SmartPath

PRACTICE ACQUISITION READINESS CHECKLIST

Before You Sign Anything.

Whether you're actively evaluating a practice or just starting to think about acquisition as a growth strategy, the preparation work is the same. This checklist shows you where to start.

The Five Stages of a Successful Acquisition

1

Understand

Know what a good transaction looks like before approaching anyone.

2

Assess

Know exactly what you are buying before the process starts.

3

Prepare

Build the infrastructure that determines your outcome.

4

Document

Define your terms before negotiation begins.

5

Execute

Make the transition happen cleanly, in stages, with a plan.

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Work through these five steps before a transaction ever starts. The firms that get the best outcomes started earliest.

STEP 1 Understand the Process

BEFORE YOU BEGIN

- [ ] Learn the difference between a traditional acquisition and a staged revenue exchange
- [ ] Define what a successful acquisition looks like for your firm specifically
- [ ] Understand how earn-out structures work and what determines final compensation to the seller
- [ ] Decide which transaction type fits your goals and current capacity

STEP 2 Assess the Target Practice

CLIENT REVENUE

- [ ] Identify how much revenue is recurring vs. one-time
- [ ] Calculate average revenue per client (ARPC) across the full roster
- [ ] Assess revenue saturation per client (how much of each client's potential spend is already being captured)
- [ ] Identify how much revenue is under active engagement agreements
- [ ] Categorize clients: compliance-only vs. advisory/planning

STAFF

- [ ] Document all current roles and tenure
- [ ] Assess whether retained staff will need to be replaced or repositioned
- [ ] Determine which staff you want to retain
- [ ] Review existing compensation, benefits, and any lock-up agreements

OPERATIONS AND LOGISTICS

- [ ] Document the target firm's current technology stack and assess alignment with yours
- [ ] Clarify what you are buying: assets, stock, or client data
- [ ] Locate and review all legal agreements and IP
- [ ] Review real estate situation: virtual, office-based, lease terms and flexibility
- [ ] Pull up-to-date P&L and balance sheet

First-time buyers: if the numbers work, you can make almost any transaction work. Start with the revenue picture and work down the list.

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STEP 3 Prepare Your Infrastructure

CLIENT DATA AND SERVICE DELIVERY

- [ ] Define your ideal firm profile: client count, service mix, staff structure
- [ ] Identify any service gaps between what you offer and what the target firm delivers
- [ ] Confirm your current capacity can absorb the incoming client volume
- [ ] Create an upgrade offer for incoming clients to add advisory or planning services

Buyers who already run a clean, systemized practice absorb acquisitions faster and lose fewer clients in the transition.

SYSTEMS AND DOCUMENTATION

- [ ] Confirm your technology stack can absorb the incoming firm's data
- [ ] Prepare a transition communication plan for incoming clients
- [ ] Document your onboarding process so it can be replicated at scale
- [ ] Create a basic training outline for any staff being retained

STEP 4 Define Your Terms Before Negotiating

TRADITIONAL SALE

- [ ] Define your purchase price ceiling and valuation methodology before any conversation starts
- [ ] Outline payout terms, vesting conditions, and non-compete requirements
- [ ] Clarify what is being purchased: assets, stock, or client data

REVENUE EXCHANGE

- [ ] Define the revenue share percentage you are willing to pay
- [ ] Set a minimum service standard you will commit to for the seller's clients
- [ ] Establish a client communication plan for the transition period
- [ ] Define the payout period and any bonus intervals
- [ ] Document what ongoing support the seller is responsible for post-transfer

Decide your parameters before the conversation gets emotional. Negotiation goes better when you are comparing numbers, not discovering them in real time.

STEP 5 Execute the Transition

CLIENT TRANSITION

- [ ] Sequence the operational transition: legal agreements first, then payroll and benefits, then technology transfer, then client communication
- [ ] Confirm all client communication presents the new firm as an extension of the previous practice, not a replacement
- [ ] Schedule introductory meetings with key clients as soon as agreements are executed

PERSONAL READINESS

- [ ] Write down your “why” before the process gets hard
- [ ] Confirm you control the data and the money flow before anything transfers
- [ ] Identify a neutral mentor for perspective outside the deal
- [ ] Define what a “good” deal means for you, in writing

THE COMPLETE TOOLKIT

SmartPath customers get the complete toolkit.

Full purchase agreement breakdown, action item tracker, and firm profile assessment included.

Book a Free Practice Readiness Call →

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