BUSINESS GROWTH AND SUCCESSION PLANNING

KEN MARBLESTONE, ESQ.  
Principal  
The MandMarblestone Group, LLC

BARRY MAX LEVY  
QKA, President  
Levy & Associates
Internal vs. External Growth

Internal

More of the same or a new line of business?
More of the same

- Increased sales
- Expand territory
- Increase Fees

New Lines of Business

- Actuarial
- Legal
- Investment
- Payroll
- 3(16)
- 403(b)
- Nonqualified
External

• Acquisition or merger

• More of the same?

• Separate line of business?

• Geographic area?

Issues With Acquisition

• Current management
  – Staying or going?

• Current employees
  – Staying or going?
  – Location

• What are you buying?

• Valuation of the business
Business Succession

Is there a succession plan in place?

No Succession Plan

• Are you going to be the target for acquisition?
• Who are likely purchasers?
• Competitors?
• Strategic acquisition
  – Recordkeeper
  – Banks, insurance companies, mutual fund companies, etc.
  – Payroll company
Succession Plan

• Key employees
• Mentoring program
• Involvement in management
• A stake in the future – equity interests

How are you going to get paid out?

• Valuation formula
• Effect of subsequent events (acquisition, etc.)