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Credent Advisor Solutions

EXPONENTIAL GROWTH
LESS HASSLE
MORE LIVING LIFE

Welcome to Credent's quarterly advisor recap — your summary of current market perspectives, practical guidance, and strategic thinking that supports your client engagement, practice growth, and insight into future succession success.

The Succession Planning Reality Check

Dear Advisors,

After 25+ years of building relationships — from leading global sales teams in manufacturing to now partnering with advisors ready to write their next chapter — I've learned that lasting success comes from building something bigger than yourself. That's especially true when it comes to succession planning, which I believe is the ultimate relationship challenge.

The succession planning landscape has shifted dramatically, and we feel it is important to educate you with what we are hearing and seeing from our network of advisors. These market realities are shaping how advisors like you are approaching their transition decisions.

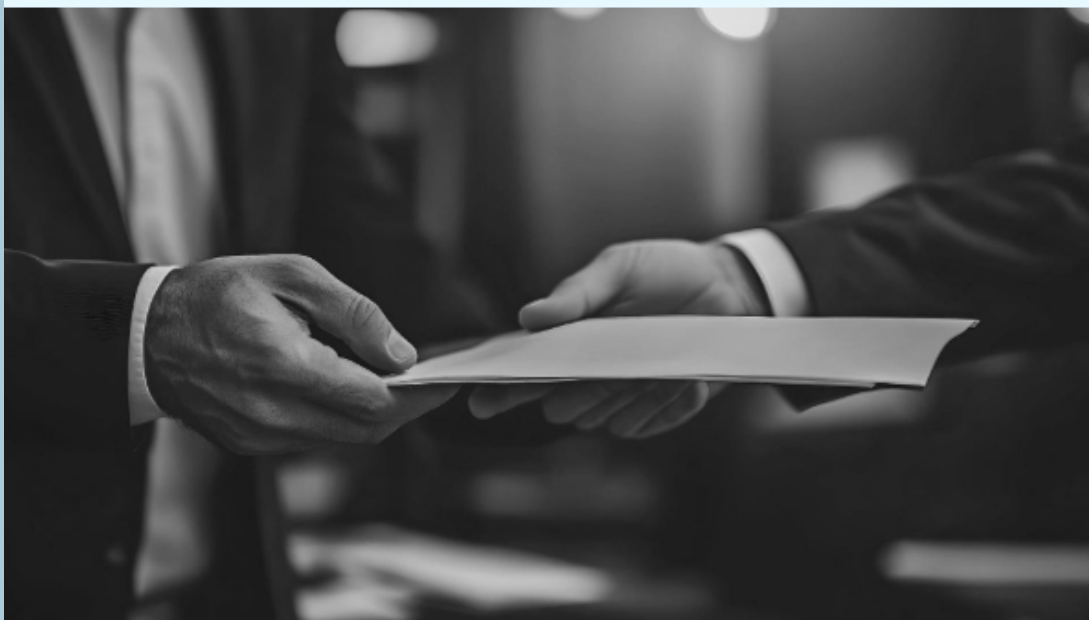
We're excited to share this quarter's communication piece with our advisor community. In this edition, we'll cover *Three Trends Driving Succession Urgency*, *What Surprises Advisors About Today's Valuations*, and *The Two Mistakes That Can Cost Advisors Millions*. These insights will prepare you to make informed decisions about your practice's future and help you avoid the costly missteps we see too often in the market.

Best regards,

Joe Hauptert

Chief Business Officer
Credent Wealth Management





QUARTERLY INSIGHTS

Three Trends Driving Succession Urgency

Higher Valuations Create New Challenges: Valuations are higher, which creates an unexpected problem: internal succession is no longer a viable option for many practices. When succession candidates can't afford current market multiples, external partnerships become necessary.

The Next Generation Is Choosing Different Paths: Increasingly, second-generation advisors don't want to take ownership of the business. The assumption that junior team members will step into ownership roles is proving false more often than expected.

Technology and Service Gaps Are Widening: Based on industry trends, smaller firms are increasingly falling behind in providing the enhancements that clients are looking for — capabilities that larger firms can more easily deliver.

The Two Mistakes That Cost Advisors Millions



Mistake #1: Waiting Too Long

Based on our experience with advisor transitions, when an advisor delays succession planning, their business becomes what we call a "melting ice cube." They lose clients, don't grow, and their overall valuation drops.

Like athletes who don't recognize when their peak performance days are behind them, advisors often miss their optimal transition windows.

Many run lifestyle practices and stop providing excellence in service, planning, or investments, taking for granted the client experience they once delivered consistently. They become comfortable with the status quo. The pay is good, and the work isn't difficult.

When advisors become complacent with their businesses and clients, the client experience suffers. They stay in touch less, gloss over financial plans because they've been doing them for so long, and become less engaged with managing evolving market challenges. All of these factors play into driving the valuation multiples lower. Don't wait until it is too late to maximize the value of your business.

Mistake #2: Not Understanding Their Options

Advisors often accept deals that initially appear great, but when they reach the finish line, there are surprises — and it's too late to go back.

The solution is finding someone who is honest, transparent, and educates you upfront. Advisors often say they appreciate our educational approach and simple method of deal valuation, ensuring the cards are laid on the table face up.

What Surprises Advisors About Today's Valuations

THE COMPLEXITY HAS INCREASED DRAMATICALLY

As firms become more sophisticated at acquiring practices, they've gotten smarter about the financial engineering of their deals. This often makes the overall value seem much larger than what's actually achievable.

TAX IMPLICATIONS VARY DRASTICALLY

Deal structures can create vastly different tax consequences for advisors who aren't careful about the details upfront.

MOVING FORWARD

Succession planning isn't about rushing into a decision. It's about understanding your options while you still have time to choose what's best for your clients, your team, and your family. Business transitions involve risks and may not achieve all desired outcomes, especially when you wait too long to take action.

"We talked to several very large firms, and what drew us to Credent was the idea that they're always looking for the right seat for people...We have an excellent young team that has kind of an unlimited ceiling, I would think, and Credent was the one firm that I saw a clear path to that for them." - [Jim Brandenburgh, CFP® | Partner & Wealth Manager](#)

Ready to Explore Your Options?

If these market realities resonate with your situation, we'd welcome a conversation about how Credent's "forever firm" approach might align with your succession goals.



Contact Credent Wealth Management