Do you know what % of your clients have:

No will

No succession plan

(for themselves or their business)

No clue?

Introducing a new profit stream into your business:

A pro active Business Advisory Consultancy, specializing in Succession and Estate Planning (ensuring your clients receive the advice they need and… see the light).

ORBIT STRATEGIES

Reach higher targets.

Providing

Succession Planning

for your professional clients

Open the door to a
huge opportunity
with
no distraction from your billable hours

Succession is a sleeping giant that is about to awake and one which many business owners do not even recognise will impact them directly.

Succession planning applies the day you think about commencing a business and continues throughout its life..

In 2020, the baby boomers generation (those born between 1946 and 1964) will be aged between 56 and 74 years of age with the weighting heavily towards the older end of the scale. The outcome will most likely be that

by 2020 a significant number of baby boomers will have or will be in the process of transferring ownership of their business. In Australia, the estimated value of these businesses is around

$3.5 trillion.

The next 7-10 years represents a period of opportunity and risk.

Opportunity will lie in:

- moving ahead of the bottleneck that may arise if many businesses try to exit at the same time;
- planning and acting in your succession now, and
- looking for opportunities to acquire, merge or form alliances with other businesses with a strategy of either growing to exit or growing to stay and improve competitiveness.

Risk lies in complacency and inaction, resulting in either missing opportunities or simply being left behind.

What Is Succession All About?

When you mention the word 'succession' the common reaction is to think of 'retirement'. Whether it is the CEO of a public company or in the private company arena, the connection is immediate and usually without exception.

For private companies, succession connects with the founder and/or owner retiring and selling out to a third party or passing over control to a family member. Whilst these commonly held views of succession might not be incorrect, they do not accurately reflect what should be the real focus of succession planning for private companies.

The eventual retirement of a founder and/or owner may well be an outcome of a succession process but it is certainly not its purpose. Succession is the process of ensuring the continuity of a business beyond its current management. This is achieved through identifying and understanding the capital value drivers of the business, the elements that allow it to compete effectively in its markets, and growing and investing in those drivers.

A focus on capital value drivers allows not only for effective succession, but also supports and allows a compounding of the business' capital value over its life.

We think of succession planning as a process of evolution – Business Evolution. Enabling the compounding of wealth from generation to generation while ensuring family unity, individual growth and a sense of contribution, this is the essence of succession planning, this is Business Evolution.

Which of your clients need a succession plan?

Succession planning is a key concern for anyone who has founded, owns or has an equity interest in businesses trading under a private company structure or public company where they continue to hold a significant controlling interest.

Your wealth is materially impacted by your ability to realise and /or transfer that interest to a third party or family members. If you own a minor shareholding in a publicly listed company realising or transferring its value is relatively easy, however with privately owned businesses or a significant controlling interest in listed companies, realising and transferring value is a very different process.

Succession planning starts the day you commence your business

and continues until the business no longer exists or you release your interest.

Succession planning is important for family businesses, small businesses, medium and large businesses, closely held businesses, privately owned businesses and a significant controlling interest in publicly listed businesses. However you describe your business, succession is fundamental in determining the 'capital value, worth, market price' of your business, and therefore your and your family's wealth.

Issues Faced by SME'S

Some of the issues faced by SME owners is they ….

- Spend too much time working in the business, not on it
- Struggle to attract, retain and motivate staff
- **Record numbers are expecting to retire, flooding the market**
- Generational successors are not interested
- **Not prepared or planning for succession or retirement**
- Unaware of their business value gap and under- or not insured

Source: Bendigo Bank pilot program, December 2008

The survey also found that :

- **75% of SMEs surveyed don't have a detailed plan for the future**
- 61% consider "now" as the most important time for planning
- **86% don't have a succession plan**
- 41% don't know their business' worth
- **71% don't have an estate plan**
- 88% would like to develop a plan for the future

SMEs need more – and better advice

It's time to take succession planning out of your too hard basket and recognise it's value to your firm.

Identifying why your clients need help

The reality is that people, despite their best efforts, create mess and complexity across the various parts of their lives. Many attempt to ignore this mess, perhaps ignorant to the fact that at some point, either they or somebody else will have to make sense of it all.

Unfortunately, this habitual procrastination by people and/or their advisers too often leads to significant emotional trauma, financial loss and relationship dislocation.

Professional advisers have, for generations, recognised the downside to poor management and planning by their clients across a diverse range of areas from business and succession planning to estate and financial planning (amongst others).

Yet the complexity of the issues, the diversity of each person's situation, and the breadth of skills and knowledge needed to address the issues has meant that most people - and their advisers - put these critical planning activities into the 'too hard' basket.

Until now.

Welcome to reG3n, a cloud-based solution (designed by advisers for advisers) that thrives on turning the complex into the understandable. reG3n enables reactive, transactional advisers to genuinely deliver perpetual life-changing value to their clients, as well as their client's families and communities.

reG3n moves advisers from the reactive value fringe to high-quality, recurring strategic engagements.

Orbit utilizes reG3n as the system to deliver its Business Succession Program solutions to accounting firms. Orbit will develop bespoke , customized solutions for your practice to meet the specific needs of your clients and thereby provide a very powerful and impactful service to assist your clients.

Streamlining implementation & data storage *(with reg3n)*

Cleanly capturing information

Too often, a client's information ends up as a collection of scribbled or typed notes, out-of-date documents, fact-finds and multiple spreadsheets. Finding a particular piece of information is something akin to a treasure hunt where 'x' marks an entire section of documents. In addition, the information collected can vary widely from adviser to adviser, depending on their experience and working style.

reG3n changes this. It provides an easily accessible and logical structure to capture a client's information so that everything is in one place - your digital organiser and filing cabinet for all client information collected during the planning process.

reG3n stores everything from an organisation's background information, or an owner's financial objectives, to specific information on the sale or transfer of all or part of an organisation. It provides the adviser with a framework for collecting information and allows them to find that information again quickly and easily.

Simply storing large volumes of information

After collecting information from a client, it can be overwhelming to be confronted with a large file of information to sort through and piece together. With crucial information scattered across multiple documents, it can be a headache to assemble everything and see the big picture.

reG3n combines structure with flexibility to arrange this mass of information into three core areas: organisation, people and actions.

The ‘organisation’ and ‘people’ areas form the basis of the information collection process. A less experienced adviser can use the questions as a guide when requesting information from clients, while a more experienced adviser may simply use them to store the information they receive.

The ‘action’ area uses the client’s information and assists the adviser with standard planning activities, such as analysing business performance, performing business appraisals (and valuations, if suitably qualified), and facilitating the sale or transfer of a business.

It’s simple enough that another adviser can take over a client’s file, and see all crucial information at a glance on the dashboard.

The right tools for delicate subjects (understanding your client)

The advisory process is more than just analysing numbers and data. It’s about helping people plan ahead to achieve their desired quality of life or simplify transitional phases through to each person’s ultimate exit - death.

reG3n gives advisers tools to help them address potentially delicate subjects with clients and gain a better understanding of where their client wants to be. It provides customisable collateral for engaging with clients, surveys to better understand their long and short-term requirements and goals, as well as what’s important to them.

reG3n provides advisers with visual (and other) tools to gain a bigger picture understanding of the client and their business, so they can determine which areas require immediate action and those that require future attention.

Produces informative reports

Data is meaningless if it’s simply stored away and quickly forgotten. reG3n ensures information is current and perpetually meaningful, enabling advisers to share and discuss it with their clients in a relevant, simple format. It provides clean, easy-to-read reports based on the information the adviser has stored in the system.

There are a wide variety of reports that provide an overview of the organisation, the owners and other related parties, structures, conflicts of interest, and action plans. For those using the valuation tool, reG3n can also produce editable business appraisals and valuation reports (if undertaken by a suitably qualified adviser).

Providing

Estate Planning

for your professional clients individual needs

The harsh reality is that there is **no person alive today who will not die** at some point in the future. This means that **having to deal with a person's estate** is not only a possible event, **it is inevitable.**

From an advisers (accountant, financial planner, lawyer, consultant) perspective, they have a professional responsibility (legal, ethical and emotional) to ensure that their clients are prepared for this event. However, in most cases (even those with legal and current documents in place), clients and their advisers are not prepared for a person's death. There are significant technical, management, emotional and commercial reasons for this.

Complexity, cost and procrastination are problems of the past

As a technical area of advice, Estate Planning (EP) can be very complex and time consuming. In addition, EP involves skills across a broad range of advisers (which also adds a project management function to the situation). These issues alone mean that there is a lack of coordination, work is done inefficiently, different advisers are working with different pieces of information and costs for doing the work become prohibitive. Adding further complication is the fact that people are often uncomfortable addressing their mortality, they are scared of the costs and therefore constantly procrastinate in dealing with the issues. The end result is that most clients don't get the advice and direction they need, their affairs remain out of control and advice businesses fail to benefit from the legitimate commercial opportunity EP offers.

Be the 'Family Manager' for your client

EP is a unique area of advice that naturally intersects all relationships associated with a person - from the family, to those associated with their business/professional life, to those in their community. The high value opportunity for an advice business is to position themselves as the Family Manager for the client. This is the most valuable role that can be undertaken with a client and means the advice business is engaged with the client at the strategic/ management level. This non-advice role can be structured as a monthly or annual fee and ensures that the advice business sits at the middle of the client's affairs and structurally engages them with all the client's other advisers and relationships.

The app: cutting time and costs (Estate Planning For Life)

Until now, filling this role has only been possible for those wealthy clients with the resources to pay for a team of advisers or their own personal business manager. However, thanks to the Estate Planning For Life (EPFL) app, an adviser can now position themselves as the Family Manager with almost any client, bring order and control to the family, and very efficiently create a whole new EP business that drives high value and annualised (high margin) revenue.

Benefits for your business and your clients

EPFL enables advice businesses to genuinely connect with their clients at a more strategic management level. With EPFL, this relationship is authentically valuable for both the client and the advice business. The benefits to the client are obvious, providing them with greater control, security, confidence and transparency of their affairs. In addition, it ensures that all their advisers are working in unison. For the advice business, the benefits are substantial. EPFL:

- Repositions the role of the adviser
- Drives a new and/or expanded area of the business offer
- Allows EP to become an annuity income stream area of the business
- Identifies significant additional transactional advice work
- Provides a basis for the client to come back and review their situation each year (and have their documents from the system updated)
- Connects advice businesses with all the other key relationships their client has (creating new client relationships)
- Significantly improves the value proposition of the advice business reducing the potential loss of the client


The Orbit Solution
To provide a business succession champion

Orbit has developed a bespoke consulting solution for delivering a complete Succession consulting solution to a select number of accounting firms.

Orbit will provide to an accounting practice:

- **Systems and processes** to identify client needs and provide recommendations
- **Resources to project manage** the required actions and be accountable
- **A senior consultant to represent the firm** as its " Business Succession/Estate Planning Strategist"
- **The ability to deliver this important service** to its clients which is far more holistic than traditional tax related work
- **The opportunity to identify ongoing future projects** with ongoing revenue potential for the firm and its referral partners
- **Rain making capacity to generate new work** from the clients of its referral partners by actively promoting this new found, and unique capacity which industry research says is almost non existent.
- **An ability to identify client needs** and facilitate a solution
- **Marketing resources** to actively promote the firm and this new, unique service to referral partners eg law firms, banks and seeking to generate new client engagements
- **Introduction of industry experts** to assist clients in areas of estate planning , tax, capital raising, business sale, finance, asset protection , insurance, succession funding
- **Opportunity** to explore the potential to establish a Virtual Family Manager service to position the firm as the trusted advisor to your clients families whereby you co ordinate all major financial issues as both a gate keeper and project manager .

Be proactive and valuable

Estate planning offers a unique, low cost solution to a massive, high impact problem. By using and following the EPFL process, your clients will engage with you on an emotional, practical and commercial level in a way that does not leave the client feeling overwhelmed by technical information. Engage and connect with your clients in a new way that has them seeing your role with a different perspective.

Orbit's Proposal

To enable your firm to access the significant opportunities within your client base and external relationships, Orbit will undertake to provide the following services:

- Access to a Senior Consultant (Matthew Brannelly) who will attend your offices each week
- Co ordination of the proposed Business Advisory Division within your practice with specific emphasis on Estate Planning and Succession Planning
- Establishment of systems necessary to deliver these services
- Marketing resources to promote this new service externally to the firm's connections eg banks, law firms
- The services will be provided by M Brannelly, representing your firm as the "Succession Strategist /Specialist"

Revenue Potential

Individuals:

- Estate Planning – consulting fees $ 3,000
- Risk Insurance - $5,000
- Legal - $ 2,500

Businesses:

- Succession Planning – consulting fees $10,000
- Risk Insurance - $ 20,000
- Legal - $10,000

New Revenue Projections

5 x individual Estate Plans per week = $750K per annum

(consulting fees of $ 15,000 pw)

10 x individual Estate Plans per week = $1.5M per annum

Plus revenue from: risk insurance and legal and succession planning projects.

The potential opportunities and

revenue available

from succession planning & estate planning are

too strong for any firm to ignore.

The obstacle until now for most firms has been the

lack of time and resources

available to commit. Thanks to Orbit, these past issues are

no longer a limitation.

ORBIT STRATEGIES

Reach higher targets.

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NEW REVENUE THROUGH SUCCESSION PLANNING ESTATE PLANNING

Call **0419 222 344**

and get your accounting firm on target.

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