

CEPA SYLLABUS

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Exit Planning Reinvented

- Learn why three out of four businesses may change hands over the next 10 years.
- Learn how to apply the concept of Master Planning with clients.
- Learn how the “Age Wave” will impact the transition of businesses in the future.

The Value Acceleration Methodology

- Communicate the benefits of the Value Acceleration Methodology.
- Name and describe each gate of the Value Acceleration Methodology.
- Describe how the “Triggering Event” enlightens owners to take action to begin working on their transition process.
- Describe the three critical components of a successful transition process.

Introduction to Value Enhancement

- Understand the common misconceptions about building business value.
- Understand the concept of company-specific risk and the impact it has on company value.
- Understand the many value drivers associated with company-specific risk, and how to develop a process to maximize their impact.
- Understand how to incorporate such a process into your practices and value propositions.
- Understand how to leverage collaborations with other professionals for the benefit of the client and all professionals involved.

Financial Planning for Business Owners

Wealth Management is an extremely valuable service that many business owner take on themselves without the expertise to tackle the various components of the investment management and comprehensive planning:

Portfolio Management:

An individual's stock-to-bond allocation is the driving factor behind investment performance. This allocation should be thoughtfully chosen based on risk tolerance, cash flow needs, and unique personal goals and implemented with a low-cost, tax-efficient, well-diversified portfolio.

Retirement Planning:

Retirement cash flow analyses can help business owners identify how much they need, how much they can spend, and what rate of return is acceptable for their portfolio in order to enjoy a successful retirement.

Risk Management:

A business owner's risk management needs are extensive and should include life, disability, and umbrella insurance. Buy/sell agreements are an additional key component for business owners to provide protection and facilitate guidelines for companies in transition.

Estate Planning:

Wills and Powers of Attorney (at the very least) and Living and Irrevocable Trusts (in some cases) are a necessity for business owners as they help minimize estate tax liabilities and ensure greater privacy and specificity for control and protections of assets before and after death.

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Advanced Estate, Tax, and Charitable Planning

- How to determine client desires and assure they are carried out.
- Learn how to make sure that tax considerations are consistent with client desires.
- Learn income tax planning tools.
- Learn about estate planning tools.
- Understand the difference between estate planning and exit planning.
- Recognize how charitable discussions with business owners can help ascertain some of the attitudes, values, and behavioral characteristics that may be preventing an exit strategy.
- Understand the role charitable planning can play in the financial and tax planning as well as value enhancement for business owners.
- Identify how benefits may vary between different charitable giving vehicles.
- Illustrate how to implement a current charitable gift of closely held stock in advance of a sales agreement.

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Exit Planning Deliverables

- Identify and describe the major deliverables in each gate of the Value Acceleration Methodology.
- State the difference between Attractiveness and Readiness.
- Identify common readiness issues.
- Identify the benefits of being ready without wanting to sell.
- Review an Attractiveness and Readiness case study.

The Basics of Business Valuations

- Learn three broad valuation techniques.
- Understand the purpose of the valuation and how that impacts the result.
- Understand the process of normalizing financial data into economic results.
- Learn the impact of transaction terms on the net result.
- Understand an overview of business transaction tax and legal considerations.
- Apply the theory of valuation to a case study.

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Goals and Objectives

- Learn the three types of goals that need to be addressed in an exit planning assignment.
- Learn about the three conflicting value systems and why they need to be considered when establishing goals and objectives.
- Learn the value of the goal setting and goal alignment process and discuss the best time to introduce the subject to the business owner.
- Learn what makes a goal a “good” goal.

Creating Action Plans

- Define 3-5 personal and 3-5 business actions for Ignition Controls.
- Apply the three conflicting value systems which need to be considered when establishing action plans.
- Learn about tools and techniques that can be used to create action plans.
- Recognize that action plans are a team function and should be approved and committed to by the client.

Delivering Action Plans

- Learn how to deliver exit plans and get client consensus as to that approach.
- Learn possible techniques for delivering exit plans to clients.
- Develop techniques for obtaining client consensus on action plans.

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Importance of Teams

- Learn how to identify what needs to exist in order for a team to be successful.
- Learn how to identify two theories on how teams are organized.
- Learn how to explain why teams help deliver a better quality product.
- Learn how to identify two ways to build trust between team members.
- Learn how to identify at least one corrosive element within a team.

Understanding Private Equity

- Learn how a PEG's charter affects the investments selected by the firm.
- Learn about PEG Partners and investment process.
- Learn about the types of transactions selected by PEGs.
- Review how PEGs value businesses.
- Learn about the core drivers of valuation multiples.

ESOPs as an Exit Strategy

- How an ESOP is often one additional exit option for business owners to consider.
- Learn the best practices of successful ESOP installations.
- Learn how to qualify ESOP candidates efficiently.
- Understand the powerful tax incentives to encourage employee ownership.
- Understand the regulatory environment of ESOPs.

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Third Party Sales and the M&A Process

- Understand the difference between Mergers and Acquisitions and Main Street deals.
- Understand the Motivations of the Seller to sell their business.
- Understand realistic Exit Multiples.
- Understand the different Advisors serving the M & A Market.
- Understand the different types of Buyers.
- Understand the Selling Process.
- Understand how to get the Seller ready to be sold.
- Understand the time frames required to sell a company.

Family Transitions

- Understand the most common emotions at play when an owner is trying to decide to transition and to whom.
- Learn key factors to a successful transition in family businesses.
- Become familiar with the role of a family transitions specialist, as well as when and how to recommend one.