**WORKING DRAFT V5 – FOR APPROVAL BY CHAPTERS**

**XPX Principles**

**Principles for supporting the success of privately-held businesses, their owners and their communities.**

**Background**

XPX is a community of professional advisors who work collaboratively to help owners build valuable businesses, execute a successful transition, and achieve their chosen life and legacy.

The expert advisors in our market represent **12 diverse professions** (Accountant, Attorney, Banker, Coach, Consultant, Insurance, Investor, M&A Intermediary, Non-Profit, Valuation, Virtual Manager, Wealth Manager) serving **20 client industries** with over **80 areas of specific expertise**. The scope of our members’ advisory work covers the **full life cycle of business value growth, transition, and owner life and legacy**.

**Many of our members already operate under specific codes of ethics** related to their profession and/or certification. The **XPX Advisor Principles do not replace or supercede these codes** and standards of behavior. Rather, XPX seeks to aid advisors as they **work together to support the success of privately-held businesses, their owners and their communities**. This requires collaboration and sensitivity to details while also aspiring to a systemic view.

**The Principles**

XPX shared values are based on five core principles:

1. **Work collaboratively**

No advisor works in isolation. Every private company and its owners rely on a number of external advisors. It is in the client’s interest that these advisors work well together. Advisors can help their clients by having a deep network of other advisors they know and trust, and by understanding how to work as a team in the best interest of the client.

1. **Put the client first**

Many advisors are subject to extensive codes of conduct of their own professions designed to put the client first. Collaborative advisors can help their clients by communicating and working with both their clients and the clients’ other advisors to ensure that there are no conflicts of interest and that the team meets the highest standards of confidentiality and transparency.

1. **Think long term**

Most privately-held businesses create jobs for the owners and employees but close down after the owners retire. A smaller number of companies defy this pattern. They not only generate a living for themselves and their employees, they also create transferrable, realizable exit value. The Exit Planning Exchange was founded in the belief that more companies could become long-lived assets with the right help, creating lasting value for the owners, employees and stakeholders in their communities. Advisors can help their clients understand and navigate the road to long-term value.

1. **Consider the human angle**

Private companies are different from public companies in that their ownership tends to be concentrated in a single person or small group of people. This generally means that the owners and the business are closely tied together. These ties can be financial, ownership, taxation, family and emotional. Advisors can help their clients by being aware of the complex relationship between the company and its owners, and by understanding both the human and the business dimensions of a company.

1. **Always be learning**

The business environment changes constantly. Private companies and their advisors must adapt to keep up. Advisors can help their clients by seeking to learn latest trends and best practices, not only in their own field but also in other fields that affect their clients’ success.

**The bottom line of these Principles is that the** **big picture matters**. The work of an advisor to a privately-held business or its owner requires more than just expertise. It also requires systems thinking and a desire to do what’s right. An advisor that works for the company can’t ignore the role of the owner. An advisor may not work in all phases of the private company life cycle, but the value of his or her advice may be diminished if it fails to take the full life cycle into account. An advisor with significant expertise may find that the value of that expertise is diminished if there are unresolved conflicts with the advice of another advisor. Advisors can help their clients by pursuing their individual mandates with a constant eye to the bigger picture, balancing the interest of the company, its owners and its community over both the short- and long-term.