



Planning for the Unexpected

Written By: Carey Wallace

This has become an all too familiar story.

An agency owner reached out several weeks ago and asked me to meet with him and the owner of an agency in his town that he was looking to purchase. They had been talking for several years. They had a handshake agreement that someday he will buy the agency when the time is right. Those conversations were consistent over time, but had never turned into any action. The selling agency owner was now in his early 80s, but the time didn't seem right just yet. Until it was.

Some serious health issues caused the conversation between the two owners to change from someday into a reality. I was introduced to the selling agency owner and together with the buyer we went through what to expect in the valuation process. He was charming, funny and full of stories. It was obvious that the last thing he wanted to talk about was his career in insurance coming to an end. Instead, he preferred to reminisce about his favorite clients, brag about his amazing staff and tell me the story of how he started in this incredible industry of ours. Our 30-minute call tripled in length, but I didn't mind at all. I loved getting to know him and honestly, I loved listening to his stories.

As our call came to an end, we agreed that the completing the valuation was the next logical step. The seller expressed concern about letting his staff know he was contemplating selling, so he asked that I mail him the proposal and confidentiality agreement and send the data sheets that were required for the valuation in an email that does not mention the purpose. He planned on confiding in his office manager as she would need to help him completed the information. The proposal was sent, agreement was signed, and the data sheets were emailed. We were on our way.

Two weeks later first thing Monday morning I received a call from the buyer. I answered with a chipper Good Morning and was met with an unexpected somber voice. He fumbled his words and struggled to share the news that the seller's health had taken a turn for the worse, he was hospitalized a few days ago and passed away the previous evening. Then there was silence.

I cannot even begin to tell you how much I dread this kind of call. My heart sank and you could tell his heart was breaking as well. We both were quiet for what seemed like forever. I broke the silence with a question, "Tell me what I can do to help?" He then shared his thoughts and plan to help the sellers widow navigate the next days, weeks and months. She is now faced with taking care of the affairs for an agency she has never been a part of and had no idea where to begin.

When something like this happens, the focus goes from planning to "rescue". Worse than that, someone who is mourning the loss of the greatest love of their life is forced to make decisions that they have no experience handling. They are forced to think about details and logistics that are in many cases completely foreign.

We started discussing things like:

Who has the logins and ability to access the carrier portals? How do we ensure that we keep the appointments in place and take care of the customers? Who has the logins to the accounting system, bank accounts? Is there any life insurance? Does someone know how to run payroll? What do we tell the staff? Clients? Carriers? How do we reassure the staff?

It is completely overwhelming. The business that was a lifetime of work and the main source of income in their retirement is now in jeopardy.

The reality is for many agency owners the time will never be right and sadly they will put planning for the transition of their agency off until there is no time left.

This can happen to anyone at any age.

You do not have to exit your agency to have a plan.

The time is always right to make a plan.

For more information about planning for your agency please visit www.agency-focus.com or contact Carey Wallace at Carey@agency-focus.com.

About the Author:

Over the past 14 years, Carey Wallace has worked with hundreds of agencies helping them understand their agency's value and turn that knowledge into an actionable plan for their agency's future. Carey is a Certified Exit Planning Advisor, CEPA and provides a variety of consulting services through the company she founded, Agency Focus, LLC.

