

# Building cultural alignment:

Navigating the path to successful business mergers

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**FQQQ**  
**CONGRESS**  
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**Speaker: Sue Viskovic**





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## One-third of advice practices have closed since 2018, research finds

Almost 3,000 advice practices have gone defunct within the last five years, recent data has revealed.

NEWS

By Jessica Penny - October 23, 2023



A total of 2,828 advice practices, constituting 31 per cent of the market, have closed their doors within the last five years, according to Adviser Ratings.

Advice practices across the country, which stood at 8,995-strong in 2018, are now down to 6,167 in 2023.

Notably, among them, the number of sole-adviser practices fell from 5,781 in 2018 to 3,733 in 2023.



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2,048

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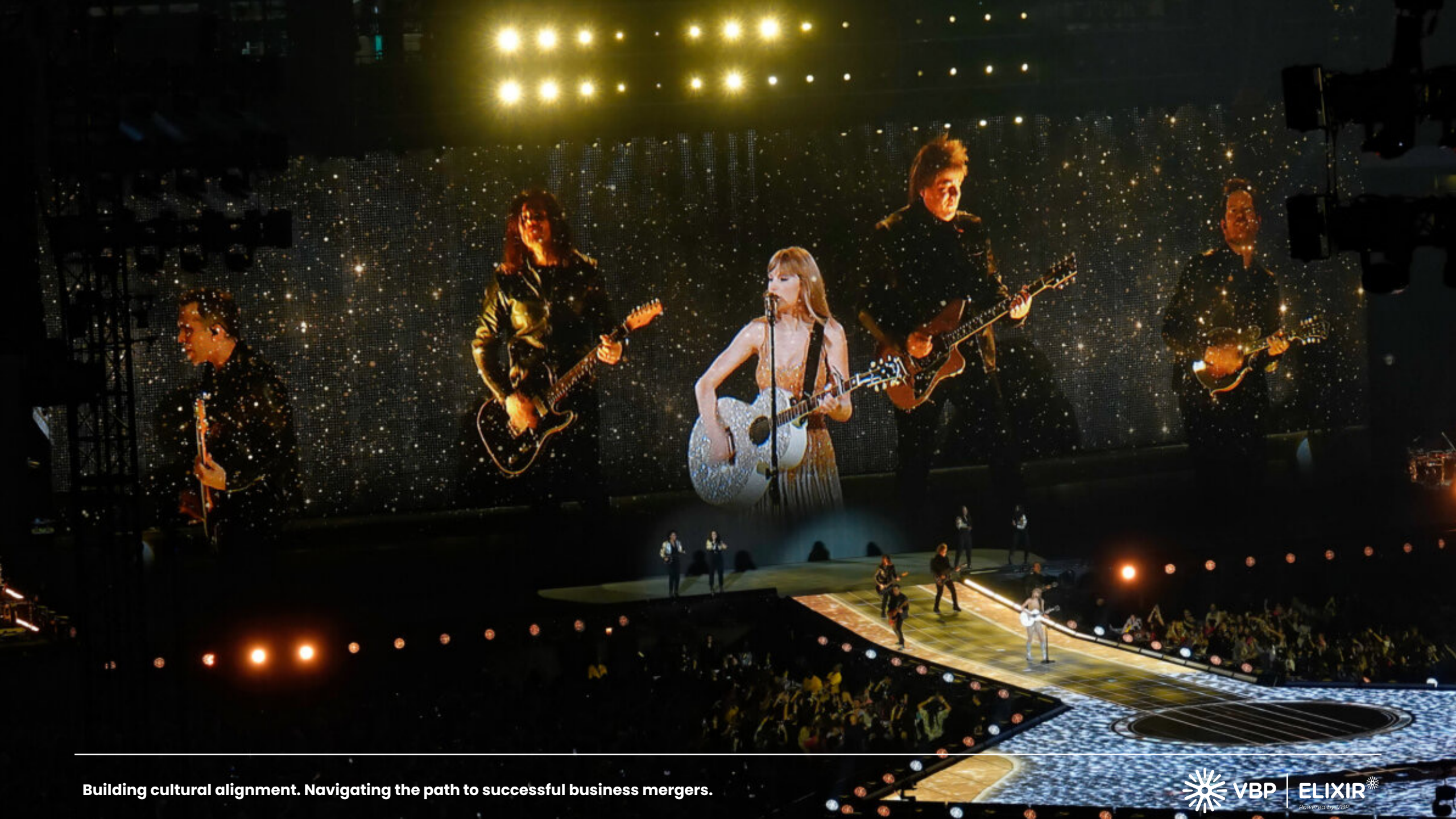
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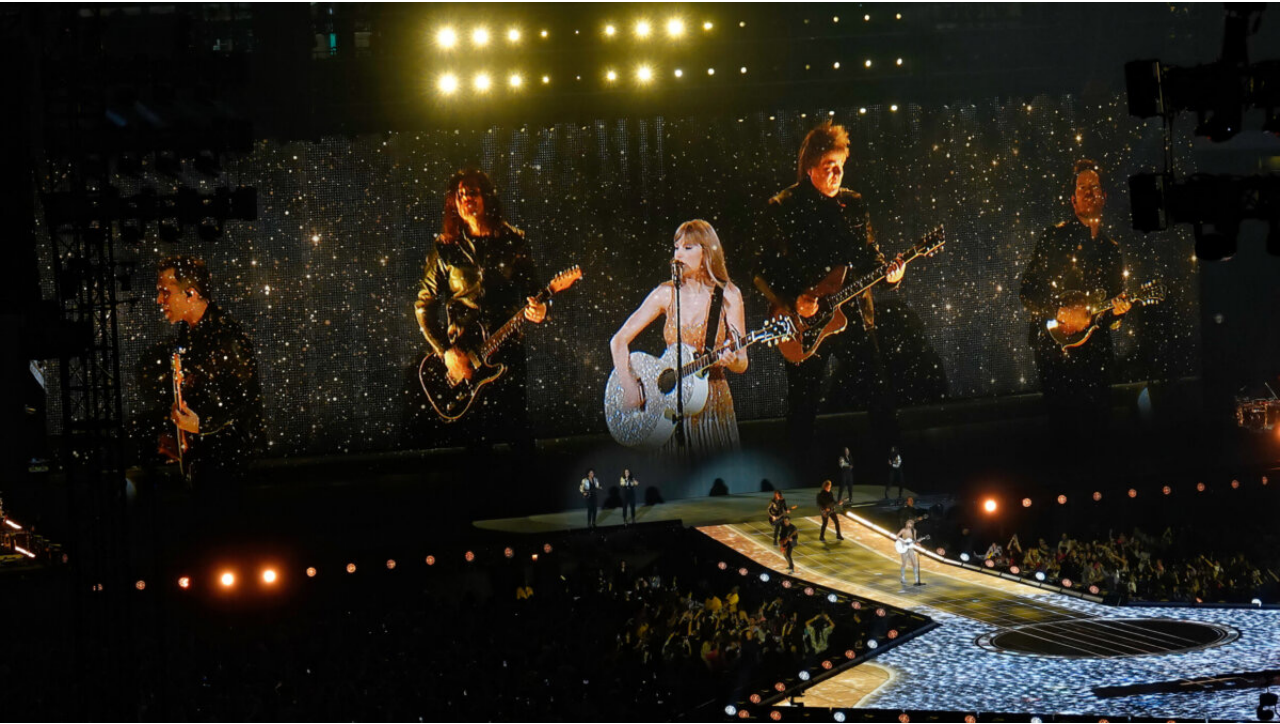
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# Options for strategic expansion.



**Be the  
acquirer**



**Be  
acquired**

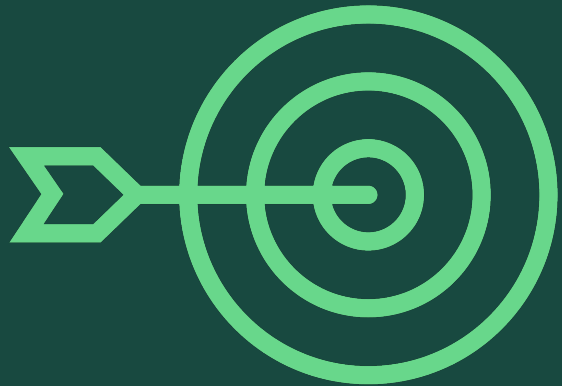


**Merge**

# Are you Ready to Poll?



# Poll Slide:



## I am interested in :

- Selling my business
- Selling all or most of my business and staying in the firm long-term
- Merging with another similar sized firm
- Acquiring other firm(s)
- Buying into a firm (not yet a business owner)
- None of the above – just curious

# WHY?

Merging with Purpose  
**A clarity worksheet**



Embarking on a merger or seeking a capital partner can be both an exciting and, at times, a challenging endeavour. Early reflection is essential to gaining a clear understanding of your objectives and why this path is the right one for you. This self-reflection process will equip you with the insight you need to define your goals, shape your perspective, and make informed decisions as you navigate the various opportunities that will inevitably come your way. Take a moment to consider your motivations and aspirations for pursuing a merger, and then complete the following questions to guide your introspection.

1. What negative aspects of your current reality are you seeking to address? (ask yourself - what do I want less of? What am I trying to solve/move away from?)

2. What outcomes and objectives are you aiming to accomplish through this



**SCAN TO DOWNLOAD**



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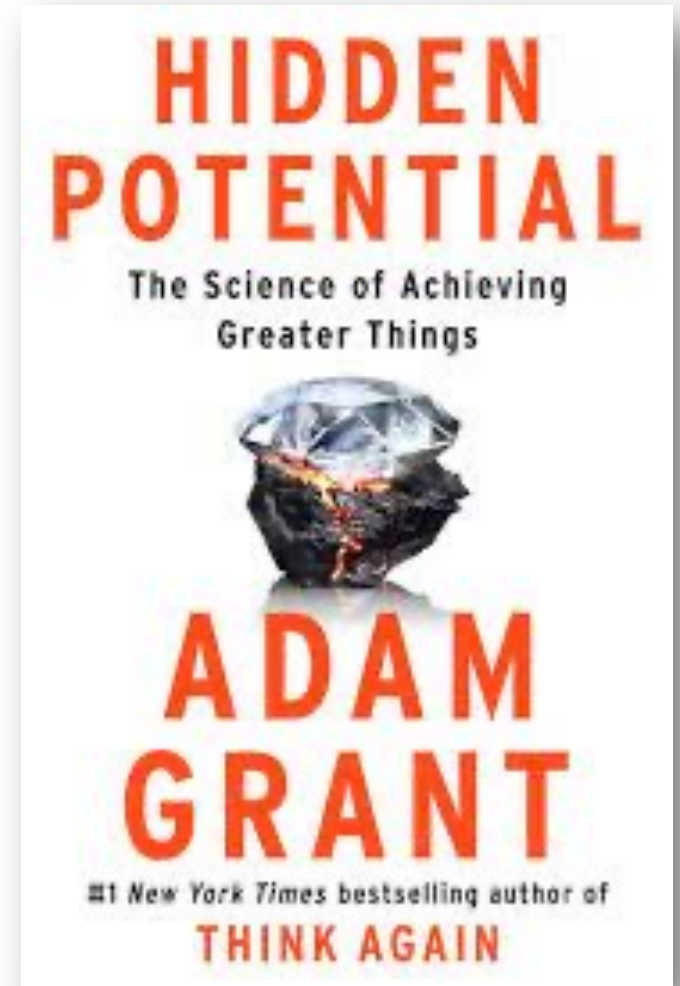
# Know the person behind the persona

*“Knowing your principles doesn’t necessarily mean you know how to practise them, particularly under stress or pressure. It’s easy to be proactive and determined when things are going well.*

*The true test of character is whether you manage to stand by those values when the deck is stacked against you.*

*If personality is how you respond on a typical day, character is how you show up on a hard day.”*

***Adam Grant, Hidden Potential.***



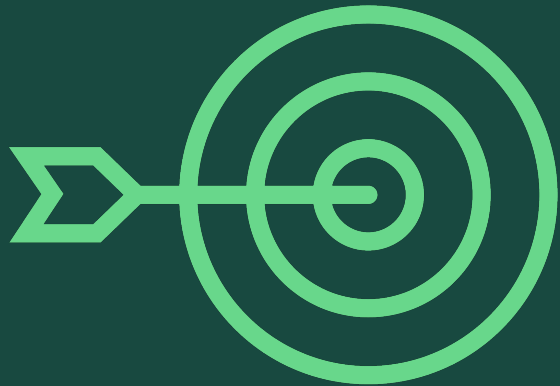
# Are you Ready to Poll?





# Poll Slide:

## What would you do?



In a file review, you discover that there was a slight delay of seven days between when the rollover funds were received in a clients' account, and when the purchase order was placed to invest the money in your recommended portfolio. (You did not advise to dollar cost average it in).

The client is quite hands-off, you know they're unlikely to notice, and they also have enough funds to meet all their objectives very comfortably. You're pretty sure that the market went up in that week, but you'd have to do some analysis to be sure.

Your SOA didn't specify, nor do your licensee standards prescribe a time period within which you will invest their funds after receipt.

Do you:

- a) **Check that the investments purchased match what was recommended and sign off on the implementation.**
- b) **Investigate if there was a financial impact to the client for being out of the market for seven days and then decide what to do, depending on the dollar value of the impact.**
- c) **Investigate and if there was a negative financial impact, advise the client, compensate them and complete appropriate compliance reporting.**

# Before the decision to merge

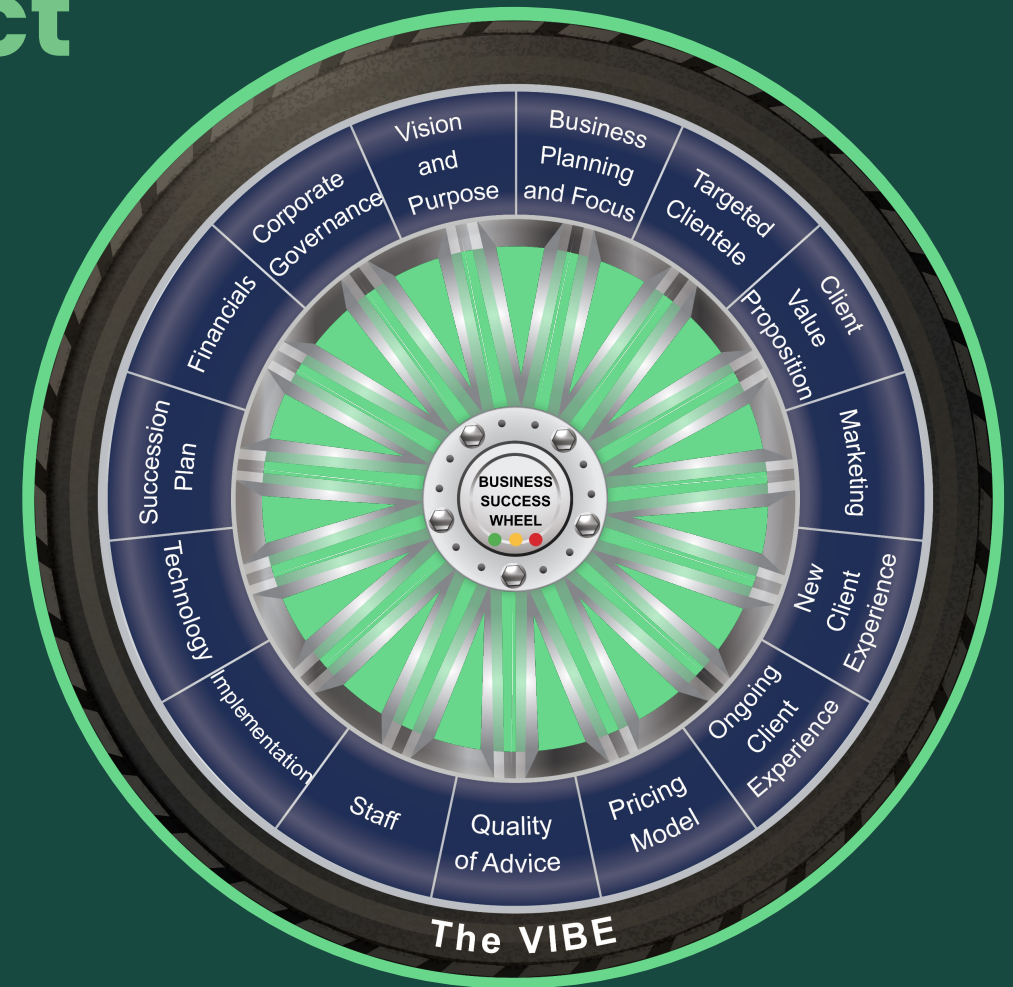


- Information Memorandum
- Alignment on values, culture and purpose for the merger
- Clients and CVP
- Vision
- Share skeletons
- Personality Profiling

# Once you've decided, but before you transact

## People

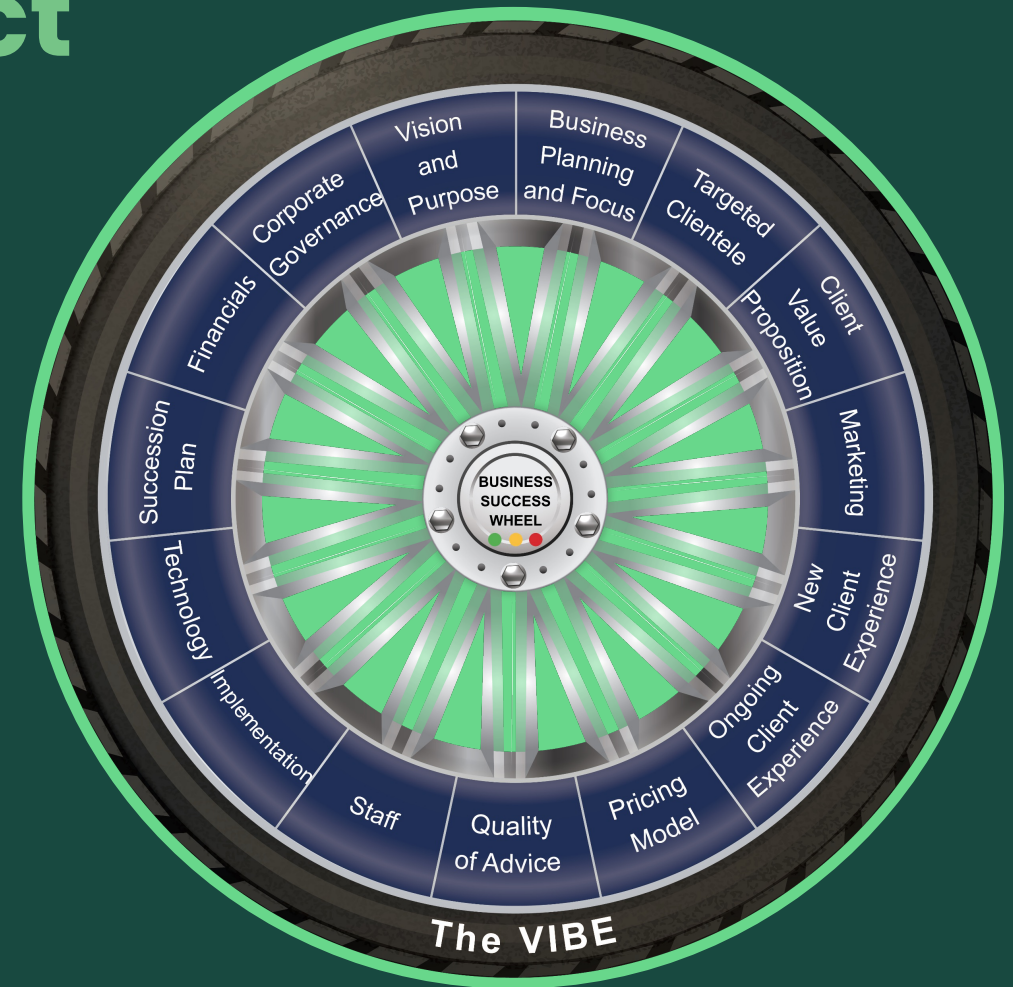
- Culture
- Values seeds
- Vibe
- Roles



# Once you've decided, but before you transact

## Strategy

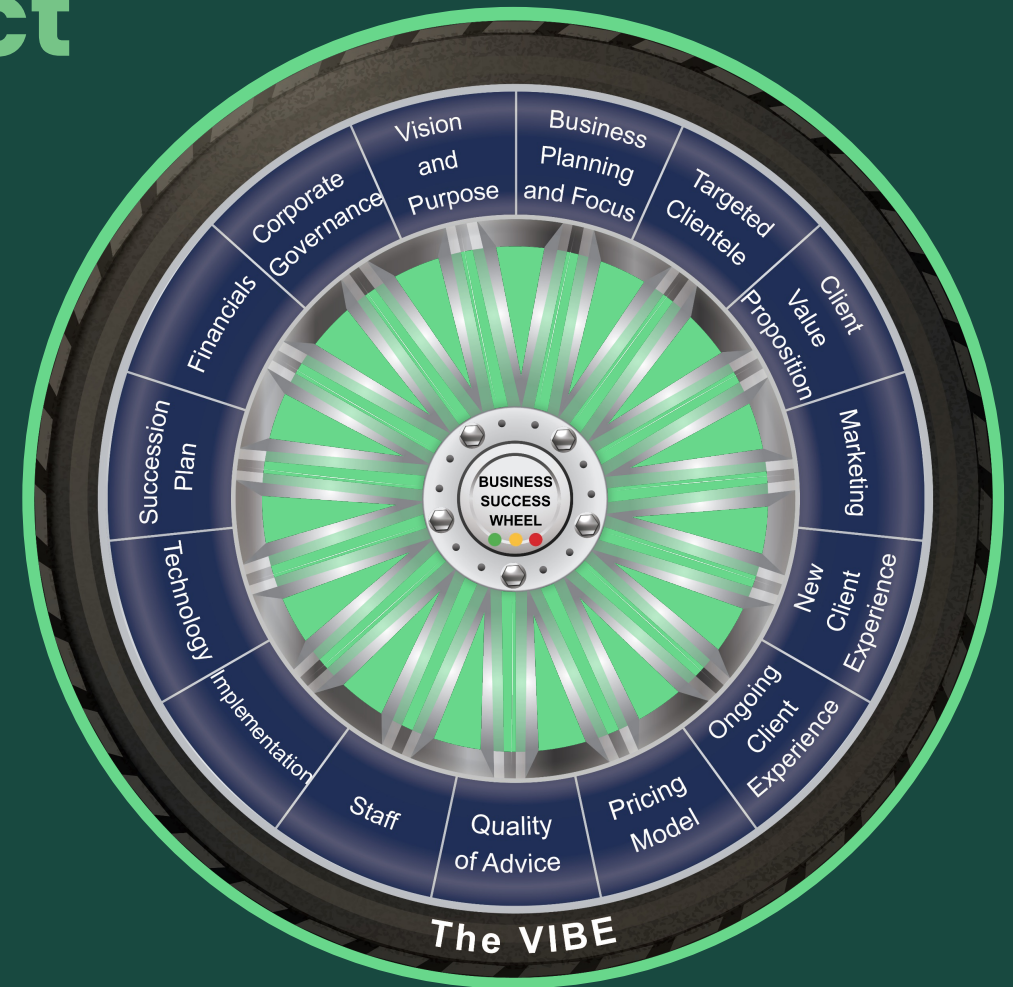
- Decision-making
- Profit
- Growth
- Pricing
- Investment Philosophy
- Future Ownership



# Once you've decided, but before you transact

## Systems

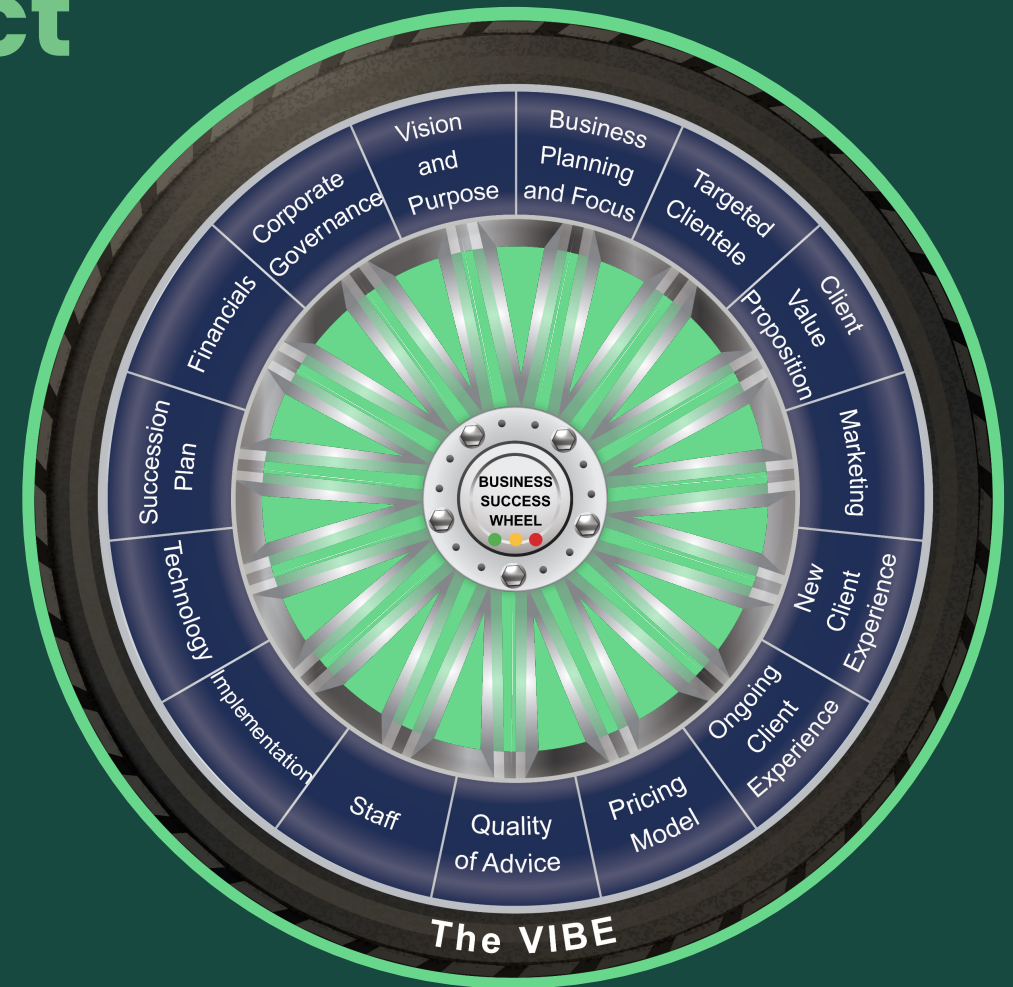
- Client experience
- Workflow processes
- Tech stack
- Business DNA



# Once you've decided, but before you transact

## Operational

- Premises
- Licensing
- Name and brand



# Keep your team in the loop

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# Negotiating the deal structure

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***"People support  
what they help  
create"***



# Coming Together

- Share vision
- Build on Values seeds
- Operational Decisions
- Team profiling
- Build your culture together



# Extra tips for success

Don't...





# Extra tips for success



## Don't...

- Go to second base too soon
- Go in with a selfish attitude

# Extra tips for success



## Do...

- ✓ Keep your team in the loop
- ✓ Stay open
- ✓ Keep your rose-coloured glasses off!
- ✓ Communicate well!
- ✓ Be prepared to compromise – but be clear on your boundaries
- ✓ Be prepared to stay in your lane
- ✓ Understand what you value

# Receiving Capital

- What are they bringing to the table?
- Expectations
- Ultimate exit strategy



**Speaking  
from  
experience...**

**Mr. Brent Fairhead CFP®**  
Managing Director  
Design Financial Advisory



**Design  
Financial**  
A D V I S O R Y



Q&A

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session**

MELBAIDE CONVENTION CEN

# Meet the speaker zone



**Thank you for  
attending this  
session**

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