



# Business Succession Planning for the Life Care Planning Law Firm

Timothy L. Takacs, CELA  
Jerold E. Rothkoff, Esquire

---

---

---

---

---

---

---

---

1



## Our Story.

2

---

---

---

---

---

---

---

---

2



## Objectives

- Demonstrate what is unique about a LCPLFA practice
- Value creation of your practice
- Show importance of thinking about succession planning – when to start?
- Options for succession planning

3

---

---

---

---

---

---

---

---

3



### Uniqueness of a LCP Law Firm

- LCP renewals
- Non-legal staff - create stability
- Built-in mission

4

4

---

---

---

---

---

---

---

---



### Creating a Saleable Practice

- LCP renewals – steady, predictable revenue
- Being a thought leader in your community
- Being different from other EL firms
- Being a resource in your community
- Social media presence/website
- Quality/longevity of staff
- Systems
- Programming/Symposium
- Do good work

5

5

---

---

---

---

---

---

---

---



### Succession Defined

- Sell and quit
- Transfer assets to another attorney and quit
- Wind down and quit
- Die and: sell, transfer, or wind down

6

6

---

---

---

---

---

---

---

---



## Implementation of Succession Plan

- What is your goal?
- Purposeful hiring
- Laddering attorneys
- What to look for in attorneys
- Business valuation
- Showing actual income on Schedule C
- Begin 5-10 years prior to sale of practice

7

7

---

---

---

---

---

---

---

---



## Asset or Liability?

- Planned or unplanned *event*
- Precrisis or crisis *scenario*
- Sudden or prolonged winding-up *process*

8

8

---

---

---

---

---

---

---

---



## Options for Succession Plan

- Involuntary - die at your desk/become disabled
- Or
- Voluntary via a well thought out plan

9

9

---

---

---

---

---

---

---

---



## Voluntary Succession Plan

- Merge with another firm
- Outright sale of practice
- Selling to partner/associate

10

10

---

---

---

---

---

---

---

---



## Factors to Consider

- Get help – retain a business advisor
- Talk to your spouse/partner, meet your partner's spouse
- What are your goals/lifestyle?
- What will your retirement look like?

11

11

---

---

---

---

---

---

---

---



## Succession: How

1. Update your business plan
2. Get your books and records in order
3. Identify key metrics
4. Decide what you are selling & not selling
5. Look for a buyer (hire a broker)
6. Obtain a valuation (hire an appraiser)
7. Execute the paperwork (hire a lawyer)

12

12

---

---

---

---

---

---

---

---



### Issues

- Rule 1.17: Sale of Law Practice
- Notice to clients
- Legal structure
- Financing the purchase
- Are you staying or going?
- Covenant not to compete?

13

13

---

---

---

---

---

---

---

---



### “Death Drill”

14

14

---

---

---

---

---

---

---

---



### Asset or Liability?

- Planned or unplanned *event*
- Precrisis or crisis *scenario*
- Sudden or prolonged winding-up *process*

15

15

---

---

---

---

---

---

---

---



## What is needed, immediately?

- Personal care
- Financial care
- Legal care

16

---

---

---

---

---

---

---

---

16



## Issues

- Income stream / the money
- Decision making
- The practice
- The clients

17

---

---

---

---

---

---

---

---

17



## Cashing Out

18

---

---

---

---

---

---

---

---

18



## Begin with the end in mind: value

- Maximize the value of your practice to a prospective buyer: what should you do?
- SWOT analysis
- What do your numbers tell you?
- Specialize: what are you best at?
- Who wants to buy your practice?
- Professional advice

19

19

---



---



---



---



---



---



---



# Thank you.



20

20

---



---



---



---



---



---



---