



Exit
Planning
Institute®

TOP QUESTIONS TO ASK YOUR BUSINESS OWNERS' ADVISORS

From Amy Wirtz, the 2024 Exit Planner of the Year



The purpose of the discovery gate is for the Certified Exit Planning Advisor (CEPA®) to get to know the owners, the business leaders, their family, and their advisors while assessing the value of the business. While we are engaging in our in-depth conversations, we are looking for success, problems, and issues the ownership group is not even thinking about due to a lack of knowledge and experience.

We can learn a lot about the owner's business, family, and management team when we speak to the owners' current advisors. Many of these advisors have walked with the owners during their tenure. Good advisors can teach us how the owners digest information, what initiatives they have championed with the ownership or leadership group, and what they worry about for the owners and business.

As one of the instructors who teaches CEPA® teaming, I am often asked the following questions:

- » How do you introduce yourself and our process to the owners' current advisors?
- » How do you know if the owner has the right advisors?

First, listen to and respect their current advisors. It is our job as the CEPA to listen, assess, and then make recommendations. When onboarding a new business, I ask them to provide access to their attorneys, their accountants, their wealth planner, and their life insurance broker if they are not the same.

You need to ask your owners to grant permission to their advisors to speak with you and share information with you. We give them a sample email to send to the advisors to simplify the process for our owners. Remember that if you have multiple owners, you could be speaking to multiple advisors in the same profession. I see this most commonly with wealth planners and estate planning attorneys. My initial email with the advisors after the introduction has been made explains who I am, the reason I have been engaged, and an introduction to our process. You should tailor this to your services and process.

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The first questions I ask are about the advisors. These questions acknowledge that the advisor knows the owners better than you at this point. They include the following:

- » How long have you worked with the ownership group?
- » Where did the relationship come from?
- » How often do you work with the family or business owners?
- » What initiative have you championed with the family or business?
- » Were you part of the implementation?

Next, I ask who in the ownership group they speak to most frequently. This allows you to assess whether this person is the previous generation's advisor or if he or she is connected to the current leadership or ownership group. I also want to make sure that the advisor is not overly identified with one owner or one generation. The advisor often shares that he or she has attempted to engage with others but has been unsuccessful.

We also want to assess what information about the company is shared with the advisor being interviewed. I ask what the business is worth and what the company's competitive advantages are. I want to know if the advisor has an opinion on why the business is successful or not.

The current advisors can give insight into how to coach your ownership group. **The advisors who have successfully cultivated an advisory relationship with the owners and family often give me insight into the best way to communicate with them and how each digests information.** For example, I was referred to a business by their wealth planner. I asked him "How do you present new products or bad news to this group?" His response was "If you want to get this group's attention it must be in person and cannot take longer than an hour." Guess what, he was spot on.



It is my experience that owners get more value from their advisors when they are allowed to team. I ask each advisor if they team with the owner's other advisors. If they answer yes, I ask who they have teamed with and if it was successful. I want to understand if the advisors communicate and work together or if they are always working in a silo. These questions also allow me to explain why I recommend that owners have effective communication and transparency with their advisors.

I want to understand the succession plan for the advisor. Because I work with family businesses mostly in rural America, many of the advisors I encounter are sixty years of age and older. I ask them about the breadth of their internal team as well as the plan for successor advisors for their service area. It is shocking how many of the advisors I interface with have not communicated their plans to the ownership and family group

Next, we want to create empathy and support for the position the advisor currently serves. I always make it clear that my job is to assist the advisor and support their role as much as I can. These questions include the following:

- » If you were handing this client to a new or junior associate, what advice would you give her?
- » How does your support team feel about this group?
- » What keeps you up at night with the family/ or company?
- » What are the challenges with your role as an advisor?
- » What have you tried to get done that the group is ignoring?

The last bit of advice I have for your journey with the owners' advisory team is to keep the information flowing. Create a monthly check-in call for the advisory team. **Make sure you keep the relationships open and collaborative as much as the ownership group will allow.**



MEET AMY WIRTZ

2024 EXIT PLANNER OF THE THE YEAR

Amy Wirtz is a senior consultant at The Family Business Consulting Group, focused on helping families define their purpose, values, and ownership goals. She guides families in creating governance structures like family offices, councils, and enterprise systems. Amy uses her background in law, mediation, and education to make complex concepts easy for families to understand and implement. She believes in educating families on support options and helps them develop aligned implementation plans. Additionally, Amy speaks at business forums and serves on several advisory boards, contributing her expertise in family business systems and governance.

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