

## **Opportunities with HNW Business Owners**

### Exit Planning is a Good Business Strategy

There is a plethora of opportunities to work with business owners and, as an enormous bonus, manage their personal money, assist with estate planning, and help them pass wealth on to their heirs. Most financial advisors are familiar with this area, helping to protect assets, manage assets, and plan for financial/retirement. Every advisor wants more at-bats and more opportunities to help quality people with these challenging needs.

Working with business owners presents multiple revenue opportunities. The financial rewards can be substantial, with a single business owner potentially generating between \$100,000 to \$500,000 in revenue, depending on their specific needs. These needs can range from life insurance sales to managing their wealth, and even success fees associated with selling their business through a business broker or M&A advisor.

There is an entire cottage industry associated with helping business owners effectively plan their transition, sale, or exit. Data from multiple reliable sources reports tremendous opportunity over the next 10 years as the boomer generation prepares for their exit.

#### **A financial advisor can help HNW-BOs in many ways, including but not limited to the following:**

- Help business owners with gaps in life insurance when the business is worth more than insured, especially when the owner is the business.
- Helping business owners with a mitigating tax on appreciating assets. Almost every business owner faces this problem.
- Helping them learn about tax credits and incentives for small businesses. Finding money for a business owner is an exceptional way to provide value.
- Helping implement compensation incentive plans and 401k plans to drive performance in their business.

- Helping implement meaningful benefit plans to promote retention for employees and executives.
- Helping business owners transition their business and provide succession plans by working with an M&A or ESOP specialist—a tremendous opportunity for financial advisors.
- Financial advisors can help mitigate capital gains on the sale of a business through multiple advanced tax strategies, such as installment sales or charitable planning.
- Managing money from proceeds of the sale of their business, which also creates new estate planning opportunities.

Your practice's added benefits from working with business owners, with an emphasis on exit planning, are profound.

### **Relationship Capital**

Relationship capital refers to the intangible value derived from the relationships a person or organization cultivates and maintains, internally and externally. It's built over time through authentic communication and trust. This phenomenon is especially true in exit planning, as relationships are built with other disciplines in your market, such as CPAs, accountants, attorneys, valuers, business coaches, business brokers, and M&A advisors.

### **Thought Leadership**

With the impending exodus of business owners over the next decade, the demand for thought leadership in exit planning is high. As a financial advisor, becoming a thought leader in this field, recognized for your innovative ideas and unique perspectives, can be immensely rewarding. It's not just about shaping industry thinking, but also about the personal and professional growth that comes with it.

## **Market Differentiation**

As a professional working with business owners, exit planning is not just about helping them transition out of their businesses. It's also a powerful tool for market differentiation. By offering this specialized service, you can add value to your existing relationships and attract new business owners to your firm. It's a unique opportunity to expand your sphere of influence within the business community.

## **Conclusion**

While exit planning is a good business strategy, it is more about the inherent client opportunities with HNW-BOs. This group, often behind the curve and underserved in areas such as asset protection, tax strategies, and financial planning, needs our attention. Retirement planning is another key planning opportunity, as many business owners have much of their capital tied up in their businesses. They need excellent counsel.

Emphasizing the financial benefits, the exit planning space is a lucrative business strategy that provides the right professional with multiple planning and revenue opportunities.



The SCOPE™ Institute is a non-profit 501(c) educational institution that provides exit planning courses and events nationwide, helping business owners target solutions and prepare for a successful transition, sale, or exit. Our professional advisors help business owners through live and online events, ensuring that attendees are immersed in a genuinely informational and life-changing professional experience. These events, free from any commercial bias, are designed to inspire and motivate business owners as they make one of life's most important decisions: exiting your business.

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