

THE EMERGENCE OF FINANCIAL PLANNING AND THE FORGOTTEN BUSINESS OWNER

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The financial services industry is never short on buzzwords, or themes. For almost two decades now, one of those themes has been “comprehensive financial planning”. For a long time, that’s all it was, but more recently it has shifted to table stakes. Firms and advisors alike are starting to look more and more like each other. Example being, 20 years ago a wirehouse broker and an insurance producer at a BD went through very different processes with a client. Today those processes are very similar as are the products and services they provide.

It is the emergence of financial planning. It didn’t happen overnight, but advisors now know that with pressure on fees, regulatory requirements, and the consumer demanding a more comprehensive experience, they must do so to compete.

Ultimately, this is a win for everybody. The client wins because they have a much better understanding of their overall financial picture, and how their actions/plans will help them achieve their goals. They understand how their risk management affects their investment strategy and vice versa. Prior to advisors providing comprehensive financial planning, you may have had several different “advisors” who weren’t talking to one another, thus putting the clients' goals at risk.

All that said, there is a market being overlooked. Surprisingly, that market represents the best market opportunity in the next decade. Economists are projecting \$13.2 Trillion of business owner wealth set to transfer over the next decade. That will come from roughly 10 million businesses that change hands.

Stop and think about that for a second.
10 MILLION BUSINESSES will change hands.



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Imagine what is required to transition a business to the next generation, sell a business to a third party, or to the employees.

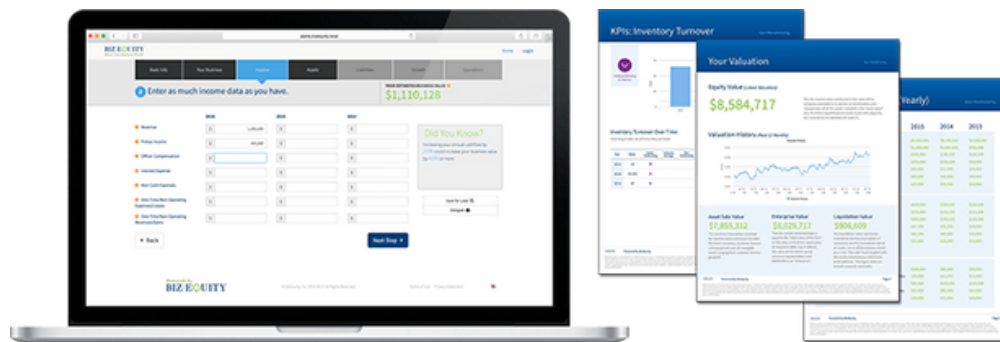
- 40% of business owners have consulted a financial advisor
- Less than 25% have a formal succession plan in place

Business owners are craving advice from an advisor, but they need to know they can trust you with the outcome of their most valuable asset. That is not to say that you need to be well versed in investment banking or how to help them sell their business. However, you do need to be able to connect the dots for the business owner, help them understand the value of their business, and how this impacts the goals they have in their personal financial plan.

Moreover, if a business owner wants to be retired and on the beach in five years, the work starts *now*! And if you as the advisor want to manage the assets or continue to work with the owner and their family after a successful exit, you better be engaged with them *today*. Far too often advisors wait until the sale of a business or until the owner is liquid. It's too late.

With a focus on comprehensive financial planning, working with business owners while they operate their business starts to make more sense. If it is not just about gathering assets, and it truly is about creating the best outcomes for your clients, there are endless opportunities to help business owners before they exit. Whether you provide these services or not, think about the COI relationships or referral relationships you have.

- Buy-sell planning
- Key person planning
- 401k plan for the business
- Commercial Insurance/Risk management
- Estate planning
- Personal planning for the owners/key employees
- Succession planning



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We know how hard you work to bring on just one new client. Think about all of the revenue generating opportunities that a single business owner provides.

When you look at the statistics provided above, the business owner and their business seem to have been forgotten with the focus on comprehensive financial planning. But these businesses are the lifeblood of our communities. Not the Fortune 100, or 500 for that matter. Not the private equity-backed, or venture-backed companies. The restaurant. The dry cleaner. The manufacturer. The dentist. The veterinarian. These businesses are craving your advice and they make for your best clients because of the pure amount of advice that they need.

Over the years we have found many secrets to working with business owners. Chief among them is the value of their business. For most private companies, understanding the value is elusive. However, from your point of view as an advisor, how could you possibly provide advice to a business owner without knowing the value of their business? Oftentimes, it is their single largest asset. Being able to provide a business owner with an understanding of value and insights into the levers they can pull to impact that value, differentiates you.

By putting a strategy in place and starting to provide comprehensive planning to business owners the way you do for your personal clients, you will be positioned to grow much faster than your peers who do not over the next five to ten years.

How We Can Help?

BizEquity provides the technology and support to help an advisor:

- Business Valuation is very popular event topic, we provide turn-key slide decks and marketing materials for webinars and presentations
- Zero in on prospects using our database of over 33M pre-valued businesses
- Define the ideal business owner target, based on their firm's operating style
- Market their services to business owners with off the shelf white-labeled marketing content and presentation materials.
- Engage a business owner and value their business in less than 20 minutes
- Automatically benchmark the value and operational metrics of the business against their peers

Not working with business owners today?
You should. We make it easy. Let us help.



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