Contents

Preface ix
Acknowledgments xi

CHAPTER 1
Who Are G2s? 1
Defining G2 2
Developing the Next Generation Is Critical 3
Just Hiring Them Is Not Enough (But Start There) 6
What G2 Professionals Need 8
G2s Need to Take Over Client Relationships 10
G2s Are the Future 13

CHAPTER 2
The Career Track 14
The Advisory Career Track 16
Non-Client-Facing Career Tracks 20
Progressing through the Career Track 21
Being Flat 24
Top Performers 26
Reaching the End of the Track 27

CHAPTER 3
Recruiting G2 29
Beginning with the End in Mind 30
Hiring Levels 31
Becoming the Employer of Choice 33
Advertising 34
Recruiting in Small Markets 35
Screening 36
Interviewing 36
Opportunistic Hiring 40
Experienced Hires 41
CHAPTER 4
Taking Over Client Relationships  45
What Is a Lead Advisor?  46
Qualities of a Trusted Advisor  48
Transitioning the Lead to G2  53

CHAPTER 5
How Advisory Firms Develop New Business  58
The Business Development Process  60
When and How Clients Act  62
Existing Clients as a Referral Source  65
Some Theories about Referrals  66
Other Referral Sources  70
Beyond Referrals  71
The Simple Mathematics of Reputation-based Selling  71
Principles of Business Development  72

CHAPTER 6
Be a Business Developer  74
The Four Stages of Learning to Develop New Business  75
Solving a Puzzle  76
Finding Your Mentor  77
Learning to Ask Questions and Listen  78
Finding Your Specialty  79
Developing a Niche  80
Following a Disciplined Process  88
Be Persistent  89

CHAPTER 7
Managing People  91
Defining Management  92
Prioritizing Management and Communication  94
Accepting Responsibility  96
Providing Feedback  97
Dealing with Poorly Performing Team Members  101
Performance Evaluations  103
Being a Mentor  105

CHAPTER 8
Managing Up  108
Speaking Up  109
Getting Involved  112
Contents

Taking Responsibility for Your Team 113
Supporting Your Colleagues 114
Measuring Your Criticism 115
Managing Your Own Expectations 117

CHAPTER 9
Managing Yourself 120
Defining Balance of Life 120
Balancing Time 122
Dealing with Weaknesses 125
Thoughtful Communication 127
On the Value of Conflict 129
Looking at Your Own Plate 131

CHAPTER 10
Owner, Manager, and Leader 135
Defining Owner, Manager, and Leader 135
Management 136
Leadership 140

CHAPTER 11
Adding Owners: The Firm’s Perspective 143
Criteria for Ownership/Partnership 144
Admission Process 150
Adding Family Members as Partners 152
Laying the Foundation for New Partners 153
Tackling Buy-In Financing and Valuation 154
Onboarding Partners 156

CHAPTER 12
Buying Equity: The G2 Perspective 158
What Does It Mean to Be an Owner? 159
Key Questions to Ask 161
Should You Buy Equity? 163
The Characteristics of Equity 166
Understanding Your Ownership Agreement 169
Small Firms and Family Firms 176
Owner Compensation 177
What If the Ownership Agreement Isn’t Right for You? 178
Understanding the Valuation and the Price 178
Organizing Your Personal Finances 180
Beyond the First Purchase 181
CHAPTER 13

The Ownership and Governance Foundation for G2 183
Career Investment 184
Stability and Governance 185
Elements of Governance 186
Governance as a Function of Size 198
Reviewing Your Governance Model 200
Achieving Results 203

CHAPTER 14

Succession 205
Different Aspects of Succession 206
Internal Succession of Ownership 207
Finding the Motivation 207
The Big Transaction 211
A Large Number of Small Transactions 212
Passive Ownership 212
The Intermittent Transaction 214
Equity-based Compensation 215
Profits Interest Options 216
Nonvoting Shares 217
Synthetic Equity 217
Mergers Facilitating Succession 218
Creating a Lasting Firm 218

CHAPTER 15

Keeping Up with the Industry 219
Being a Student of the Industry 220
Developing Your Industry Connections 220
Benchmarking Your Client Services 221
Learning Best Practices 222
Participating in External Training 223
Contributing to the Industry 224

CHAPTER 16

Conclusion 225
From G2 to G3 225
A Note of Optimism 229

Bibliography 234
About the Author 235
Index 237