

The results for the most recent Succession Advisory Survey are in!

Which of the below best describes your situation?

We have a signed partnership agreement that has been reviewed within the last 18 months	54.1%
We have a signed partnership agreement that has NOT been reviewed within the last 18 months	27.5%
We have no partnership agreement	10.1%
We have a partnership agreement but it is not signed	8.3%

Our experts, Joel Sinkin and Terry Putney from Transition Advisors, LLC, a consulting firm exclusively working in the area of ownership transition for accounting firms, felt the responses were very promising.

They shared with us that in prior informal surveys, a higher percentage of firms did not have a recently reviewed signed partnership agreement and a higher percentage of firms who either did not have a signed agreement.

Joel said, “The hope is the accounting firms are starting to realize how important having a signed agreement is as well as the fact it should be reviewed regularly. Terry added that “even though it has improved, the fact remains that in excess of 45% of the respondents either have not read their agreement in a long time or don’t have a signed one which remains too high a number. What would you say to a client of yours who has partners with no partnership agreement?”

They said a possibility for this improvement could also be firms following sites like CPA Leadership tend to be more informed and proactive in their practice management tools. The goal is to both get this number of firms with a signed document to be a higher percentage and ensuring the agreements are done well.

Joel and Terry shared that a good agreement addresses governance, compensation, buyouts, termination, addition of new partners, retirement and protects both the firm and the partners. Joel added that there are many new items and considerations firms are addressing in these agreements and encouraged all to attend a webinar Joel is doing for the CPA Leadership called "[Understanding What Your Partnership Agreement Should Include](#)" which shall be presented on Thursday, October 31, 2013 1:00 PM - 2:40 PM EDT. [Read More about this webinar.](#)