FINANCIAL ADVISOR

Succession Planning Checklist

10 items to have in place before you transition

Use this working checklist to identify what is already in place, what still needs attention, and which decisions could delay a future ownership or leadership transition.

How to use this checklist

- Review all 10 planning areas before focusing on individual tasks.
- Mark each area Complete, In Progress, or Needs Attention.
- Assign an owner and target date to unresolved items.
- Use the final readiness snapshot to identify your top three priorities.

Planning tool for financial advisors and advisory firm owners

1 Goals, Timeline & Value

1. Define Your Personal and Business Goals

Clarify what you want the transition to accomplish before selecting a structure or successor.

- ☐ Set a target retirement or transition timeframe.
- ☐ Define the role you want after ownership or leadership changes.
- ☐ Identify personal income, liquidity, and broader financial goals.
- ☐ Clarify priorities for clients, employees, culture, and the future of the practice.

Status: ☐ Complete ☐ In Progress ☐ Needs Attention	Owner: ____________	Target Date: ________

2. Establish Your Succession Timeline

Map the milestones that need to occur before the transition, not only the date you expect to step away.

- ☐ Identify major leadership and ownership transfer dates.
- ☐ Allow time for successor development and client introductions.
- ☐ Build in time for valuation, financing, documentation, and communication.
- ☐ Create room to adjust the timeline if readiness or circumstances change.

Status: ☐ Complete ☐ In Progress ☐ Needs Attention	Owner: ____________	Target Date: ________

3. Determine the Current Value of Your Practice

Use a current valuation to set realistic expectations around purchase price, financing, and ownership structure.

- ☐ Obtain a current practice valuation.
- ☐ Review recurring revenue, profitability, growth, and client concentration.
- ☐ Assess dependence on the founding advisor and other transferability risks.
- ☐ Compare current practice value with your financial and transition goals.

Status: ☐ Complete ☐ In Progress ☐ Needs Attention	Owner: ____________	Target Date: ________

2 Successor, Continuity & Leadership

4. Identify and Evaluate Your Succession Path

Compare the options that are realistic for your goals, clients, team, and financial needs.

- ☐ Evaluate internal succession, an external buyer, a merger, or another viable path.
- ☐ Assess successor leadership, client fit, ownership readiness, and financial capacity.
- ☐ Consider how each option affects continuity, control, timing, and liquidity.
- ☐ Maintain a backup path in case the preferred option changes.

Status: ☐ Complete ☐ In Progress ☐ Needs Attention	Owner: ____________	Target Date: ________

5. Build a Business Continuity Plan

Prepare for an unexpected owner absence before the long-term succession plan is complete.

- ☐ Name interim leadership and decision-making responsibilities.
- ☐ Document critical client, staff, and operating responsibilities.
- ☐ Confirm who can maintain essential business functions.
- ☐ Review the plan after material staffing, ownership, or operational changes.

Status: ☐ Complete ☐ In Progress ☐ Needs Attention	Owner: ____________	Target Date: ________

6. Prepare Staff and Future Leadership

Give future leaders enough responsibility to demonstrate that they can run the business before ownership changes.

- ☐ Identify leadership, management, and financial development needs.
- ☐ Increase responsibility for staff, operations, clients, and business decisions.
- ☐ Clarify future reporting relationships and decision authority.
- ☐ Reduce unnecessary dependence on the founding advisor.

Status: ☐ Complete ☐ In Progress ☐ Needs Attention	Owner: ____________	Target Date: ________

3 Clients, Deal Structure & Financing

7. Plan the Client Transition

Give clients time to build familiarity and confidence before the founding advisor reduces involvement.

- ☐ Identify relationships that depend most heavily on the current owner.
- ☐ Introduce the successor through joint meetings where appropriate.
- ☐ Increase the successor's role in follow-up, planning, and ongoing communication.
- ☐ Establish the timing and responsibility for formal transition communication.

Status: ☐ Complete ☐ In Progress ☐ Needs Attention	Owner: ____________	Target Date: ________

8. Determine the Deal and Ownership Structure

Align the transaction structure with practice value, financial needs, successor capacity, and transition timing.

- ☐ Determine whether ownership will transfer at once or in stages.
- ☐ Evaluate a full sale, phased equity, seller financing, or a combination structure.
- ☐ Clarify the current owner's role after the transaction.
- ☐ Identify terms that still require negotiation or professional review.

Status: ☐ Complete ☐ In Progress ☐ Needs Attention	Owner: ____________	Target Date: ________

9. Confirm Financing and Financial Feasibility

Test whether the proposed transaction can be funded without placing unrealistic pressure on either party or the practice.

- ☐ Estimate the capital the successor or buyer will need.
- ☐ Review personal capital, outside lending, and seller financing options.
- ☐ Test whether practice cash flow can support the proposed structure.
- ☐ Compare the deal with the seller's income, liquidity, and retirement needs.

Status: ☐ Complete ☐ In Progress ☐ Needs Attention	Owner: ____________	Target Date: ________

4 Documentation & Next Actions

10. Document and Implement the Succession Plan

Turn the major decisions into a written implementation roadmap with clear ownership and review points.

- ☐ Document the transition timeline, responsibilities, and major transaction terms.
- ☐ Assign an owner and target date to every unresolved planning item.
- ☐ Coordinate with appropriate legal, tax, financing, valuation, and transaction professionals.
- ☐ Set regular review dates and update the plan when material circumstances change.

Status: ☐ Complete ☐ In Progress ☐ Needs Attention	Owner: ____________	Target Date: ________

Succession Readiness Snapshot

Planning Area	Status	Owner	Target Date
1. Personal and business goals	☐ C ☐ IP ☐ NA	___________	_________
2. Transition timeline	☐ C ☐ IP ☐ NA	___________	_________
3. Practice valuation	☐ C ☐ IP ☐ NA	___________	_________
4. Succession path	☐ C ☐ IP ☐ NA	___________	_________
5. Business continuity	☐ C ☐ IP ☐ NA	___________	_________
6. Staff and leadership preparation	☐ C ☐ IP ☐ NA	___________	_________
7. Client transition	☐ C ☐ IP ☐ NA	___________	_________
8. Deal structure	☐ C ☐ IP ☐ NA	___________	_________
9. Financing	☐ C ☐ IP ☐ NA	___________	_________
10. Documentation and implementation	☐ C ☐ IP ☐ NA	___________	_________

Status key: C = Complete | IP = In Progress | NA = Needs Attention

Top 3 Priorities

1. ____
2. ____
3. ____

Notes / Questions to Resolve

____
____
____
____
____

Next review date: ____________________

Ready to turn the checklist into an implementation plan?

Advisor Legacy supports succession planning, practice valuation, continuity planning, deal support, and practice sales.

advisorlegacy.com

For general planning purposes only. This checklist is not legal, tax, investment, or individualized financial advice.