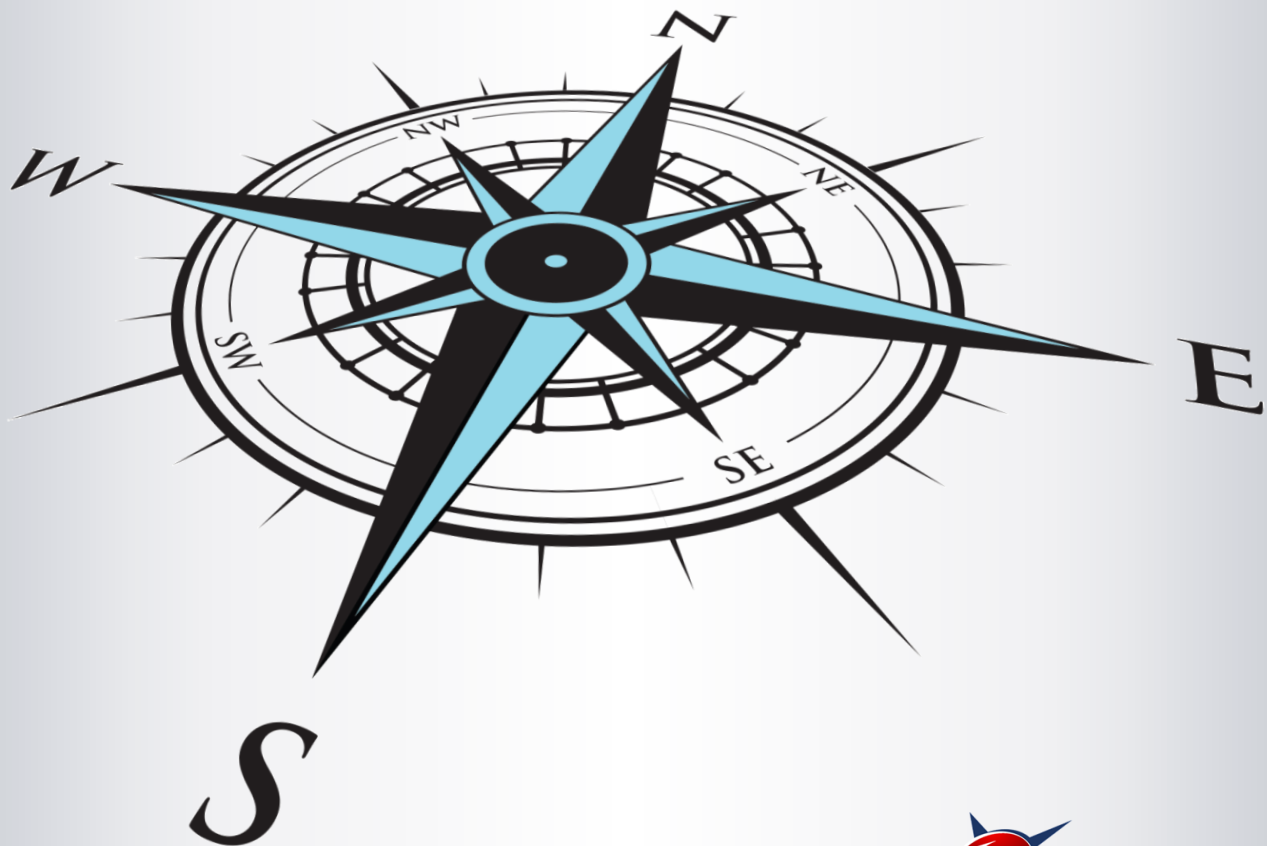


2023

National Exit Planners Survey

Survey Results and Analysis

Industry Activities: 2022



Survey Methodology

Survey invitations were sent to 4,285 professionals between February 1 and February 28, 2023. Recipients were either:

- a. Certified in business exit planning
- b. Professionals who advertise themselves as business exit planning specialists
- c. Members of an association for exit planning professionals who also practice in a planning related profession

A total of 365 responses were submitted representing practitioners in eight specialties from six countries. There were advisory responses from four Canadian provinces, three countries outside of North America, and 42 U.S. states plus Washington, D.C. and Puerto Rico.

Confidence Level:

Based on the number of responses received (365), the survey allows for a confidence level of 99% with a margin of error of 2.58%. This means that if the same population were surveyed again, there is a 99% probability that the answers received would be within 2.6% of those reported here.

This indicates that the data presented in this report accurately represents the industry as a whole.

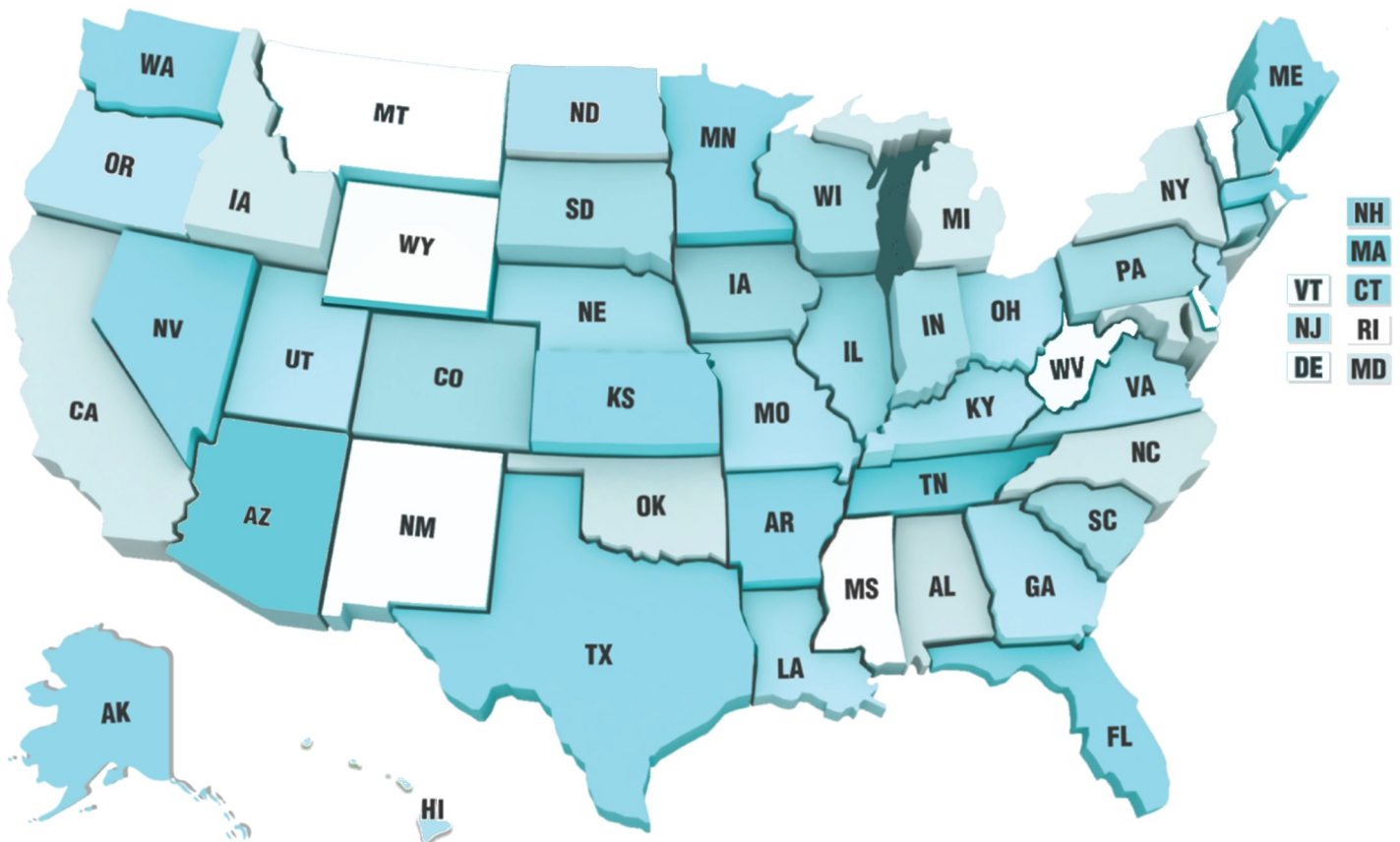


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Contact Information

We are available for comment on the transition of the Baby Boomers, the exit planning industry, exit methodologies and similar topics. For journalist inquiries or to arrange media appearances please contact:

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(800) 653-5405 | jdini@exitmap.com



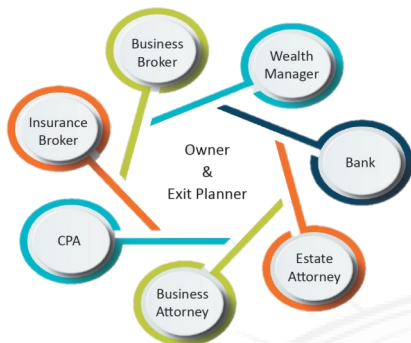
Survey Introduction and Overview

Approximately 51% of the six million private employers in the United States are owned by persons 58 years old or older, with a mean age of 66. These Baby Boomers disrupted education, the workplace and social mores as they passed through the stages of life. They were more numerous, more educated and had higher expectations than any previous generation. Squeezed out of the traditional career ladder, they became entrepreneurs at over twice the historical rate.

These owners are now transitioning into retirement or as has become a popular concept, their “second act” of life. Many of the businesses they've run for the last 30 or 40 years have become substantial enterprises, and their transfer is much more complex than that of a stereotypical “corner store.”

Surveying Professionals

Other organizations survey the business owner community regularly. These surveys indicate that younger business owners, especially Generation X (47 to 57 years old) are adopting plans for the transfer of their businesses at a much earlier age than the Baby Boomers. This trend is accelerating the growth of exit planning as an important addition to the skill set of a number of professional disciplines.



Unlike any other advisory specialty, comprehensive exit planning and implementation requires the expertise of multiple practitioners. The financial, tax, risk management, legal and operational skills involved require a team of cooperating professionals. That is why we began the National Exit Planners Survey in 2021. In our dual roles as both advisors to business owners and vendors of planning tools to other advisors, we found little information regarding the marketing and billing practices of other professionals.

We think that having this information, and sharing it with the industry, will help all of us develop better approaches to assisting our clients.

Unique Characteristics

The NEPS is the only survey in the industry that cross-references responses. We report more than ordinal data, such as the number of respondents that answered “yes.” We compare the responses by profession, certification and experience in the field. While laborious, we believe this approach provides advisors with more useful information.

As announced with the release of the 2022 NEPS, the data we gather on advisor and practice demographics changes slowly. For that reason, in odd-numbered years we conduct an abbreviated survey focused on engagement trends, specifically marketing, practice concentration and fees.

Thank you to all of our participants.

The ExitMap® NEPS Team

Section I - Practice Development

Question 1

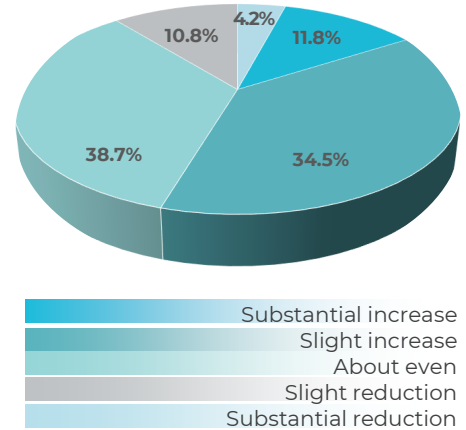
What trend have you experienced in the number of your exit planning client engagements?

Some 85% of all advisors reported a steady or increasing flow of client engagements in 2022.

When we examined that by profession we found only 8% of exit planning certified advisors (CEPA, CExP or CBEC) experienced declines. Certified practitioners also reported an average 55.5% increase in engagements, compared to 41% for those without a formal exit planning credential.

Surprisingly, the profession with the highest decline percentage was Business Brokers with 31%. The lowest number of declines was among Business Consultants (11.1%), Appraisers (11.2%) and Financial Planners (12.3%). Accountants and Exit Planning Specialists have the highest increases, at over 66% each.

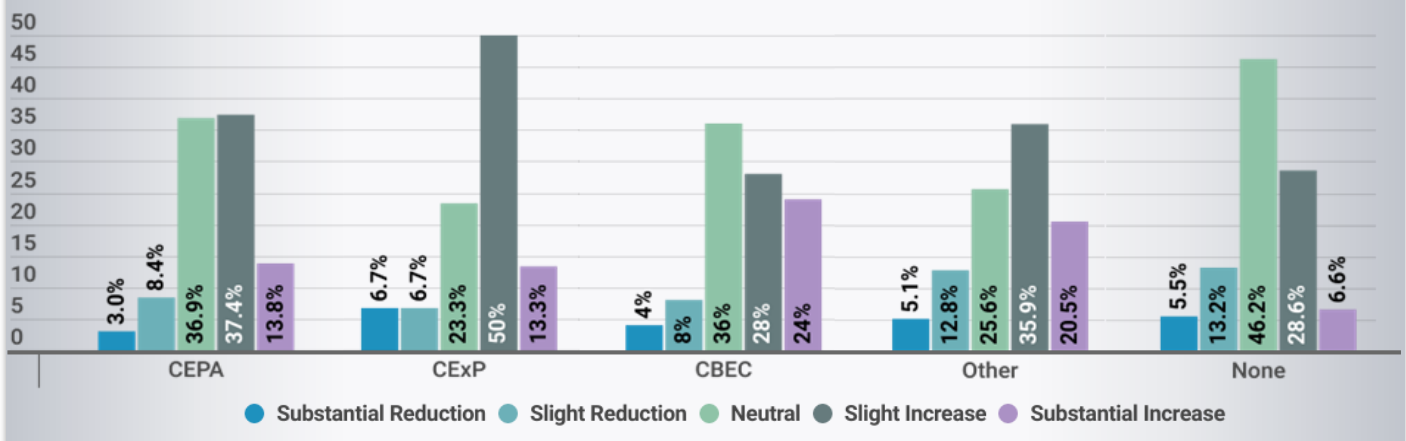
Client Engagement Trends



Client Engagement Trends by Profession

Profession	Substantial Increase	Slight Increase	Neutral	Slight Reduction	Substantial Reduction
Financial Planner/Wealth Manager	1.6%	10.7%	45.1%	33.6%	9.0%
Accountant	0%	8.3%	25.0%	54.2%	12.5%
Business Coach/Consultant	7.4%	3.7%	49.4%	24.7%	13.6%
Attorney	9.1%	9.1%	36.4%	45.5%	0%
Business Broker/Intermediary	8.3%	22.9%	29.2%	31.2%	8.3%
Insurance	16.7%	16.7%	33.3%	33.3%	0%
Exit Planning Specialist	0%	7.7%	25.6%	46.2%	20.5%
Valuation	5.6%	5.6%	22.2%	44.4%	22.2%

Client Engagement Trends by Certification



Question 2

What methods do you use regularly (quarterly or more often) to attract new clients? (check all that apply)

Despite the increased trend towards working remotely, advisors still show a strong preference for marketing their services in-person. Almost two-thirds of them list personal attendance at networking events as their preferred strategy, with presentations coming a close second.

Interestingly, writing (whether emails, articles or social media) are all used by between 32% and 38% of advisors. In 2020 during the pandemic, social media was much higher (51%) but dropped in 2021 to 39%, or about where it remains today. Other writing (blogs, emails, articles) dropped from an average 23% in 2020 to a little under 19% in 2021, but increased to just over 35% last year.

Marketing Methods Used Regularly (quarterly or more often)

Marketing Method	Usage
Personal Attendance at Networking Events	65.3%
Presentations (in-person or webinars)	56.4%
Social Media (Facebook, Twitter, LinkedIn, Instagram)	38.2%
Blog Posts and Articles	37.9%
Free Assessments	35.4%
Email Drip Campaigns	32.2%
Video Content	12.7%

The ranking of regularly used marketing methods remained almost identical between 2021 and 2022. Only Free Assessments and Blog Posts traded places.

2021

Marketing Methods Ranked Comparison

2022



Question 3

If you had twice as much time and/or money to apply to marketing, where would you spend it?

Not surprisingly, most advisors would like to do more in-person marketing. Among the remaining methods, video creation jumps from last place to first. While relatively few advisors utilize video, it is clear that a large number would like to.

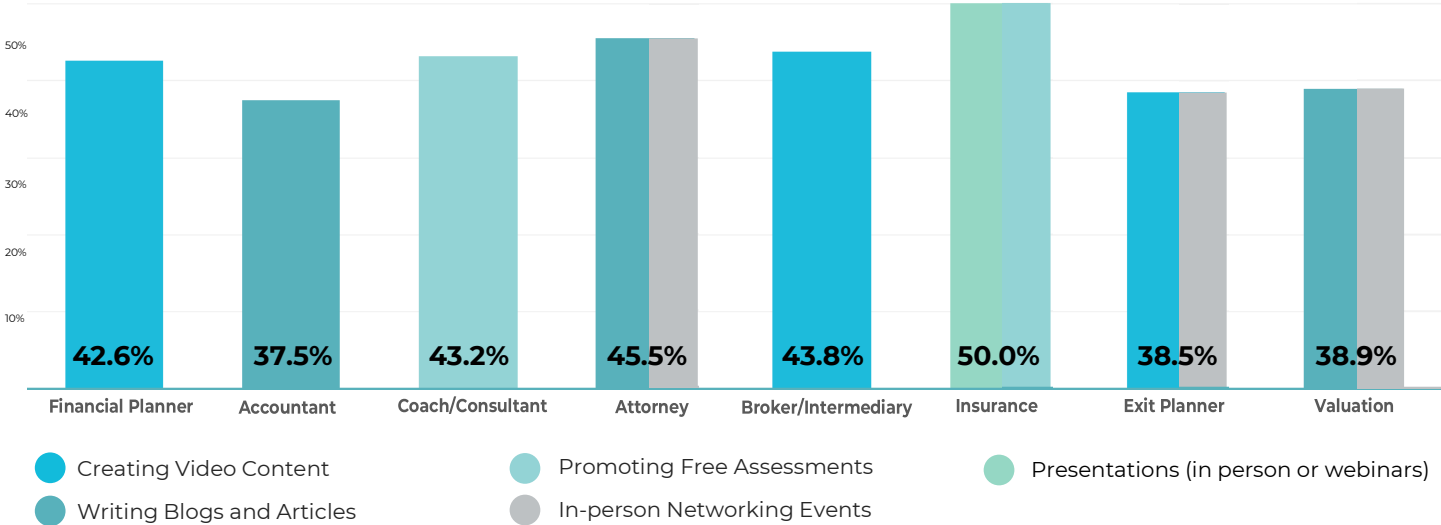
Outside of in-person, video content (which is typically more expensive than other types) was the most popular choice for increased marketing among Financial Planners, Business Brokers, and Exit Planning Specialists. Increasing their writing of blogs and articles (which require more time) was the choice of Accountants, Attorneys, and Appraisers.

Business Consultants and Insurance Professionals would prefer to increase their Assessments and Initial Consultations. Attorneys, Appraisers, Exit Planning Specialists and Insurance Professionals were equally split between two preferred improvements (after in-person).

Desired Marketing Improvements

Marketing Method	Rank	%
Presentations (in-person or webinars)	1	54.5%
Creating Video Content	2	39.5%
Personal Attendance at Networking Events	3	36.9%
Writing Blog Posts and Articles	4	30.9%
Promoting Free Assessments and Initial Consultations	5	30.6%
Social Media (Facebook, Twitter, LinkedIn, Instagram)	6	19.1%
Email Drip Campaigns	7	14.7%

Preferred 2nd Choice (after in-person events) for Desired Marketing Improvements by Specialty



Section II - Practice Profile

Question 4

What percentage of the revenue that you personally generate is from exit planning services?

Exit Planning Revenue	2022	2021
0 – 20%	56.4%	54.2%
20% - 40%	19.2%	26.8%
40% - 60%	9.0%	6.0%
60% - 80%	6.4%	5.0%
More than 80%	9.0%	8.0%

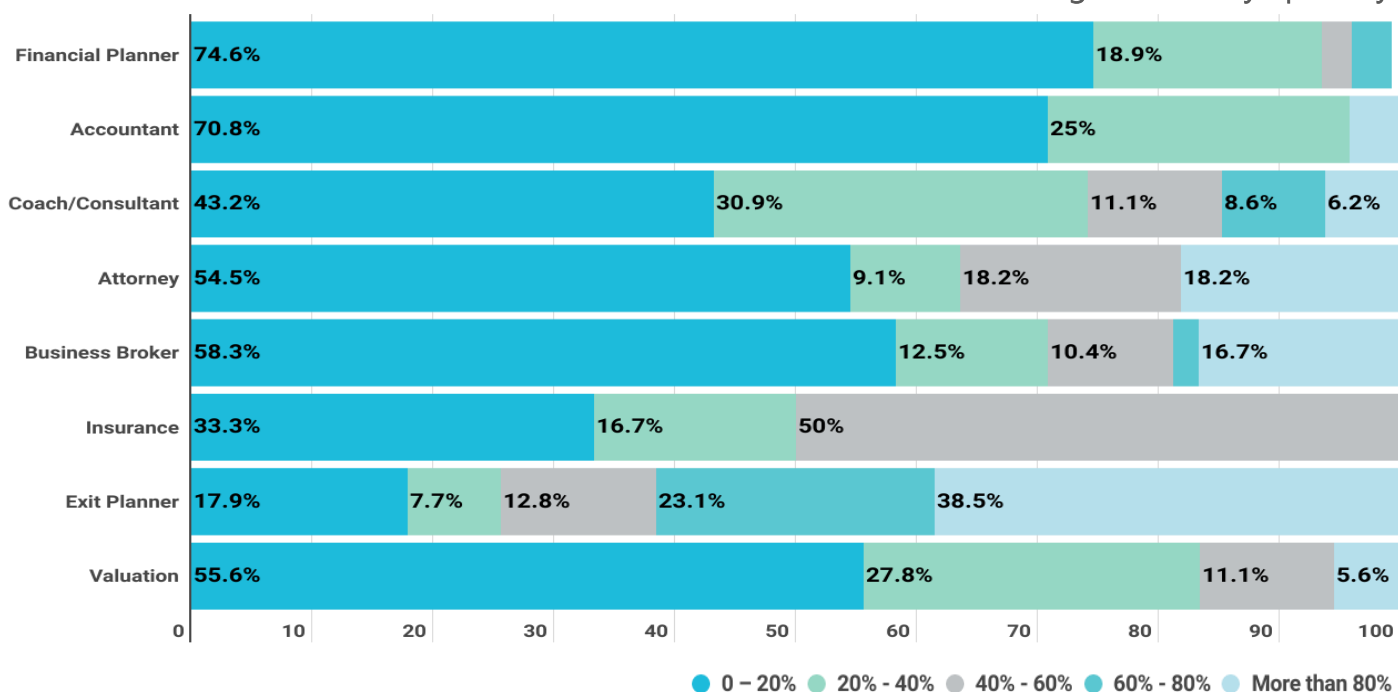
Exit Planning continues to grow as a revenue source which is evidenced by the increased numbers in each category except 20% - 40%.

Certified Exit Planners (CEXP) were the only group with 40% of their practices at less than 20% exit planning. CEPAs and CBECs both answered 20% or less for over 50% of their practices, and for those without any exit planning certification it was over 60%.

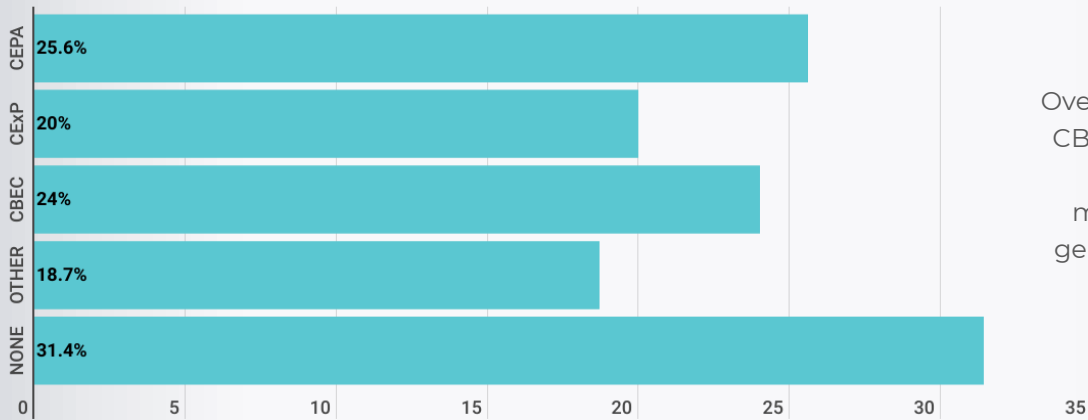
On the positive side, 17% of CEPAs, 16% of CBECs and 13% of CExPs report that exit planning represents over 60% of their practice.

By profession, over 70% of Accountants and Financial Planners allocate less than 20% of their practice to exit planning. Not surprisingly, Exit Planning Specialists reported over half their business in that space.

Exit Planning Revenue by Specialty



Over 40% in Exit Planning Revenue by Certification

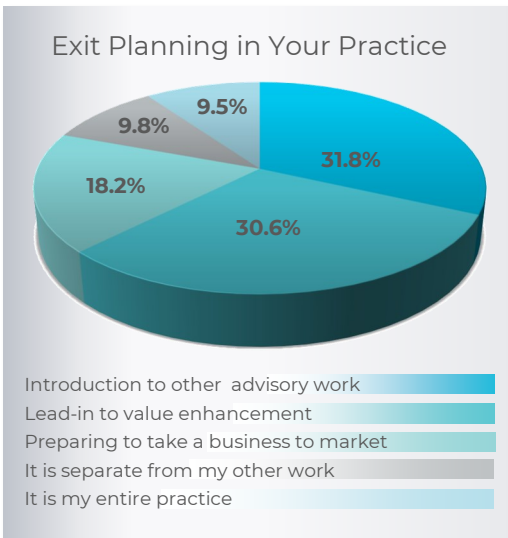


Over 25% of CEPAs, 24% of CBECs, and 20% of CEXPs indicated that 40% or more of their revenue is generated from their exit planning services.

Question 5

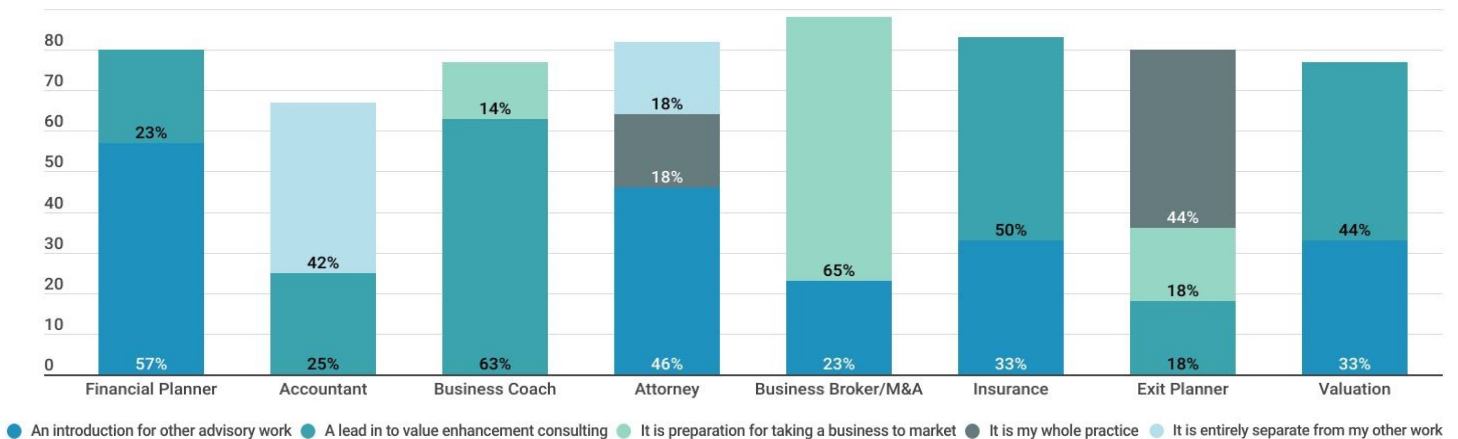
How do you incorporate exit planning into your practice?

Quite simply, 81% of all professionals surveyed use exit planning as a lead-in to other advisory work. This is up two points from last year, while those who keep it separate from their other work dropped from 14% to 9%. This likely indicates that more entrants into the space are integrating it as part of their core offerings.



Exit Planning in Practice	All	CEPA	CEXP	CBEC	None	Other
It is primarily an introduction for other advisory work	31.8%	36.9%	30.0%	20.0%	23.1%	35.9%
It is a lead-in to value enhancement consulting	30.6%	26.1%	33.3%	40.0%	33.0%	33.3%
It is preparation for taking a business to market	18.2%	15.8%	0.0%	20.0%	25.5%	12.8%
It is separate from my other work	9.8%	12.8%	16.7%	8.0%	5.5%	10.3%
It is my entire practice	9.5%	7.9%	20%	8.0%	9.9%	7.7%

Incorporating Exit Planning: Most Popular Responses by Profession



Question 6

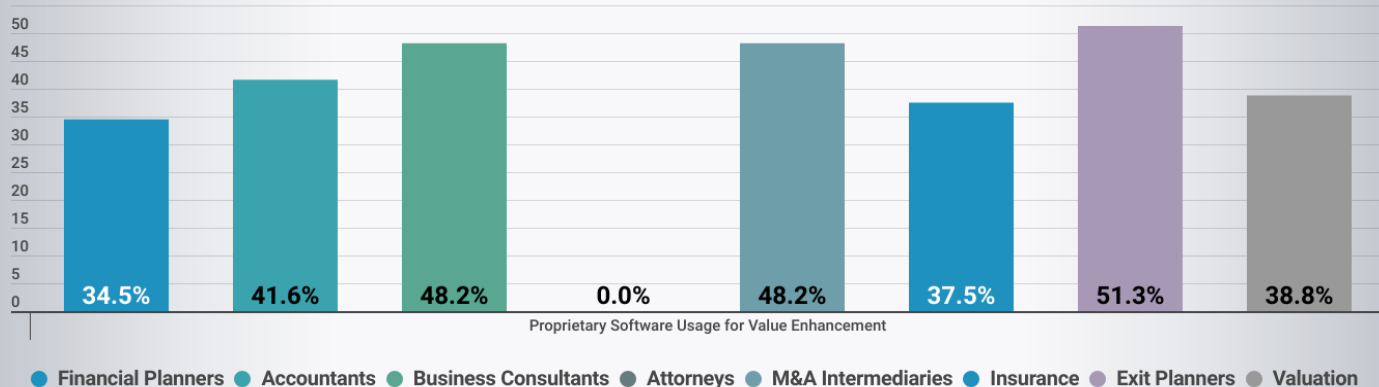
If you DO engage in value enhancement consulting, do you use any of these software packages?

Value Builder continues to be the market leader in the value enhancement software space. (BizEquity is used for valuations and ExitMap® provides personal coaching tools for advisors to business owners.) Aside from those three offerings, only EPIC (a BEI proprietary offering for CExPs) has more than single digit users among any of the certification groups.

Attorneys indicated no use of value enhancement proprietary software at all. At close to 30%, “None” represented the largest number of respondents who provide value enhancement services but do not use a specific software.

Popular Software Packages	%
BizEquity (valuation)	18.8%
Value Builder (value enhancement)	13.7%
ExitMap (client engagement)	12.1%
Other proprietary value enhancement software	9.6%
Maus (plan creation)	8.0%
EPIC (plan creation)	6.1%
Quist Insights (value enhancement)	4.5%
EOS (value enhancement)	4.1%
CoreValue Advisor (value enhancement)	3.2%
Value Opportunity Profile (value enhancement)	2.2%
Capitalize (value enhancement)	1.9%
Scaling Up (value enhancement)	0.6%
I provide value enhancement services, but do not use a specific software.	29.6%

Percentage of Value Enhancement Proprietary Software Usage by Specialty

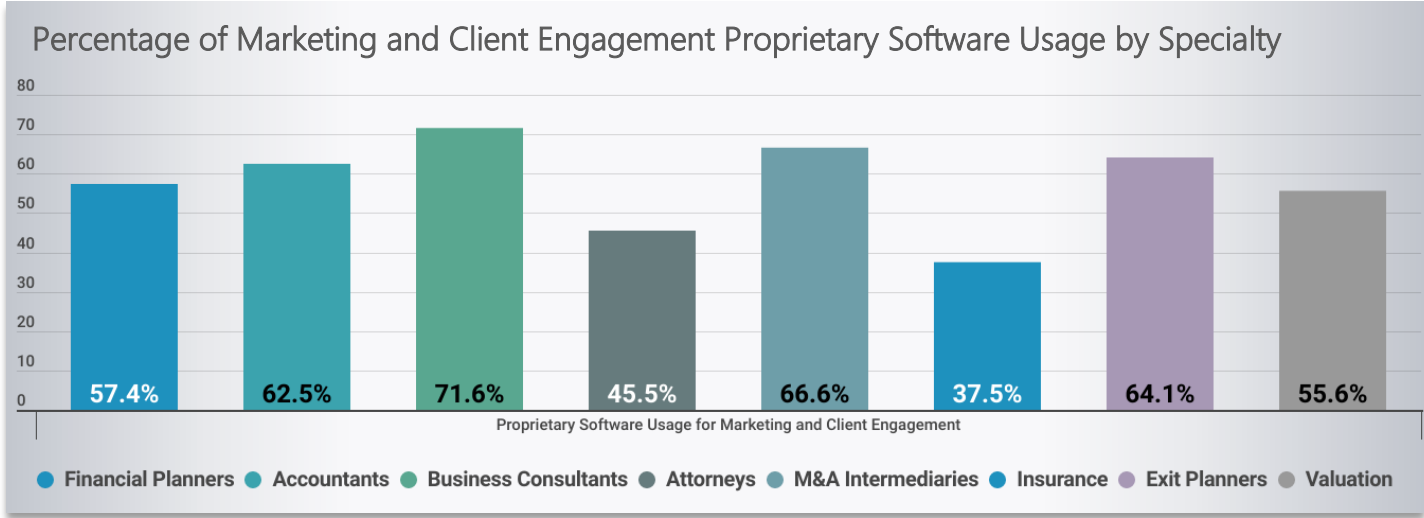


Question 7

If you do NOT engage in value enhancement consulting, do you use any of these software products for marketing and client engagement?

Popular Software Packages	%
Your own system or 3rd party marketing	20.6%
BizEquity (valuation)	12.7%
Other software provided by parent organization	9.1%
ExitMap (client engagement)	6.8%
Value Builder Marketing System	4.4%
None	51.2%

It's surprising that fewer than 50% of advisors have a structured marketing system in place. While we appreciate their emphasis on personal contact, the demographic distribution of advisors, with 87% being over 45 years old according to last year's survey, suggests a potential opportunity to explore new approaches tailored to younger business owners.



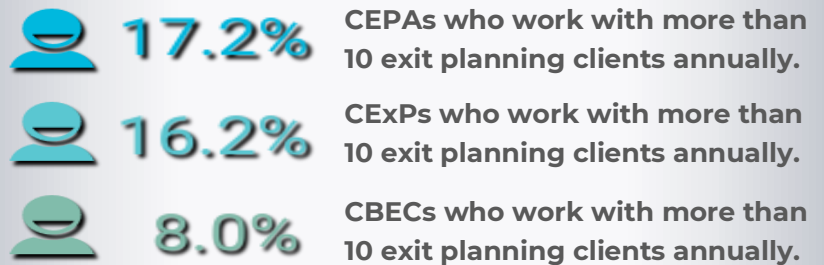
Section III - Practice Business Model

Question 8

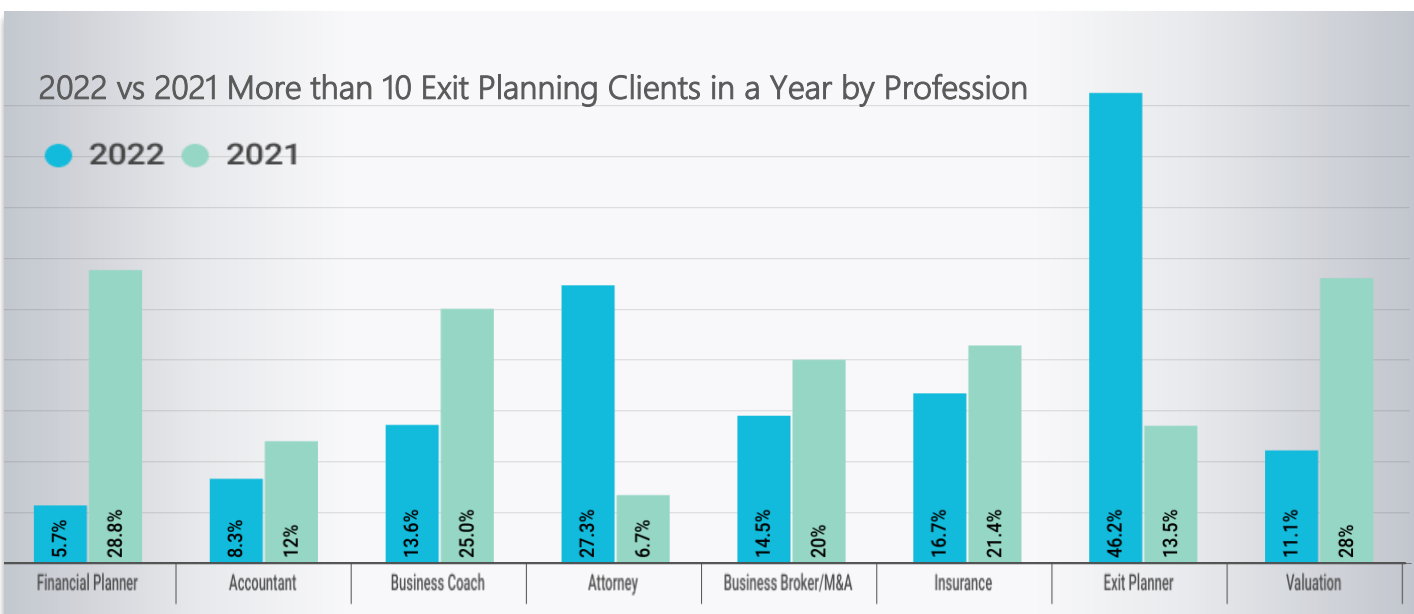
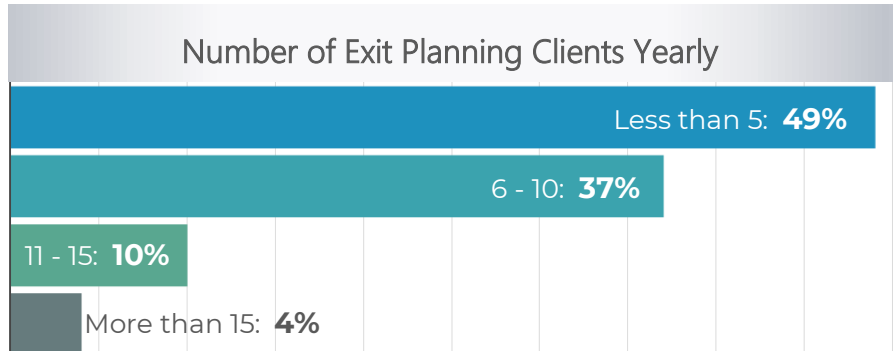
On average, how many exit planning clients do you work with in a year?

There are over 3,000,000 businesses whose owners are 58 years old or older. If 86% of advisors across all professions handle fewer than 10 clients a year, that would equate to no more than 23,000 clients annually. If we surmise a 15-year timeframe for exiting (by which time the youngest of those 3 million will be 73 years old) then there are 2.6 million who will still need some help. That 14% who handle more clients will be very busy.

Just for fun: It would mean roughly 350 clients a year for each of those in the 14% range. Clearly the market needs more exit planning capacity.

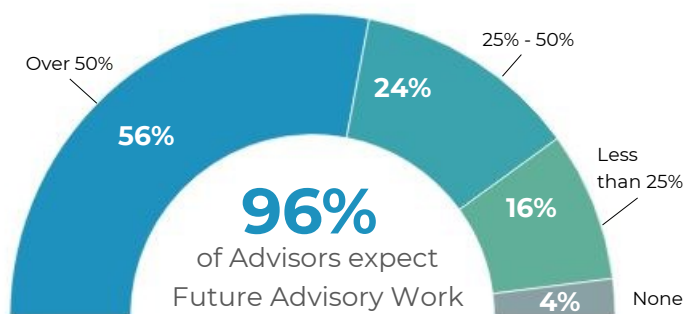


Number of Exit Planning Clients Yearly	%
Less than 5	49%
6 - 10	37%
11 - 15	10%
More than 15	4%



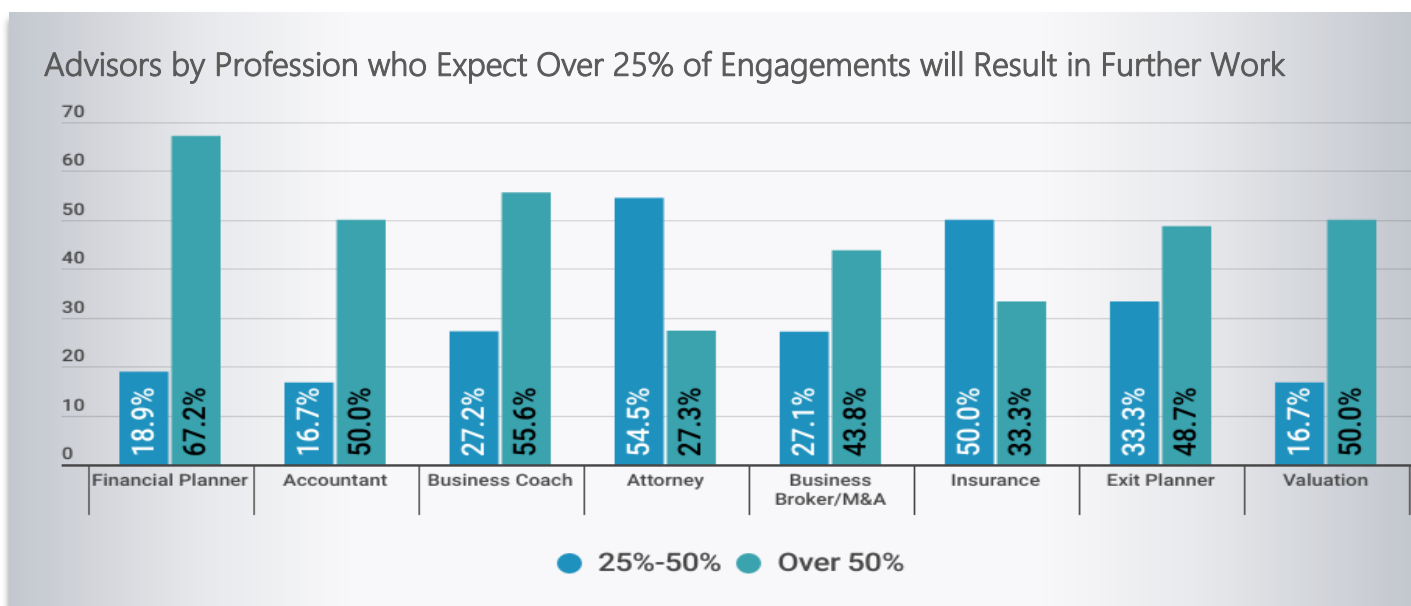
Question 9

What percentage of your exit planning clients do you typically expect to engage you for further advisory work?



Further Advisory Work	2022	2021	2020
Over 50%	56%	55%	50%
25% to 50%	24%	26%	25%
Less than 25%	16%	16%	22%
None	4%	3%	4%

Exit planning goes hand in hand with other advisory specialties. Of the 81% who expect to obtain additional work from an exit planning engagement, all of them accomplish that with varying levels of success. In fact, 96% report receiving continuing work from some clients, and 80% continue with at least one client in four. This is consistent with our findings over the last 2 years.



Question 10

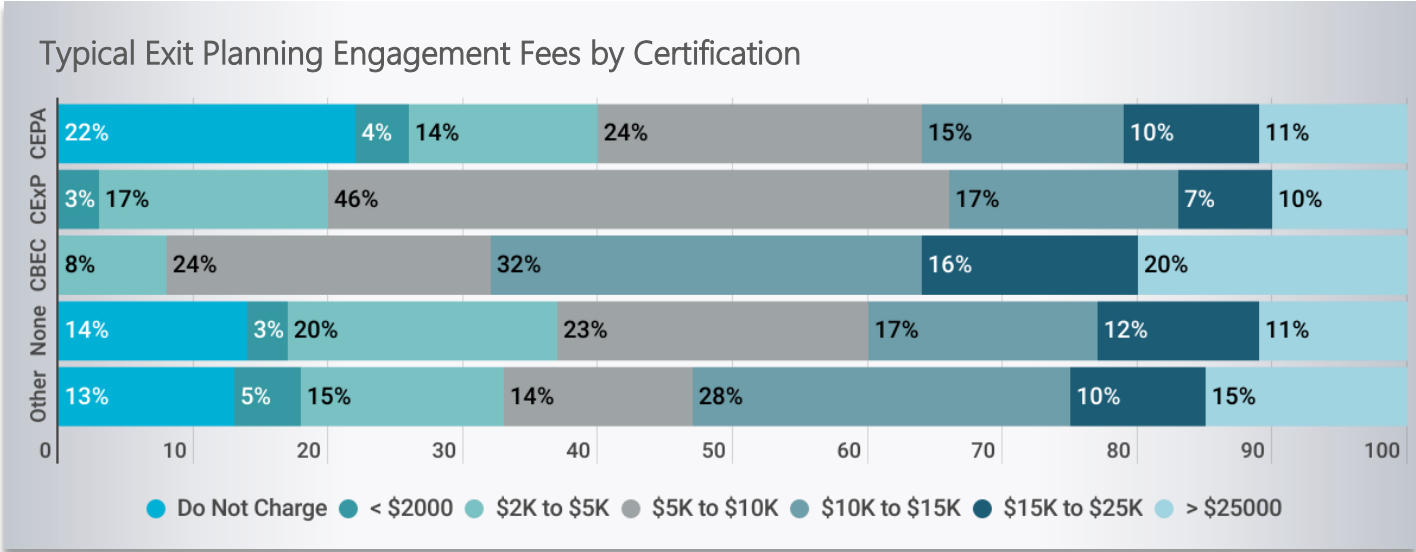
What is your typical fee for an exit planning engagement?

Clearly, the average amount charged for planning is rising much faster than the rate of inflation. Where 2021 saw the biggest increases in the \$2,000 to \$10,000 ranges, in 2022 there was

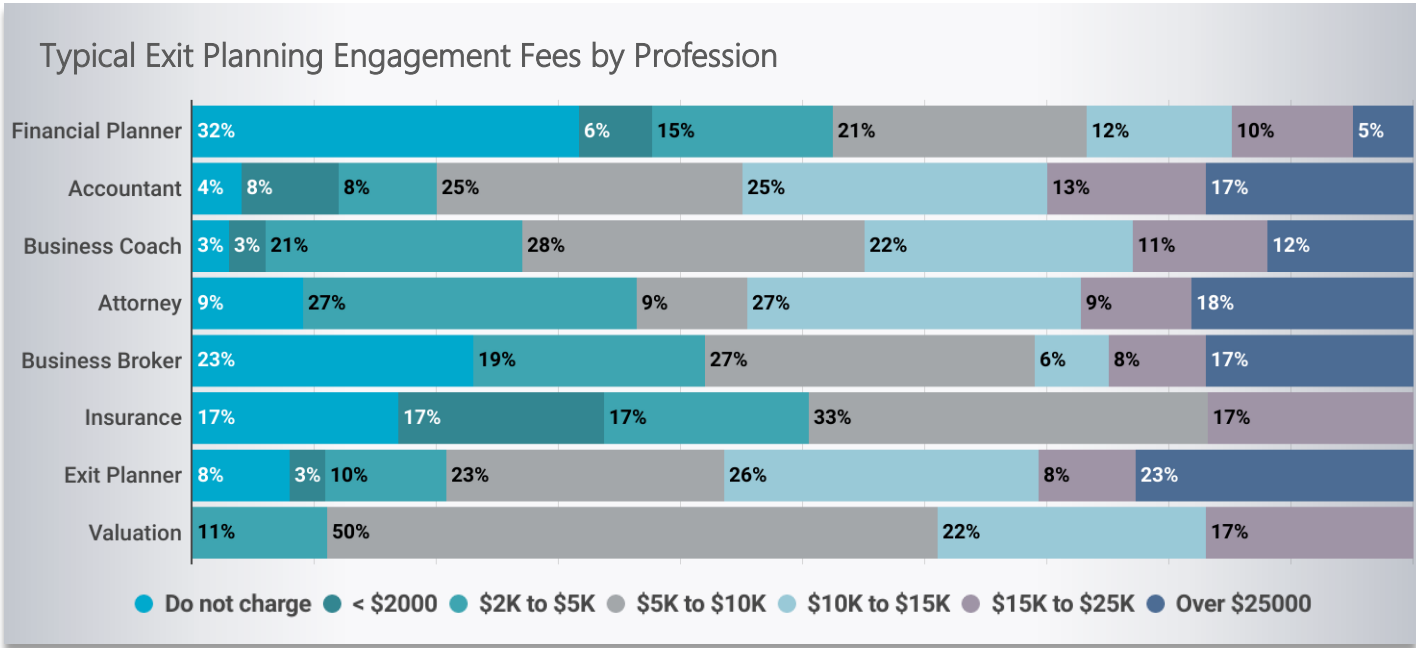
Typical Fees for an Engagement	2020	2021	2022
Do not charge	22%	17%	17%
Less than \$2,000	9%	5%	4%
\$2,000 to \$5,000	28%	34%	16%
\$5,000 to \$10,000	21%	26%	25%
\$10,000 to \$15,000	9%	8%	17%
\$15,000 to \$25,000	6%	8%	10%
More than \$25,000	5%	2%	11%

major growth in \$10,000 and up. The industry has gone from 20% of practitioners to 40% in those ranges, doubling in only two years.

This is where certification differences are evident. In the CEPA community, hundreds of newly certified advisors work in banks or broker/dealer arrangements, where they are prohibited from charging for advisory services. Overall 40% of CEPAs charge \$5,000 or less for exit planning. In the other two certifying organizations 20% of CExPs and 8% of CBECs charge less that \$5,000.



By profession, 32% of all Financial Planners and 23% of all Business Brokers provide free planning services. At the other end of the scale, 23% of Exit Planning Specialists, 18% of Attorneys, 17% of Accountants , 17% of Business Brokers and 12% of Consultants are in the over \$25,000 league.



Question 11

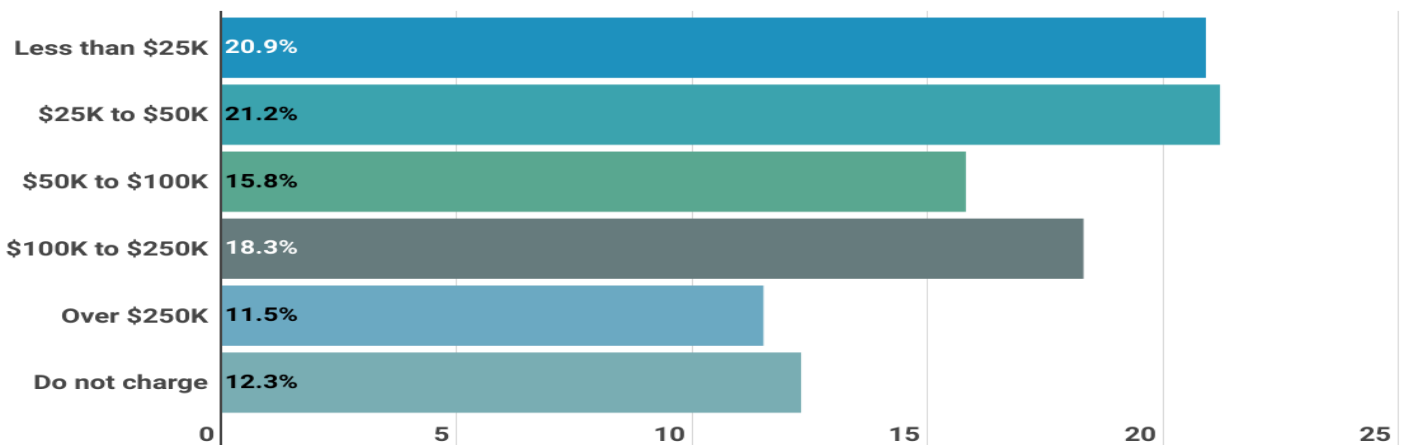
What do you expect to earn from exit planning services in 2023?

Expected Earnings from Engagements	%
Less than \$25,000	20.9%
\$25,000 to \$50,000	21.2%
\$50,000 to \$100,000	15.8%
\$100,000 to \$250,000	18.3%
Over \$250,000	11.5%
Do not charge for planning services	12.3%

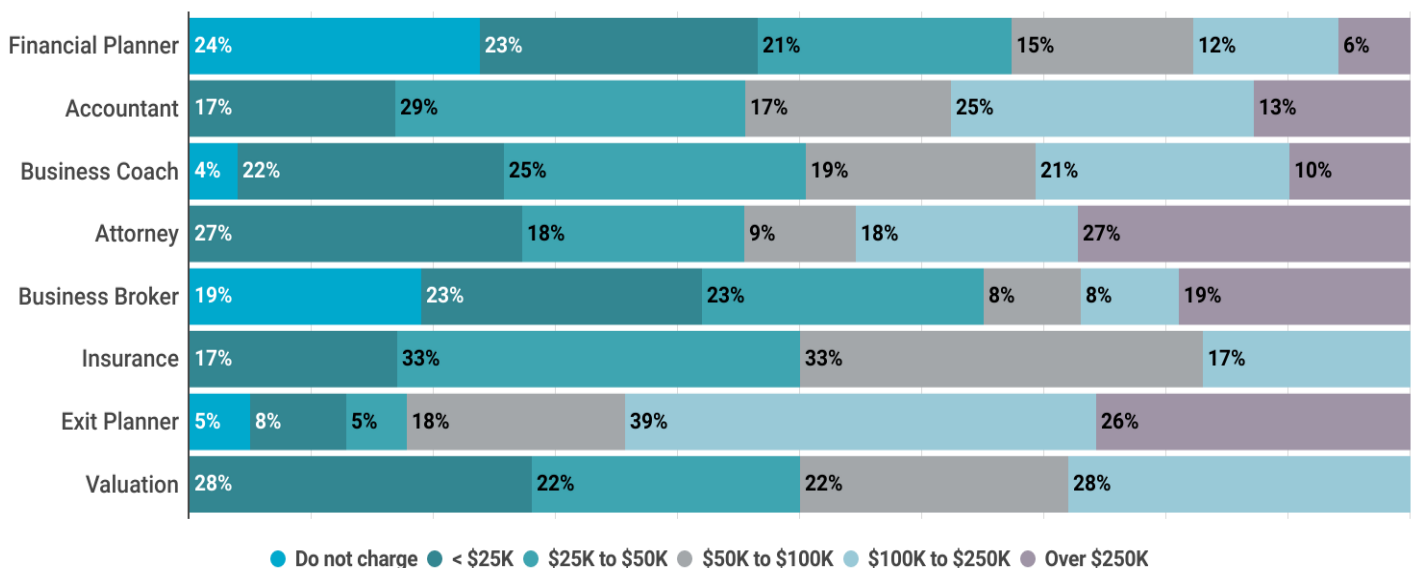
Those with exit planning certifications who expect to earn six figures from their exit planning work this year include 35% of CEPAs, 20% of CExPs and 44% of CBECs. By profession, every category was represented in the six figure range spread, between 17% and 65% with Exit Planning Specialists at the top of the scale.

65% of Exit Planners 45% of Attorneys
 38% of Accountants 31% of Coaches
 28% of Appraisers 27% of Brokers
 18% Financial Planners 17% of Insurance

Overall Earnings Expectations from Exit Planning Services



Earnings Expectations from Exit Planning Services by Profession



Section IV - Advisor Qualifications

Question 12

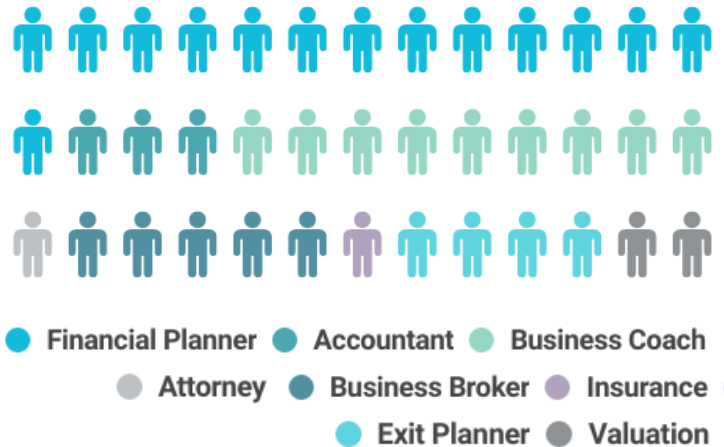
What exit planning certifications do you hold? (check all that apply)

Certification	%
CEPA - Certified Exit Planning Advisor (EPI)	56%
CExP - Certified Exit Planner (BEI)	6%
CBEC - Certified Business Exit Consultant (IEPA)	7%
Do not hold an exit planning certification	28%

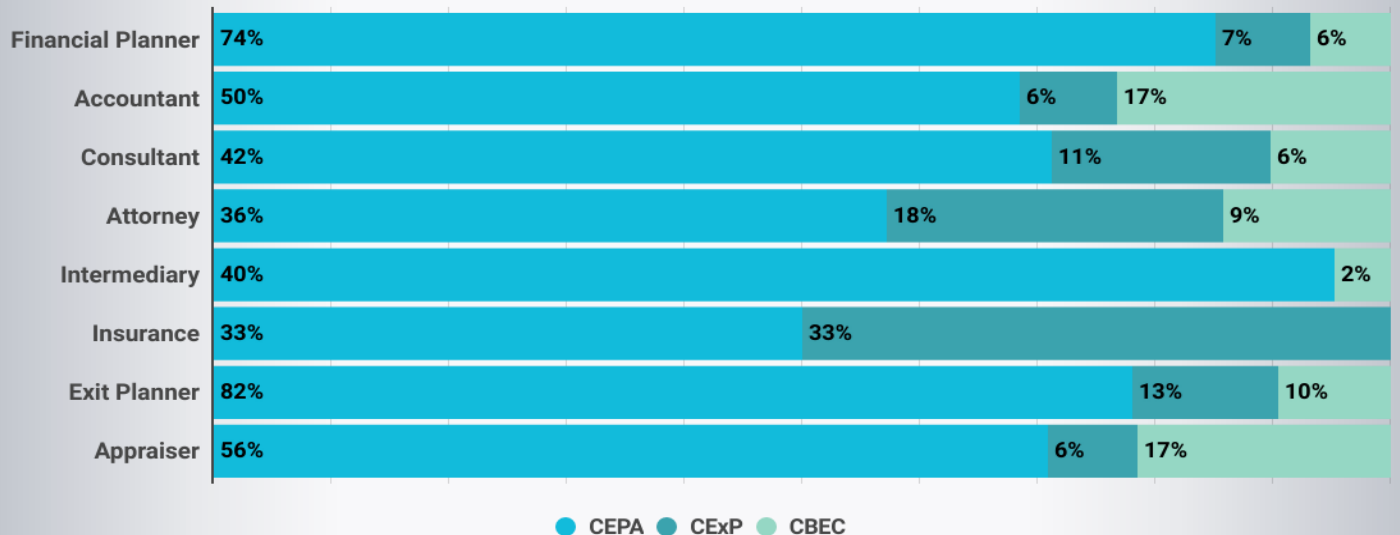
Question 13

In what primary capacity do you provide advisory services?

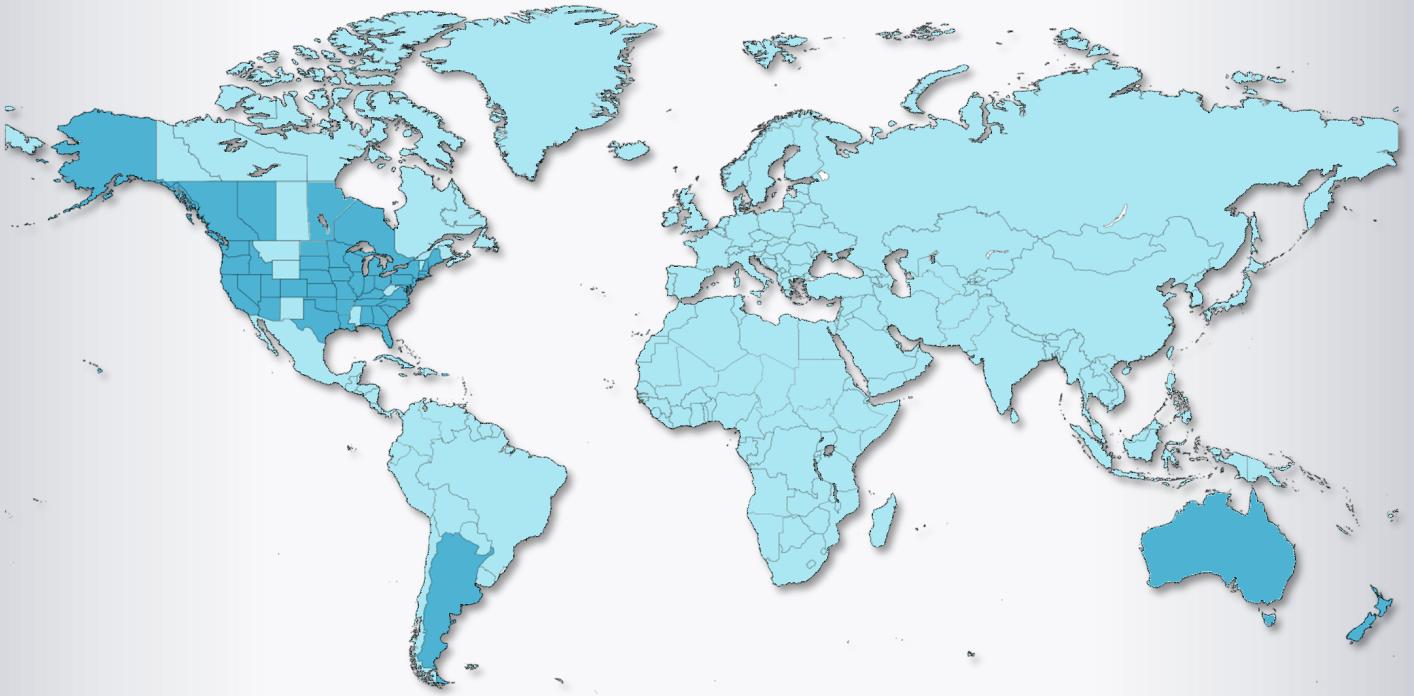
Profession	%
Financial Planner/Wealth Manager	36%
Accountant	7%
Business Coach/Consultant	22%
Attorney	3%
Business Broker/M&A Intermediary	14%
Insurance	2%
Exit Planning Specialist	11%
Valuation	5%



Exit Planning Certifications by Profession



World Map of the 2023 Survey Respondents



Question 14

Where is your principle practice located?

Alabama - 4	Iowa - 3	Minnesota - 11	Oregon - 3	Argentina - 1
Alaska - 1	Idaho - 2	Missouri - 3	Pennsylvania - 17	Australia - 3
Arizona - 10	Illinois - 17	N. Carolina - 16	S. Carolina - 2	New Zealand - 1
Arkansas - 1	Indiana - 8	N. Dakota - 2	S. Dakota - 3	
California - 32	Kansas - 3	Nebraska - 3	Tennessee - 5	Canada
Colorado - 15	Kentucky - 2	New Hampshire - 3	Texas - 24	Alberta - 2
Connecticut - 9	Louisiana - 3	New Jersey - 8	Utah - 5	British Columbia - 3
District of Columbia - 3	Massachusetts - 5	Nevada - 4	Virginia - 5	Manitoba - 1
Florida - 20	Maryland - 7	New York - 18	Washington - 6	Ontario - 7
Georgia - 15	Maine - 3	Ohio - 9	Wisconsin - 10	
Hawaii - 1	Michigan - 14	Oklahoma - 2		Puerto Rico - 1

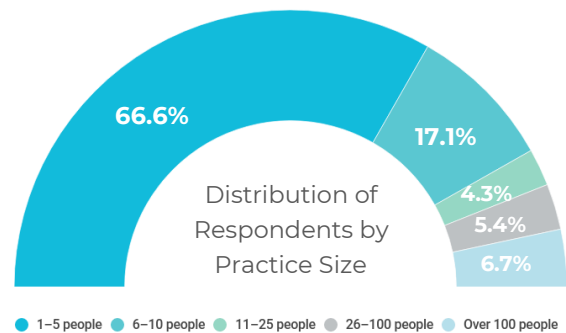
Section V - Demographic Profile of the Industry

This section is provided for reference from the 2022 NEPS Report.

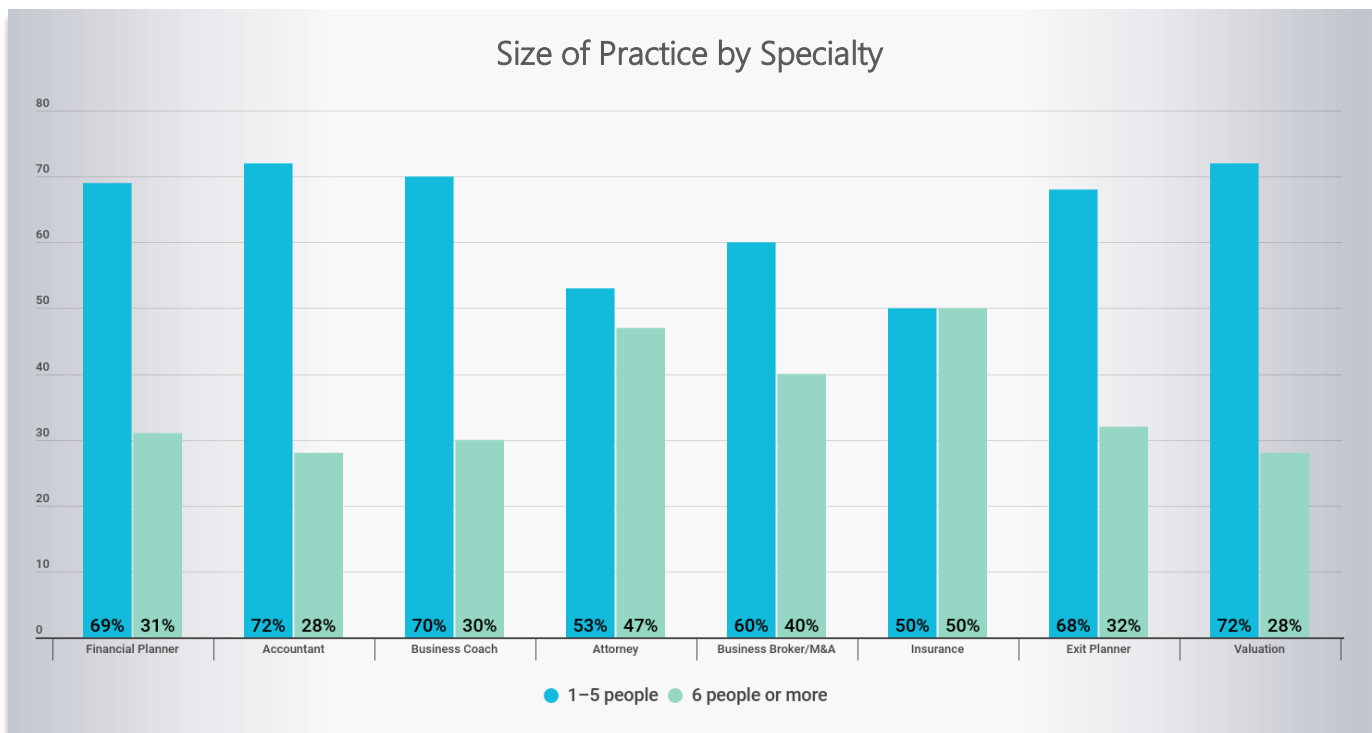
NEPS 2022 Question 11

How large is your practice? (total employees)

Practice Size	%
1 – 5 people	66.6%
6 – 10 people	17.1%
11 – 25 people	4.3%
26 – 100 people	5.4%
Over 100 people	6.7%



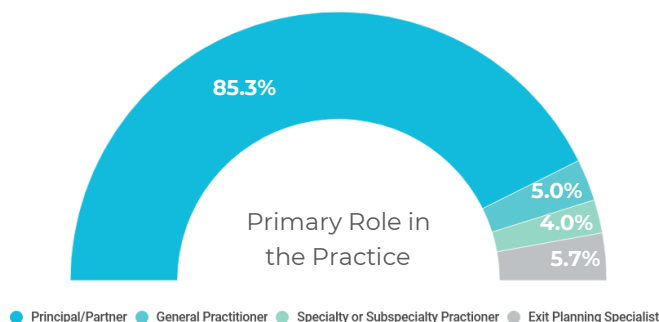
As in 2020, it remains clear that the industry is divided between very small firms and “everyone else.” Some 50% of Insurance Brokers, 47% of Attorneys and 40% of M&A Intermediaries practice in groups of 6 people or more. Relatively few other firms report more than 5 people in the company.



NEPS 2022 Question 12

What is your role in the practice?

Role	%
Principal/Partner	85.3%
General practitioner	5.0%
Specialty or subspecialty practitioner	4.0%
Exit planning specialist	5.7%



As is appropriate in an industry dominated by smaller firms, most of those surveyed identify as Principals or Partners in their organizations. There was an 8.6% increase over last year's survey (76.7%) of those in the exit planning space who own their businesses. There certainly seems to be some higher level of acceptance when advice is coming from a fellow owner.

NEPS 2022 Question 17

What is the distribution of all your exit planning clients by size, between Main Street (<\$3MM enterprise value) and middle-market companies (\$3MM - \$50MM or higher enterprise value)?

Over 90% of privately held employers have 20 or fewer employees. Although their transactions are smaller, leaving their business is still likely the most important financial event of their life.

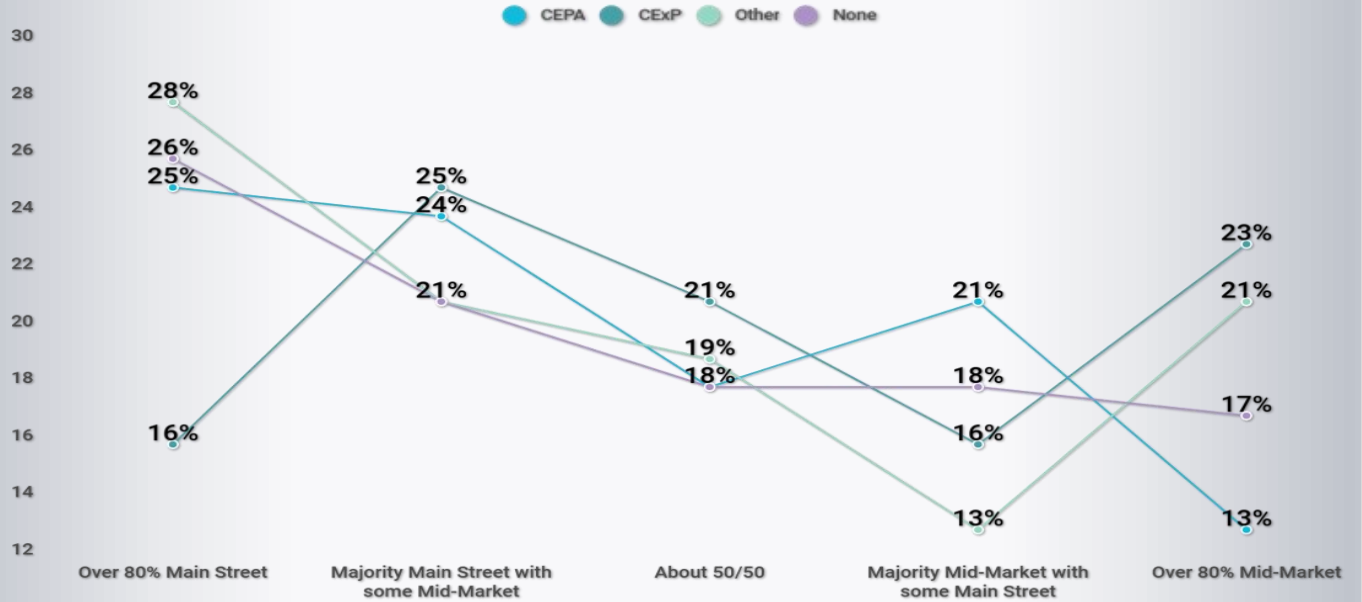
Despite the characterization of exit planning as a mid-market activity, almost two-thirds of all planners say that half or more of their clients are Main Street businesses.

Distribution of Exit Planning Clients	All	CEPA	CEXP	OTHER	NONE
Over 80% Main Street	24%	25%	16%	28%	26%
Majority Main Street with some Mid-Market	24%	24%	25%	21%	21%
About 50/50	18%	18%	21%	19%	18%
Majority Mid-Market with some Main Street	19%	21%	16%	13%	18%
Over 80% Mid-Market	15%	13%	23%	21%	17%

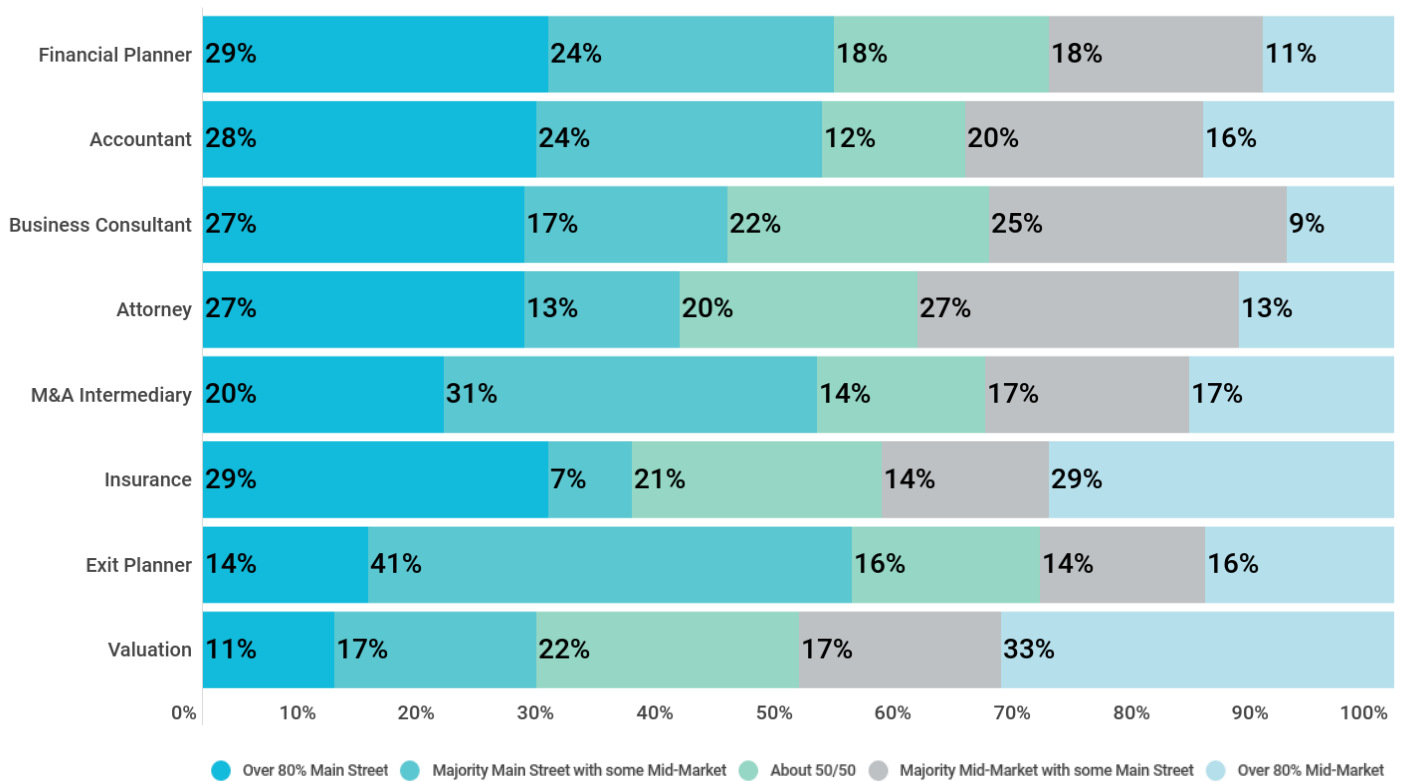
The result is duplicated by every profession identifying the major segment of their clients as Main Street business owners. Since companies with five to 20 employees make up 90% of privately held businesses in the U.S., it is not surprising that the majority of business is generated from this group.

The associations of professional intermediaries (IBBA, M&A Source, AM&AA) define "Main Street" as companies of less than \$3,000,000 in enterprise value. Indicating roughly up to \$750,000 in EBITDA. Many advisors claim they don't work with Main Street businesses but when the term is defined, the number who do rises dramatically. "Main Street" is *not* synonymous with "Mom and Pop."

Distribution of Exit Planning Clients by Size and Advisor Certification



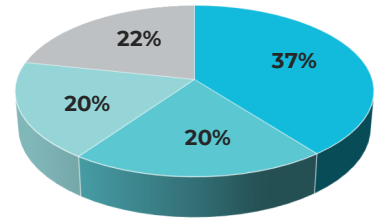
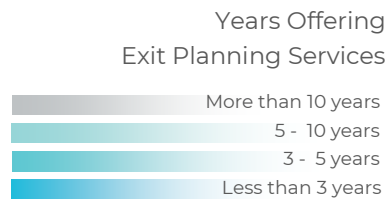
Main Street vs Mid-Market Exit Planning Activities by Profession



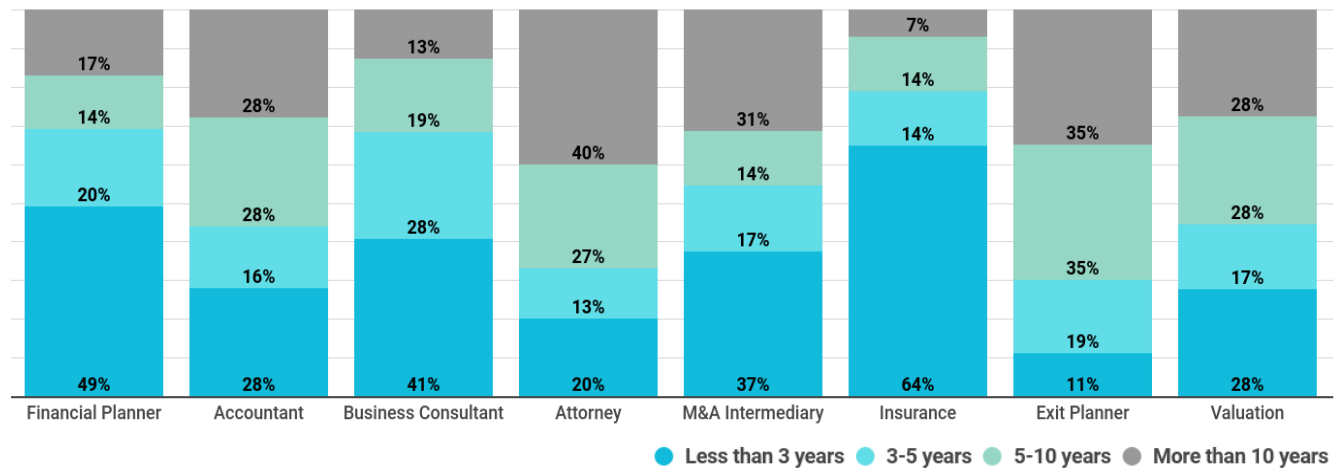
NEPS 2022 Question 30

How long have you been offering exit planning services?

Years Offering Services	%
Less than 3 years	37%
3-5 years	20%
5-10 years	20%
More than 10 years	22%



Years Offering Exit Planning Services by Profession

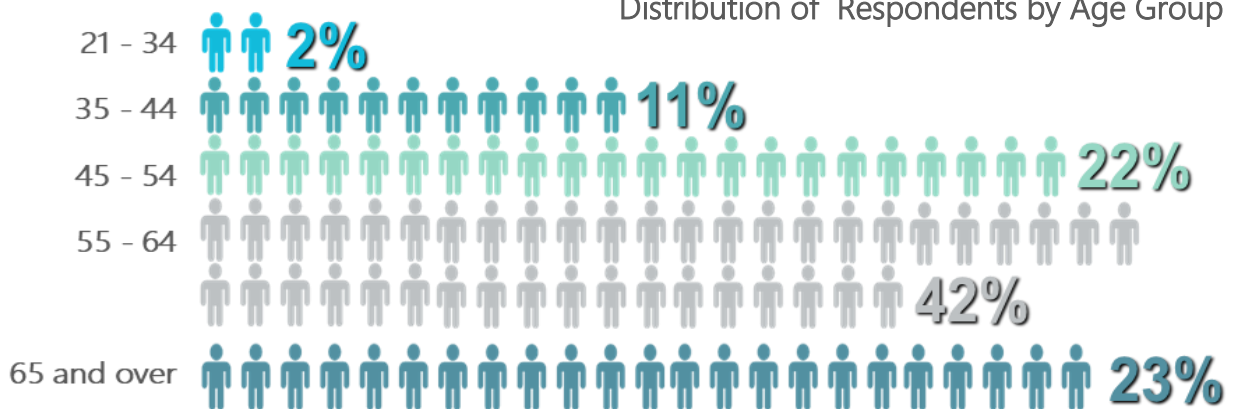


NEPS 2022 Question 39

Please indicate your age group.

Age Group	%
21-34	2%
35-44	11%
45-54	22%
55-64	42%
65 and over	23%

Distribution of Respondents by Age Group





Conclusions

There is little doubt that exit planning is a rapidly growing and lucrative profession. The massive backlog of prospective clients is reflected in a steadily increasing number of engagements at higher fees for the majority of practitioners.

The market is also clearly underserved. In order to fully absorb the number of exiting owners, practitioners who specialize in exit planning would have to treble in the next five years.

This is presuming that all those entering the profession would be full-time or nearly so, handling about 20 new clients annually at an average fee of \$15,000. That equates to \$300,000 in billings each year.

But the reality is almost 90% of exit planners aren't full time. For them, exit planning is a "side hustle," with the majority handling fewer than 10 clients annually. Numerically, that would indicate a need to increase the number of trained professionals by a factor of six or seven starting today.

Of course, many of those business owners won't seek the services of a professional. Literally less than 3% will successfully sell through an intermediary. Many will continue running their business until handing the reins over to employees or family members without investigating the tax, financial and personal ramifications of such a transfer. Alternatively, they will wait until circumstances force them to leave the business.

It may be the most important financial transaction of a lifetime, but sooner or later every owner will leave the business, whether with or without a plan.

Media Contact

We are available for comment on the transition of the Baby Boomers, the exit planning industry, exit methodologies and similar topics. For journalist inquiries or to arrange media appearances please contact:

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ExitMap® provides a suite of coaching tools for advisors to business owners. Our clients include Financial Planners, Business Consultants, Business Brokers, Accountants, Attorneys and Insurance professionals.

We are on a mission to help every transitioning owner have control of the proceeds, timing and post-ownership lifestyle resulting from the biggest financial transaction of a lifetime.

This survey is conducted to help raise awareness about the changes being created by the transition of the most entrepreneurial generation in history, and to share best practices and trends in the rapidly growing exit planning industry.

Digital copies of this report are available for \$149.00 at exitplannerssurvey.com.

Thank you to our participants, and every advisor who helps business owners realize the value of their life's work!



46.0%