when it comes time to sell your firm to another practice, how do you find the firm that makes the most sense?

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As your tax and accounting firm's leader, you know what's best for your business, but when it comes time to sell your firm to another practice, how do you find the firm that makes the most sense?

Selling your firm isn't an easy process. You put in dedicated time, money, and

1. Find the right culture fit

It's important that you find a firm that shares your own values, so spend some time understanding the other firm's culture. Are they going to mix well with yours, or will it be like oil and water?

If it's the latter, the acquisition process is going to be difficult from the start. Your team needs to be excited about their future, so finding a firm that shares the same values, mission, and goals is critical in ensuring a smooth transition for both sides.

2. Understand where your team fits and safeguard them

I've seen and heard more than a few practices sell into larger firms, and while the ownership team was able to successfully exit, they did it with remorse for what happened to their team.

Originally, the ownership team had hopes and dreams for their team members, but ultimately, the buying firm didn't share the same feelings – and you can't blame them. After all, the buying firm won't know your team members' dreams and aspirations if you don't share these with them.

On the other hand, if you are with a firm acquiring another firm, make sure you understand what your new team members are hoping for, and make sure that aligns with your future. If not, you risk attrition.

Whether you're the buyer or seller, find out what's in it for your key team members. You'll get peace of mind heading into the acquisition, and secure your team's enthusiasm and engagement around the whole process.

Next, understand where your people fit – not just today, but deep into the future. Do you see upper mobility as a result of the acquisition, or are there going to be certain divisions that will no longer be necessary? For example, if the buying firm already

Here's an example of the rough difference between selling just your client base vs. a great firm with solid processes and people:

> **Purchase:** Your client base
>
> **Acquisition cost:** 0.75-1.2 x top-line annual revenue
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> **Purchase:** Your firm with strong processes and solid people
>
> **Acquisition cost:** 1.5-2.5 x top-line annual revenue

Having a strong team and workflow is huge, which is why a culture fit and having a place for your people is important in your plans.

3. What's in it for your clients?

The reality is, when you want to sell your firm, your clients may want to shop around, so take the time to understand why this sale is good for your clients. Ask yourself:

- Are there going to be complementary services for your clients to receive a more holistic experience?
- Will the new buying firm provide a service that your firm doesn't offer to help fill the gaps for your clients' outcomes?

At the end of the day, your firm's people aren't just your employees; your clients are people, too, so make sure you're not rewarding their business and loyalty with a firm that isn't aligned with yours.

4. Your bottom line

Ultimately, the price needs to be right. As I said above, firms with solid processes and

week. So it's in your best interests to ensure your processes are streamlined, your team is high-performing, and your metrics are tight.

If you're in the situation where you're working 60+ hour weeks, it's understandable that you want to sell your firm and seek a better lifestyle, but you need to understand that this isn't an attractive purchase. The reality is this: Buying firms don't want your 60-hour work week, no matter how much revenue there is.

If you can get to a place where you're working 20-30 hours per week (or less), your firm is automatically more attractive to someone else because they want to buy the lifestyle you've built and/or the processes you've created that enable you to work less hours.

When you can do this, two things will happen:

1. Your firm's value will increase.
2. You can afford to be picky around who you sell to, ensuring the right culture fit, upper mobility of your team, and better outcomes for your clients.

Don't just make a sale; make the *right* sale

Finding the right firm to sell your accounting practice to isn't just a matter of finding the highest bidder.

Unless you want your years of hard work in building your client base, developing your team, and processes to result in a quick sale that doesn't sit well with you as a *person*, then selling to the first bidder might not be the right path to take.

However, if you're interested in maximizing your sale price, while also safeguarding your firm's legacy, team's future, and client outcomes, then it's important to do your due diligence in setting your firm up to generate the best valuation. Yes, that's a

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