

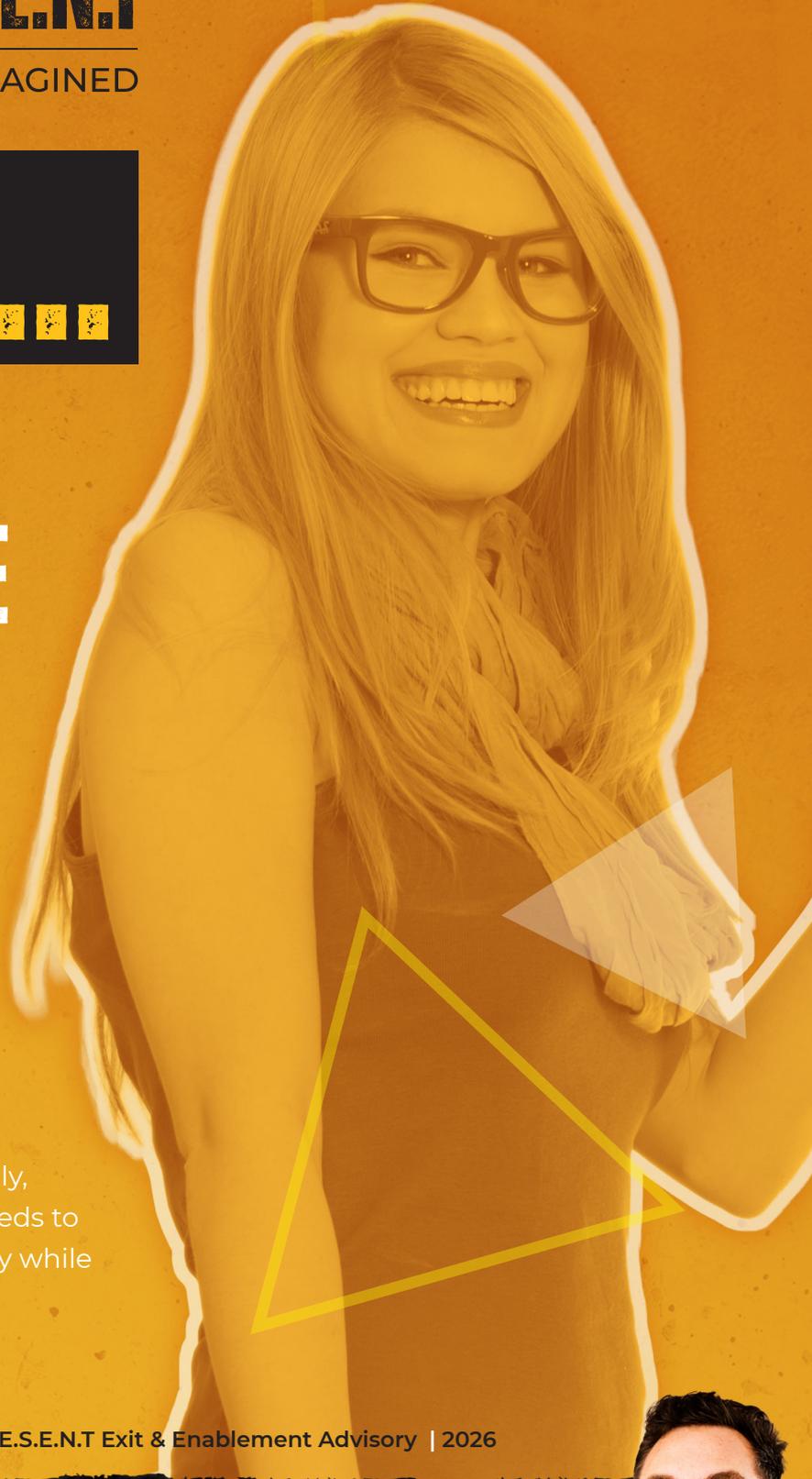


HOW TO...

EXIT WITHOUT BREAKING THE BUSINESS YOU BUILT

Why most firm owners do not have a sale problem. They have a replacement, buyer-fit and transition problem.

A practical guide for accountancy firm owners on what to consider if exiting fully, what to look for in a buyer, and what needs to be in place or if you want to retain equity while replacing yourself in full or in part.



Published by R.E.P.R.E.S.E.N.T Exit & Enablement Advisory | 2026



ANTOANETA POP

Co-founder & Chief of Enablement

R.E.P.R.E.S.E.N.T Group



PAUL JAFTHA

Co-founder & Chief of Innovation

R.E.P.R.E.S.E.N.T South Africa

Co-written by Antoaneta Pop and Paul Jaftha, who work with accountancy firm owners on exit readiness, succession, leadership enablement and replacing founder dependency without breaking delivery.

MOST FIRM OWNERS THINK EXIT STARTS WHEN THEY DECIDE TO SELL. IT DOES NOT.

Exit starts much earlier, when you realise the business still depends too heavily on you.

- ▶ **You still hold the key client relationships.**
- ▶ **You still make the big decisions.**
- ▶ **You still unblock the team.**
- ▶ **You still carry too much of the commercial trust.**
- ▶ **You still sit in too many delivery points.**
- ▶ **You still know too much that is not written down.**

Then one day you say you want out.

Or partly out.

Or you want to keep your equity but remove yourself from the day-to-day.

That is where reality bites.

Because if the business cannot operate properly without you, you do not really have an exit plan.

You have a founder-dependency problem.

The UK profession is already telling owners to take this seriously. ICAEW's exit guidance is explicit that you need a succession plan, that you should maximise practice value before sale, and that vendors should diligence the buyer as well as the buyer diligencing them. ACCA's practice-exit material shows the same thing in real life: where succession was planned early and internal successors were trusted, exit landed well; where nobody could step up and the buyer proved a poor fit, clients left and value dropped.

This paper is a practical guide to both versions of exit:

- ▶ **exiting in full, including how to judge whether a buyer is actually right for your clients and team**
- ▶ **replacing yourself in full or in part while retaining equity, which only works if the right people can step up and the work they absorb is backfilled properly**

A deal can look good on paper and still be the wrong outcome.

If the buyer is wrong, the transition is clumsy, the clients feel mishandled, or your team is not ready to absorb your role, value leaks fast.

Exit is not just a sale event.

It is a leadership, buyer-quality and transition problem.

You have not built an exitable firm if the business still needs you to hold it together.

THE CORE ARGUMENT IN FOUR LINES

- ▶ **A strong exit depends on more than finding a buyer.**
- ▶ **It depends on making the business less dependent on the owner before the exit happens.**
- ▶ **That means testing leadership depth, buyer fit, operational readiness and transition design.**
- ▶ **Without those things, owners do not exit cleanly. They either undersell, stay trapped, or hand over a problem.**

HERE'S THE BIT TOO MANY OWNERS LEAVE TOO LATE

Many firm owners do not actually want to sell a business.

They want to escape pressure.

That is not the same thing.

If you are exhausted, overloaded or frustrated, selling can feel like the answer.

Sometimes it is.

But if the firm is still heavily owner-led, the buyer will see the risk.

- ▶ **If the senior team cannot step up, the buyer will see the gap.**
- ▶ **If the clients are loyal to you more than the brand, the buyer will see the exposure.**
- ▶ **If the systems are messy and the processes live in people's heads, the buyer will see the drag.**

And if you want to retain equity while stepping back, you will feel those same weaknesses even more sharply.

Because partial exit only works when someone else can genuinely carry what you are leaving behind.

Not pretend to.

Actually carry it.

ACCA's exit stories make this brutally clear. In the Peter Sleight and Debbie Story example, an internal management buyout was always the preferred route because culture, continuity and client care mattered as much as price. In the Kevin Heaton example, there was nobody inside the firm able to replace the owner, so an external sale became the only real option; after sale, around **15% of clients left**, and the effective fee multiple fell from **1.2 to 0.8** because the buyer proved to be a poor fit for both clients and staff.

That is the point.

Exit is not just about getting out.

It is about what the business can survive.

A buyer can buy your fees.

They cannot magically fix a firm that still depends on you.

WHAT THE MARKET IS ALREADY TELLING OWNERS

ICAEW's UK mid-tier research shows just how acquisitive the market already is. In its 2024 report, **64%** of firms said they had acquired another firm in the past, and **55%** expected to make an acquisition within the next three years. ICAEW also found that among firms that had grown, **21% of fee growth** was attributed to M&A. That matters because buyers are active, but active buyers are not automatically the right buyers.

ICAEW's seller guidance is very direct on the practical side. It says vendors should do due diligence on the buyer too, including whether the buyer has the funds, whether they have the resources to service the extra clients, and whether they are a good fit for those clients. It also flags confidentiality, Code of Ethics and GDPR considerations during due diligence, because client details may be exposed before completion.

ICAEW's selling-practice guide pushes the same commercial point from another angle: practices that are well documented and able to run independently of the owner will usually command a better price, and finding a close buyer match helps both financially and operationally by reducing clawback risk and supporting retention.

ACCA's practice-exit resources add the human reality behind that guidance. In the Sleigh & Story example, the owners wanted a management buyout specifically because they wanted the culture and client care to continue through trusted senior people. Peter had already stepped away from client-facing work a couple of years before the sale, and Debbie reflected that this made the practice easier to sell.

So the message is clear:

You do not create a strong exit by deciding to leave.

You create it by reducing dependency, improving transferability and being honest about whether the next layer of leadership is actually there.

EXIT SNAPSHOT: SIX REALITIES WORTH KNOWING

64% UK mid-tier firms in ICAEW's 2024 research that had acquired another firm in the past. Buyers are out there — but that does not make every buyer right.

55% UK mid-tier firms expecting to make an acquisition within the next three years. Demand exists, but so does the need to choose carefully.

21% Share of fee growth attributed to M&A among firms that had grown in ICAEW's 2024 research. Acquisitions move revenue quickly, which is exactly why transition quality matters so much.

TWO MONTHS

ICAEW says a handover period is commonly around two months, during which the vendor remains available to make introductions and answer queries on previous work. Smoother transition supports better retention and a better realised sale price.

SIX YEARS

ICAEW's selling-practice guide says sellers should expect run-off insurance for six years after sale. Exit has a tail.

15% / 1.2 TO 0.8

In ACCA's Kevin Heaton example, poor buyer fit contributed to about 15% of clients leaving and reduced the effective fee multiple from 1.2 to 0.8. The wrong buyer can destroy economics after the headline deal is agreed.

Exit value is not created at the point of sale.

It is created in the years before it.

WHY OWNERS GET TRAPPED

Most exit problems are built slowly.

1 THE OWNER NEVER REALLY REPLACED THEMSELVES

The business grew, but the owner kept too much of the judgement, trust and control.

2 THE SENIOR TEAM WAS NEVER PREPARED TO STEP UP

People were good operators, but not ready to lead clients, teams or the business.

3 THE WORK BENEATH THEM WAS NEVER BACKFILLED

Even when a senior person could step up, nobody properly absorbed the work they were leaving behind.

4 THE BUYER WAS CHOSEN ON PRICE OR CONVENIENCE

Not on client fit, cultural fit, team fit and transition capability.

5 THE OWNER CONFUSED “BUSY BUSINESS” WITH “TRANSFERABLE BUSINESS”

A firm can be profitable and still be very hard to hand over cleanly.

That is why exit needs to be built on two tracks at once:

- ▶ **replaceability**
- ▶ **transferability**

Miss either one and you stay stuck.

1 DECIDE WHAT EXIT ACTUALLY MEANS

Full sale, phased sale, or replacing yourself while retaining equity?

A lot of owners say they want an exit when what they really want is relief.

That is why the first step is clarity.

There are usually three sensible routes.

OPTION A: FULL EXIT

You sell, transition responsibly and step away.

This is right where:

- ▶ **there is no desire to remain involved**
- ▶ **the buyer is strong enough to absorb the business**
- ▶ **the team transition is manageable**
- ▶ **the owner wants liquidity and closure**

OPTION B: PHASED EXIT

You sell or transfer gradually, stay for a defined handover period, then reduce over time.

ICAEW's guidance reflects this reality: sellers commonly stay available during handover to make introductions, answer queries and help steady the client transition.

This works well where:

- ▶ **client relationships are heavily owner-linked**
- ▶ **the team needs time to grow into the next layer**
- ▶ **the buyer values continuity**
- ▶ **the owner wants to reduce rather than drop out instantly**

OPTION C: RETAIN EQUITY AND REPLACE YOURSELF

This is the route many owners want emotionally.

Keep ownership, keep upside, lose day-to-day dependence.

But this is also the route that exposes the most truth.

Because if you want to step back in full or in part while retaining equity, somebody else has to pick up:

- ▶ **client confidence**
- ▶ **internal decision-making**
- ▶ **commercial leadership**
- ▶ **delivery oversight**
- ▶ **team management**
- ▶ **problem solving**

If the right people are not there, that is the problem.

Not the economy.

Not the market.

Not timing.

The business is telling you it is still too dependent on you.

ACCA's Kevin Heaton example is relevant here too: he describes collaborative exit models where the owner remains involved while a more modern operating layer is introduced, and says owners may need **at least three years** to transition a practice to the cloud and get it ready for the next stage of its life.

If no one can step up, you do not have an exit route yet.

You have a founder-reliance issue.

2 TEST WHETHER YOUR SENIOR TEAM CAN ACTUALLY STEP UP

Hope is not a succession strategy

This is where a lot of owners get sentimental.

They like the team.

They trust the team.

They assume the team will work it out.

That is not enough.

You need to know who can genuinely take on:

- ▶ **key client relationships**
- ▶ **commercial conversations**
- ▶ **service judgement**
- ▶ **people leadership**
- ▶ **operational decision-making**
- ▶ **accountability under pressure**

There is a big difference between someone being excellent in-role and someone being ready to carry more of the firm.

ACCA's management-buyout material is useful here because the route worked where internal successors were already trusted, culturally aligned and known to the owners and clients. In the Sleigh & Story case, the owners gave their intended successors a **two-year runway** before exit and had clearly thought about continuity long before the legal event.

So the practical test is:

- ▶ **Who can step up now?**
- ▶ **Who could step up with six to twelve months of enablement?**
- ▶ **Who should not be forced into a bigger role?**
- ▶ **Where do you need to hire, not just hope?**

If the answer is "nobody", that is hard to hear.

But it is useful.

Because now you know what needs to change.



3 BACKFILL BEFORE YOU ELEVATE

Every step-up creates a gap underneath

This is where owners and firms often make a basic mistake.

They ask senior people to take on more, but do nothing about the work being left behind.

That creates overload, not succession.

If a senior manager steps into more client ownership, leadership or commercial work, something else has to absorb the delivery, coordination or review work they used to do.

That usually means redesigning the layers underneath them through a mix of:

- ▶ **clearer role design**
- ▶ **better workflow**
- ▶ **process standardisation**
- ▶ **improved delegation**
- ▶ **stronger operational support**
- ▶ **automation where it removes repetitive load**
- ▶ **additional delivery capacity where needed**

This is where Exit services connects directly to our Deliver and Automate offerings.

Not as a pitch.

As a practical truth.

Owners do not replace themselves by telling people to “step up”.

They do it by making room for people to step up.

Leadership depth is not created by promotion alone.

It is created by backfilling the gap promotion leaves behind.

4 GET THE FIRM SALE-READY BEFORE YOU TALK PRICE

Buyers pay more for transferability, not just turnover

A lot of owners jump too early to valuation.

That is backwards.

The better question is:

What would make this business easier, safer and more attractive to buy?

ICAEW's selling-practice guide says a higher price is more likely where systems are thoroughly documented, essential paperwork is in place, and the business can be shown to run independently of the owner. It also says buyers will want to see recurring fee information, staff details, software usage and business accounts, not just a top-line number.

That means sale-readiness usually includes:

- ▶ cleaner recurring revenue
- ▶ stronger cash collection
- ▶ lower client concentration risk
- ▶ less owner dependence
- ▶ clearer documentation
- ▶ defined processes
- ▶ better reporting
- ▶ a stable, transferable team
- ▶ sensible technology and data hygiene
- ▶ visible advisory capability where real

This is not about polishing for buyers.

It is about building a better business that happens to be easier to exit.

5 DILIGENCE THE BUYER, NOT JUST THE OFFER

The wrong buyer can destroy your legacy and your economics

This is the mirror of Acquire.

Just because someone can buy your firm does not mean they should.

ICAEW is very clear on this: sellers should assess whether the buyer has the funds, whether they can service the extra clients properly, and whether they are a good fit for those clients.

That means looking at more than headline price.

You should be asking:

- ▶ Do they actually have the money?
- ▶ Do they have the capacity to absorb the clients properly?
- ▶ Will your team fit culturally?
- ▶ Will your clients feel looked after?
- ▶ How do they handle transition?
- ▶ Do they preserve relationships or bulldoze them?
- ▶ What does their service model feel like?
- ▶ What happens to your people?
- ▶ What happens if clients leave?
- ▶ What does the clawback mechanism really do to your economics?

ACCA's seller stories show exactly why this matters. In the Kevin Heaton example, buyer misfit did not just create annoyance, it damaged retention and reduced the realised economics of the deal.

The wrong buyer can turn a good price into a bad outcome very quickly.

6 PLAN THE TRANSITION LIKE IT MATTERS BECAUSE IT DOES

The exit is not done when the contract is signed.

That is just when everyone becomes accountable for the handover.

ICAEW's guide says sellers should identify which key clients need to be told personally, arrange introductions to the new owner, agree wider client messaging, hand over records properly and remain available during the handover period. It also notes the basic commercial truth: smoother transition supports stronger client retention and therefore a better realised sale price.

That means the transition needs to be designed deliberately.

FOR A FULL SALE

- ▶ identify the clients who need personal reassurance
- ▶ agree the messaging with the buyer
- ▶ sequence the legal paperwork properly
- ▶ map the people and data handover
- ▶ decide how long the owner stays visible
- ▶ protect the team from avoidable uncertainty

FOR A PHASED SALE

- ▶ define the handover window
- ▶ be explicit about what the owner still does and stops doing
- ▶ transfer relationships in stages
- ▶ avoid making the owner the permanent safety blanket

FOR RETAINED-EQUITY REPLACEMENT

- ▶ define the new org structure
- ▶ confirm who now owns which decisions
- ▶ build the support below them
- ▶ review what still escalates to the owner and why
- ▶ remove owner dependence intentionally, not symbolically

The point is simple: Exit that is poorly landed often creates the very instability the owner hoped to escape.

THE SEQUENCING ARGUMENT

This is where owners create most of their own pain.

They do this:

- ▶ **get tired**
- ▶ **decide they want out**
- ▶ **speak to a broker or buyer**
- ▶ **talk about valuation**
- ▶ **assume the team will cope**
- ▶ **deal with the handover later**

That is not an exit strategy.

That is late-stage fatigue.

The better sequence is:

1 DEFINE THE ROUTE

Full sale, phased sale, or retained-equity replacement.

2 TEST REPLACEMENT DEPTH

Who can step up, who cannot, and where you need to enable or hire.

3 BACKFILL THE WORK

Do not elevate senior people without absorbing what they leave behind.

4 IMPROVE TRANSFERABILITY

Clean up process, client ownership, reporting, systems and documentation.

5 DILIGENCE THE BUYER

Not just their offer, but their fit, resources and transition capability.

6 DESIGN THE TRANSITION

Clients, team, data, systems, ownership and handover rhythm.

Do it in the wrong order and the exit becomes stressful, expensive and messy.

Do it in the right order and the owner gets options.

Good exits are not improvised.

They are built.



COMMON OBJECTIONS, ANSWERED

"I'll know it's time when I'm ready."

Maybe emotionally. Not operationally. Readiness and timing are not the same thing.

"My team will just step up when they need to."

Sometimes. More often, they step into overload unless the layer beneath them is redesigned properly.

"The highest bidder is the right answer."

Only if client retention, staff stability and transition quality do not matter to you.

"I can keep my equity and just reduce my hours."

Only if the business can genuinely operate without your daily judgement, relationships and intervention.

"We'll sort the process and systems once I'm closer to leaving."

That is usually when the pressure is highest and the leverage is lowest.

WHAT THIS MEANS FOR YOUR FIRM

If you are thinking about Exit, the useful questions are not:

- ▶ What multiple could I get?
- ▶ Who might buy me?
- ▶ When can I leave?

The better questions are:

- ▶ Can this business run properly without me?
- ▶ Who in my team can genuinely step up?
- ▶ What work would need to be backfilled if they did?
- ▶ Are my clients loyal to the firm or to me?
- ▶ Would the buyer actually be good for my clients and team?
- ▶ How transferable are our systems, processes and reporting?
- ▶ Am I building an exitable firm, or just a profitable job I happen to own?

That is the real test.

Because the owner is often the last person to see how much of the business still sits in them.

CONCLUSION

The best exits do not happen because the owner gets lucky.

They happen because the owner got honest.

Honest about whether the team can step up.

Honest about whether the work underneath them can be backfilled.

Honest about whether the buyer is right, not just available.

Honest about how much of the firm still depends on them.

Honest about whether the business is truly transferable.

That is what protects value.

That is what protects clients.

That is what protects the team.

And that is what gives the owner a real choice: sell well, step back well, or keep equity without staying trapped inside the thing they built.

Because if you cannot leave without the business wobbling, the business does not belong to you as much as you think.

You belong to it.

The goal is not just to exit.

It is to build a business you are no longer trapped inside.

**READY TO
SEE WHETHER
YOUR FIRM
IS ACTUALLY
EXIT-READY?**

It will show you where your firm is exposed across owner dependency, leadership depth, buyer readiness, transition planning and operational transferability, most importantly... what needs fixing before exit becomes a real option.

**CLICK HERE TO TAKE
THE EXIT READINESS
ASSESSMENT**

**OR SCAN
THE QR
CODE**

