
Press information

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Nucleus launches guide to exit planning for advisers

Nucleus, the adviser built wrap platform, has today launched a guide for advisers to succession planning, titled *Planning your exit: A guide to creating a succession plan and exit strategy*.

The guide, created in collaboration with Rob Stevenson, director of Kingmakers, provides advisers with information on getting started on developing a succession plan – either internal succession or external sale, what the options and challenges really are, and how to create and execute an effective exit.

Nucleus notes that succession and exit planning has become a hot topic over the last few years as rising FCA bills, the increased burden of regulation, the influx of provider-owned advice and the number of advisers hitting retirement over the next few years rising, all mean that more advisers than ever are working out their options.

However, Nucleus does go on to say that anecdotal evidence supports the view that succession and exit strategy is being taken very seriously by an increasing number of advice business owners particularly internal succession.

A recent survey by Nucleus of over 200 adviser firms that use the platform found that of those thinking about long-term succession planning, 40% would anticipate selling to another advisory firm, 30% would expect to sell internally, to a family member or through a management buyout, 13% to a consolidator, and less than 2% to a provider.

Barry Neilson, business development director at Nucleus, said: “The act of succession planning is simply an extension of the normal business planning process and therefore not rocket science. But while it might be straightforward, it shouldn’t be left until the last minute.

“Many elements of a robust succession plan come to fruition over time and require long-term resource commitments, so the longer advisers wait, the fewer options they may have. Success requires owners to start planning as soon as possible, to get behind the headlines and relentless emails promising great riches and to unpack what they have and what’s actually possible.

“The challenge of succession is to satisfy the leadership and longevity issues of the firm while addressing the entirely reasonable financial interests of the founder while protecting staff, ensuring continuity for clients and minimising disruption and risk – a tricky balancing act.

“Properly planned and professionally executed, it’s entirely possible for advisers to realise their succession plan and come away satisfied that they found the best balance possible.”

Rob Stevenson, co-author of the paper, and director of Kingmakers, added: “The decision around internal succession or external sale is an important one, but advisers may be able to keep their options open here. Once the sale process starts (particularly if it’s to an external buyer), advisers will want to have as much space and time as possible, as decisions come thick and fast and it can be exhausting.

“There are many ways to enhance enterprise value before and during the planning process and just as many many ways to give value away by not structuring a deal properly. Success requires very careful planning.

“Finding the right fit is ultimately key to extracting the maximum value over the entire timeline of the transaction, while balancing the requirements of all the other stakeholders of the business. It’s also important for their legacy. Whether it’s the Old Town in Marbella or Bridgetown in Barbados, the last thing they want to be doing is crossing the street to avoid an ex-client.”

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For further information please visit www.nucleusfinancial.com or contact:

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About Nucleus

Nucleus is a wrap platform founded in 2006 by advisers committed to altering the balance of power in the industry by putting the client centre stage.

Since then, Nucleus has established itself as a major force for change. It is now one of the UK’s fastest-growing platforms and the meeting point for more than 900 adviser firms in total seeking to create better customer outcomes.

As at 1st January 2017, assets under administration on the platform were £11.4bn.

w: www.nucleusfinancial.com

t: @nucleuswrap

About Kingmakers Group

Kingmakers Group specialises in the creation and realisation of enterprise value for the modern SME. Founder Rob Stevenson has started, rescued, scaled and exited a wide range of businesses over many years.

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