

New Business Development	1pt	2pt	3pt	4pt	Score
5-year growth rate	< industry average	industry average	> industry average	>10% industry average	
HNW referrals annually	0-2% of clients	3-5% of clients	6-9% of clients	>9% of clients	
# of professional network members	0	1-2 members	3-4 members	>4 members	
Formal strategic alliances	0	1	2	3	
Formal strategic partnerships % of revenue	0	1-5%	6-15%	>15%	

Wealth Management	1pt	2pt	3pt	4pt	Score
% of clients with a comprehensive financial plan	<40%	40-60%	61-80%	>80%	
% of clients who have incorporated a comprehensive WM checklist	No system in place	<40%	40-60%	>60%	
% of clients utilizing >3 non-investment products	<30%	30-50%	51-80%	>80%	
Highly systematized portfolio management structure	No system in place	Broadly diversified	Diversified and focused	Diversified, focused and repeatable	
Incorporation of banking, lending and insurance solutions	<30% of clients	30-50% of clients	51-80% of clients	>80% of clients	

Client service	1pt	2pt	3pt	4pt	Score
Manageable number of clients per relationship manager	>200	150-200	100-149	<100	
Qualitative and quantitative client segmentation	None	Quantitative only	Quantitative and qualitative	Mapped to client service stratification	
Service stratification	Generic	Customized	Personalized	Stratified and implemented	
Proactive and predictable client contact system	Reactive	Proactive	Proactive and predictable	Proactive, predictable and pod-based	
Personal information, insights and preferences captured on the CRM	Minimal	Client	Client and family	Client, family and business	

Revenue quartile based on LOS	4th quartile	3rd quartile	2nd quartile	1st quartile	
Recurring revenue	<30%	30-50%	51-80%	>80%	
Profit margin	< Industry average	Industry average	> Industry average	>20% of industry average	
Internal staff compensation and split arrangements	Significantly below industry average	< Industry average	Industry average	Slightly above industry average	

Personnel Analysis	1pt	2pt	3pt	4pt	Score
Level of experience and personality	< Experience	Similar experience	Similar experience and similar personality	More experience and similar personality	
Complementary talents and skills	Same as lead financial professional	Complementary in 1 area	Complementary in 2 areas	Complementary in 3 areas	
Philosophical alignment personally and professionally	Fundamental disagreements	Basic agreement	Total agreement professionally	Total agreement personally and professionally	
Team members' experience and compliance record	Compliance challenges	Experience challenges	Experienced and clean compliance	Experienced, clean compliance and well-delineated roles and responsibilities	
Team member compensation and career aspirations	High compensation and low career aspiration	Low compensation and high career aspiration	High compensation and high career aspiration	Industry average compensation and high career aspiration	

Total score:	
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Score <50 = <1X multiple

Score 50 – 70 = 1X multiple

Score >70 = >1X multiple

Note to seller/buyer: A higher score dictates a higher multiple for the seller but less “work” for the buyer to get the practice where it needs to be.

The reverse is also true: A lower score dictates a lower multiple for the seller but more work for the buyer to get the practice where it needs to be.

LOS = Loan origination system