth Strategy

Growth requires alignment of three core elements:

- Go-to-Market (GTM) Strategy (Product, Pricing, Marketing, Sales)
- Operational Plan (People, Service Delivery, Process)
- Financial Plan (Budget and Resources to fund the above strategy and plans)

These elements must work in harmony to achieve your goals. The most common gaps for wealth advisors targeting business owners typically appear in Product/Service Offering and Marketing under the GTM Strategy.

Product/Service expectations of prospective clients vary by market segment. For instance, firms targeting exits of $20MM+ often develop fractional family office services to address sophisticated estate planning, taxation, and investment needs. If your strategy is to address business owners in that market segment, your service offerings must align with your target market's requirements. The key question to ask is which market segments (covered in the 1st half of this playbook) are you seeking to address and what are their expectations? What changes do you need to make in your capabilities, process, and extended teams to support those expectations?

Marketing success starts with brand development that resonates with your target clients' needs and your firm's strengths. When you're clear on those two aspects, you can begin to write piercing messaging that speaks to your specific target audience. This foundational clarity should precede specific tactical decisions about marketing channels and activities. Clarity in messaging is the foundation of marketing effectiveness.

## 3. Clarity that Powers the Right Actions

Regardless of which growth strategies you employ, certain foundational elements must be in place for those strategies to not fall flat. Here's our suggested list:

**Clear Ideal Client Profile (ICP)**
Define your target clients across three dimensions:

- Company Firmographics: industry, size, location, growth stage, and ownership structure
- Owner Demographics: age, education, professional background
- Owner Psychographics: values, motivations, goals

A good ICP should allow you to target by building a list on the firmographics and demographics, and then leverage the psychographics to both attract ideal clients and repel poor fits. If your ICP doesn't do that, go back to the drawing board and get more specific.

**Unique Selling Proposition (USP)**
A Unique Selling Proposition (USP) is a clear and definitive statement that communicates what makes your company the optimal solution to your customers' needs above and beyond anyone else in your space.

- Optimal: We've gotten so specific with our targeted solution that there is no one else who can execute as efficiently and effectively as we can on this one thing.
- Customers Needs: A USP is an internal statement for external audiences. The language and concepts used should be couched in terms that make the customer front and center.
- Beyond Others: A USP is inherently a competitive statement. Whether we acknowledge other options or not, we're pitching against them in the mind of our customer. Our proposition must be persuasive as a result.

Develop your own USP for business owners that will guide all of your targeting, messaging, and service offerings.

***Example:*** Bob Smith offers customized financial planning that understands the unique financial challenges of entrepreneurs scaling from 5-25MM in annual revenue. Our planning analyzes retaining cash in the business vs distributing it out into traditional investments based on returns and risk mitigation. We don't just manage your investment portfolio, we've partnered with other advisors to help you grow the value of your biggest asset-your business.

**A Brand Framework That Defines:**

- Core values
- What you do
- Why you do it
- A purposeful mission
- A future vision
- A distinctive visual identity

### 4. The Six Ways to Connect with Potential Customers

All marketing and growth initiatives fall into six distinct categories. Familiarize yourself with these strategies, the investments they require, and the time they take to translate into value (new clients) and you'll save yourself from wasting money on isolated tactics and burning precious time.

1. **Inbound-led Growth**
   Content marketing attracts prospects to your services. SEM, SEO, and social media posting fall under this strategy.
2. **Outbound-led Growth**
   Direct outreach that actively promotes your services to potential clients. This starts by defining a very clear Ideal Client Profile, crafting a list from data sources and addressing that list with emails, phone calls, and a call-to-action of some sort: meeting, invite to an event, etc.
3. **Product-led Growth**
   While common in other industries like Tech, this approach rarely applies to financial advisory services.
4. **Partner-led Growth**
   Leverage strategic partnerships to expand your reach. CPAs, attorneys, and advisors who have access to the same ideal client profile fall under this strategy.
5. **Community-led Growth**
   Build engagement through shared interests and values, creating organic growth opportunities. This is often creating a community/following that is passionate about something related to financial advising but not financial advising directly. Examples include addressing income equality for women, living a life of significance, retiring early, or creating financial independence through real estate investing. These are all examples of passions that people have and want to associate with others who share that passion. Creating a community or becoming prominent in an existing movement creates authority and credibility for your personal brand and often leads to new clients reaching out to you without you needing to pitch your services.
6. **Event-led Growth**
   Generate leads and awareness through conferences, webinars, and seminars. This can be in-person or online.

**Key Insight**

Which of the above six growth strategies are the right ones for you? Each strategy has different requirements for effort, financial investment, and the time it takes to see results. If you're not sure which ones are the best fit, you could likely use the help of a great B2B marketing agency or fractional CMO if your budget allows.

## Eight High-Leverage Growth Tactics

We've prioritized these growth tactics from less expensive to more expensive. So if you're a solo advisor with a limited budget, pay close attention to the opening ones.

1. **Client Advisory Team Referrals**
   Build strong relationships with your business owners' existing advisors (or personal client advisors who also service business owners) through a structured approach:
   - Identify key advisors (CPA, Estate Planning Attorney, Corporate/M&A Attorney)
   - Express your desire for an integrated approach to client service with your client and ask them to facilitate introductions
   - Schedule individual meetings to discuss mutual client needs
   - Share the CEPA Exit Advisory Model and establish ongoing communication protocols
   - Ask if they see value in this team-based advisory model. If so, ask if there's a specific client who comes to mind that they would like to talk with together.
2. **Client Referrals to their Network**
   If you're delivering a differentiated experience through team-based advisory and working with a business value growth advisor, clients will see the difference. Great ways to generate introductions to their network are:
   - Interviewing your clients on video: Make them the hero for taking the right actions and allow them to advise their peers on what they should do. Share the clips and allow them to post and promote those on social media and use as they see fit.
   - Have your clients speak at your events (see events below) and encourage them to invite business owners that need their insights.
   - Provide educational resources to your clients that they are able to share with their peers and network: assessments, webinars, book recommendations, interviews, case studies etc. Make it easy for them to share.
   - Make it natural to periodically ask for an introduction: "Who needs our help to start making the progress that you're making?"
3. **Developing New Referral Partnerships**
   The challenge of a new partnership is defining your value proposition and setting expectations up front about how the partnership will work. Here are the keys that we've seen be successful:
   - Define your value prop: Is it mitigating taxes at the sale event, pinpointing wealth gaps as a motivator for transforming company value, increasing likelihood to sell, or even 2-4xing valuations through your approach with your value growth advisor partner?

- Define what's in it for them: Unless you set the expectations from the outset, most professionals have a tit-for-tat referral mentality that will prohibit you from ever getting started with them. These sort of referral relationships result in each side waiting on the other side to make an intro first. This becomes a challenge for an advisor who has a limited business owner client list. To effectively navigate this you need to do several things:
  a. Be honest about your limited portfolio of business owner clients and that your value is client retention for them via reinforcing their work as a 3rd party and the positive impact of business growth.
  b. Be clear about how your work will benefit the referring party through client retention, delight, or increased revenue/work with that client through the exit advisory focus.
- Dig to see if the other advisor has an abundance mindset, has clients that come to mind, and will actually have conversations with their clients over the next 30-90 days about exit advisory. If not, move on to other potential partners.

### 4. Crafting a clear message on one page

Craft a succinct summary of your exit advisory offering:

- Who do you work with
- What do you do for them
- Why are business owners interested in this topic?

Share that summary with clients, prospective partners, and friends who own businesses to share with contacts in their network as the need arises.

### 5. Lead with giving

For prospective partners and target prospects consider gifting a book around Exit Advisory like *Walking to Destiny* by Chris Snider or *Built to Sell* by John Warrillow.

### 6. Content Strategy

Develop a comprehensive content approach:

- Define your unique perspective on key industry topics
- Create compelling calls to action
- Update all online presence including website and Linkedin to reflect business owner and exit advisory expertise
- Maintain consistent messaging across platforms

## 7. Educational Events

Host regular educational events that serve as hubs for prospect engagement:

**Event Framework**

- Choose an appropriate format (workshop, symposium, webinar)
- Establish regular frequency (quarterly recommended for beginners)
- Select relevant content from proven presentations.
- For our partners, we provide done-for-you decks and presenter tools on key presentations like Crafting a Legendary Exit, Transforming Your Company to be Best-in-Class, and several other topics.
- Optimize duration (60 minutes virtual, 2 hours maximum in-person)

**Promotion Strategy**

- Target ICPs in your market using a data service like apollo.io or Linkedin Sales Navigator
- Engage partners, clients, and prospects to attend
- Collaborate with professional service firms to host at their office and invite their clients. We suggest partnering with a CPA Firm, Estate Planning Attorney, M&A Attorney, and Business Banker for these events.
- Consider whether charging a nominal fee ($99-250) with proceeds to charity would make the event more exclusive. Often paying to attend an event increases the perceived value of the event.

**External Speaking Opportunities**

Seek Opportunities to speak in-person or virtually including:

- Partner events
- Industry conferences
- Business masterminds
- CEO peer groups (Vistage, C12 etc.)
- Private business communities

## 8. Strategic Firm Acquisition

Consider acquiring firms with established business owner clientele as part of your growth strategy. The team at Legendary Exits advises on M&A/Inorganic growth strategies for our clients and are delighted to discuss with you for your practice.

# APPENDIX

# EXIT ADVISORY ANNOUNCEMENT LANGUAGE

Dear [Client Name],

We are excited to announce the expansion of our services to include comprehensive **Exit Advisory Services** for business owners like yourself.

As you know, planning for the successful exit of your business is a critical step in securing your financial future. Whether you're considering a sale to another company, an employee stock ownership plan (ESOP), a family transfer, or selling to private equity, our team can guide you through the entire process.

Our Exit Advisory Services include:

- **Strategic Planning:** We'll help you define your exit goals, develop a comprehensive exit strategy, and determine the most suitable exit path for your specific circumstances.
- **Valuation & Financial Modeling:** We'll conduct thorough business valuations and develop financial models to maximize the value of your company and identify potential deal structures.
- **Business Performance Optimization:** We’ll compare your business to best-in-class companies in your industry and help you understand how to increase your profitability and overall performance over the next 12 months.
- **M&A Advisory:** We'll assist you in finding and negotiating with potential buyers, including private equity firms, strategic acquirers, and other interested parties.
- **Due Diligence & Transaction Execution:** We'll guide you through the due diligence process and assist with the legal and financial aspects of the transaction.
- **Tax & Estate Planning:** We'll work with your legal and tax advisors to ensure a tax-efficient exit and minimize your overall tax burden.

We understand that exiting a business can be a complex and emotional process. Our team of experienced professionals and partners will provide you with personalized guidance and support you every step of the way.

We invite you to schedule a complimentary consultation to learn more about how our Exit Advisory Services can help you achieve your business and personal goals. Let us know if you’d like to learn more by simply replying to this email.

Sincerely,
The Team at [Your Firm Name]
[Phone Number] | [Email Address] | [Website]

# 3 CONVERSATION FLOWS TO LEVERAGE WITH BUSINESS OWNERS

## 1. The Integrated Conversation

We recommend using the three questions below the first time you introduce the idea of exit planning with a business owner. You can integrate these 3 simple questions into any conversation whether with a prospect, during client onboarding, or in annual reviews. It's simple yet effective.

1. Tell me about the future plans for your business - how long do you see yourself being active in your current role? (Timeframe)
2. Have you thought about what the transition will look like when the time comes to exit? Do you know what your options are? (8 Ways to Exit)
3. How confident are you that you would sell at best-in-class price and terms based on where you are today? (Ready/Attract to Sell, Profit Gap, Value Gap)

I recently learned that 70% of businesses fail to sell. I know how important your business is to you and your future financial plans. I want to make sure you're able to maximize your business value as much as possible before that transition happens to fund the goals we've discussed in our planning.

We've recently partnered with a Business Value Growth Advisor who specializes in working with business owners like you. They can help you identify what your business is worth today, and what steps you'd need to take to get to where you want to go. Would you be open to having a conversation with them? I'd love to introduce you.

## 2. The 3 Shocking Stats

We recommend using the three shocking stats as a followup conversation to the Integrated Conversation.

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**Stat 1: 70% Failure Rate in Selling**
70% of businesses that list for sale never sell. Yet, the average business owner has 80% of their net worth tied up in their business. Most need that money to fund retirement, their next venture, or charitable giving goals.

Questions:

- Does the 80% stat ring true for you? What % of your net worth is tied up in the business?
- If we were to exclude the value of your business from your next chapter planning what impact would that have on your lifestyle?
- What have you done to date to beat the odds and be part of the 30% who sell?

**Stat 2: 90% of Owners Won't Maximize Price and Terms**
90% of Owners won't maximize Price and Terms at time of exit because they put off preparing for that exit until it's too late. Successful preparation starts 3-7 years out and can provide a 2-4x increase from your current valuation, as well as provide a greater % of cash upfront at time of closing if you're willing to start now. One of the trends that comes with owners is that they wished they had started preparing sooner. The optimism that drives their success as an entrepreneur isn't a great strategy when it comes to selling their company. Preparation is what you want when you're under the scrutiny of a potential buyer.

Questions:

- If you had a magic wand, when would you like to transition out of your business? Why not sooner or later?
- There's 8 different buyer types. Have you narrowed down which options you want to pursue in a sale?
- What have you done so far to prepare to maximize price and terms at time of sale? (Regardless of whether they want to sell to a 3rd party, family member, or partner among other options you should treat the preparation process the same.)
- Are you confident that you would sell at best-in-class price and terms based on the work you've done to date?

# 2. The 3 Shocking Stats Cont.

**Stat 3: 30% Have less time than they think**
30% of owners have less time to prepare than they think because life throws us curve balls. Death, Disability, Divorce, Partner Disagreements, and Business Distress (the 5ds) will impact 30% of all owners. In short, the owner didn't have the time that they thought they had to prepare and sell on their own terms. Just like you would have life insurance or disability insurance to take care of your family, owners need a plan to monetize their business in one of these unplanned exit events.

Questions:

- Tell me about your Estate Plan, Operating Agreement, and Buy/Sell Provisions?
- Have they been updated/reviewed in the last 36 months?
- Do you have a valuation formula in the operating agreement or buy/sell? How do you plan to fund it/monetize the business?

## 3. Eight Questions every Exit Strategy Must Address

These are the questions we cover with a prospective client in our opening exit clarity call. If you have a client that wants to discuss exit planning in more detail, these are the 8 questions we recommend using in discovery.

**Is my business sellable today?**
Have you had your business assessed by an outsider to determine if it is attractive to a buyer and ready to sell?

**Do I have a Profit Gap?**
Do you know what best-in-class profitability is for your industry? Have you had a profit benchmarking study performed by a professional? A Profit Gap is the $ difference between your current profit % and BIC % off of your current revenues. I.e. If you do 10MM in sales, generate 18% in profit but BIC is 25%, the 7% difference is costing you 700k annually. What would you do with additional profits?

**Do I have a Value Gap?**
Do you know the range of value that companies in your industry sell at? Do you know what drives some companies to sell at the top end of that range? Have you had your company valued by an outsider and identified ways to improve that value?

**How do I plan to live a life of significance after I exit?**
Did you know that 70% of owners deeply regret selling their company within 12 months after the sale? Much of that stems from a lack of purpose. They moved away from the business but didn't have a plan of what they were moving towards. Have you thought about what you plan to do after you transition? Identifying your personal values, purpose, and uniqueness allows you to do two things: (1.) Begin to envision (and test that vision) of what you will do in your next chapter that allows you to live those out and have meaning in your life. (2.) It allows you to develop a personal budget that we base your personal financial planning on.

**What target valuation will fund my unique personal financial goals?**
Our goal is to fully fund your next chapter (retirement, next venture, charitable giving goals, etc.). Have you defined what you will need to sell for (net of taxation, earnouts, rollovers) to fully fund those goals?

**What's my ideal timeline to transition?**
Is there anything driving a specific timeframe for you? Market dynamics for the business, good timing on a sale, a spouse who retires in a specific year, health/medical concerns?

## 3. Eight Questions every Exit Strategy Must Address Cont.

**Which of the 8 Ways to Exit am I interested in?**
Are you acquainted with each of the 8 ways to exit? Each looks at valuation differently, has different ways and timings for getting you paid, and will impact your company and legacy differently.

**Do you have a strategy and plan that shows you how to bridge the gap between your current valuation and your target valuation?**
Once you've gotten clear on the above 7 questions you'll have clarity on where your business is today, where you want to go personally and by when, and the kind of exit that you want to achieve. The only thing remaining is to craft a strategy and plan to make it happen. Have you done that yet? Typically we see successful companies starting to do this by building a financial model that shows how they move from current valuation to their target valuation, then develop a GTM Strategy, Operational Plan, and Financial Plan to flesh out the financial model. Each of these strategies and plans will build together to give you radical clarity on what needs to happen to achieve your goals.

# COMMON QUESTIONS

**Private Equity Involvement with Wealth Advisors**

Many wealth advisors have affiliated Investment Banks and recommended PE firm lists (aka Merill Lynch has the Bank of America Investment Banking group for deal sizes of 100MM+ and the PSRN list of recommended PE groups to work with for smaller deals). Advisors are encouraged to engage these groups because their firms make substantial fees on those offerings (like all firms do). Yet, most advisors are not clear on what these groups do for their clients, the right clients to introduce to them, and when to introduce them.

In the context of our CEPA training, investment banking and private equity partners fall under the "business" leg of the stool. For the most part, they are deal/transaction focused folks who want to sell the company or a significant piece of it, so they fall into the last of the 5 phases of value maturity. All of the other phases still need to occur, and very rarely will these groups fulfill the role of a business value growth advisor. Most do not offer consulting services to assess and transform companies and take on the role of a value growth advisor.

Here's how we see leveraging these partners for the greatest value they can bring to you and your client: The 8 questions that every exit strategy should address still need to be answered, but we like to involve potential investment bankers and private equity partners when we're building our strategy and plans to achieve our target valuation, approx 3-6 months into working with a client. We leverage the partner's expertise to confirm deal multiples, insights to ensure our transformation strategy is on point, and for the client to get educated on the process and costs of working with these partners for the future. Often, we will loop in the prospective partner every quarter to 6 months to see what's changed in the market or receive input on our next phase of strategy and execution work.

When we decide it's time to transition, that's when these partners are able to spin up their services and play a larger role with your client.

Additionally, it's important to understand the spectrum of business brokers, M&A Advisors, and Investment Bankers. Although there is overlap and different definitions for each one, we find that business brokers are doing the small deals and sometimes work with companies as large as 30MM in enterprise value. M&A Advisors are coming into the picture somewhere around 5-10MM in enterprise value on the low end and representing deals up to 100MM in EV. Investment bankers are typically representing deals of 100MM+ in enterprise value.

**Does someone need Exit Advisory if they don't plan to sell in the next 10 years?**
If you talk about exit advisory with enough owners, you'll get a response similar to the following one an Entrepreneur asked us recently:

*For someone like me who's at least 10 years out from thinking of an exit, is that outside your scope of focus?*

This particular owner is early 40s and plans to be "in the game" for at least another 10 years, which played into his question above.

The answer is, yes! He does need exit advisory, and he IS in the scope of clients we work with, but the use of the word "exit" caused a disconnect.

There's 2 reasons why all owners need Exit Advisory, including those who don't plan to exit in the next 10 years:

1. 30% of owners have unexpected exits due to the 5Ds. Putting a plan in place now to address that is key.
2. Exit Advisory is about growing companies with purpose and transforming them to be best-in-class. Best-in-class means better than 75% of all industry peers as measured by profit % and several other metrics.

In other words, great exit advisory ensures that all of the actions your team is taking today will actually get you where you want to go in the future.

**Key Insight**

The word "exit" can be a powerful attractor, but it can also be a strong repeller. Some owners are drawn to the term "exit advisory" based on their business phase and exit timeframe, while others are deterred by it. They aren't ready to think about exiting their business, but they are interested in building to be "best in class". They want to learn how transforming their company to best-in-class will allow them to pay themselves more now, have time for passions outside of the office, and make a bigger impact through re-investment in their people and company. Consider your audience when speaking to a business owner, and be strategic in which messaging you choose.

# SCHEDULE A CALL WITH THE LEGENDARY EXITS TEAM

Discuss a Specific Client • Explore our Partnerships Program


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## ADDITIONAL LEGENDARY EXITS OFFERINGS

**COACHING PROGRAM**

Do you Qualify for our 90-day 1:1 coaching program? If you have 10 or more business clients you may qualify for our Fast Start Coaching Program (free for those that qualify).

**STRATEGIC PARTNERSHIPS**

Strategic Partnerships for teams and firms with over 100 business owner Clients

**BOOK A CALL TO EXPLORE OUR 3 PARTNERSHIP LEVELS**

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