

Business Valuation Uses and Costs

Recent articles in Inc. and Entrepreneur magazine conclude that business valuations are critical for businesses of any size--and not just when a business is being bought or sold. Inc. magazine recently stated:

"A business's success is ultimately measured by a business's value. . .Knowing your net worth as a private business owner provides a useful snapshot of where your company stands, what options it has, and how it can improve in the long term."

Some common uses of valuations include:

- Determining the price to buy, sell or merge a business.
- An annual reality check of your business performance;
- A tool for aligning employee goals and business improvement;
- Adding new shareholders, setting prices for new stock purchases or buy-backs;
- Business owner net worth calculation for estate tax and financial planning;
- Research into feasibility of management or leveraged buyouts;
- Litigation support such as divorce proceedings of shareholders;
- Obtaining and maintaining financing;
- Employee stock ownership plans;
- Stock option and other incentive plans;
- Mediation and arbitration of disputes;
- Valuation of business spin-offs;
- Bankruptcy, liquidation or reorganizations;
- Exit Strategy;
- Conducting due diligence.



Package 1: Mergers & Acquisitions Valuation Report **\$3,500**

This package is for corporations with an adjusted net income over \$2,000,000 that want to position themselves in the mergers & acquisitions arena as a solid investment opportunity. This package is useful both in a negotiating role and to pre-qualify your business for outside funding such as SBA guaranteed loans. This helps move the divestiture process along and multiplies the number of buyers that can now afford to leverage their initial investment.

Package 2: Middle Market Opinion of Value **\$1,700**

This package is for middle market companies with an estimated value over \$1M that have an adjusted net income between \$500,000 and \$2,000,000. This evaluation report can be demonstrated to potential buyers that need a concise summary of your company. The report includes many sections including adjusted financial statements, the use of more than ten valuation methods, industry and market comparables, and an investment analysis.

Package 3: Main Street Market Analysis Report **\$900**

This package is for main street businesses that have a net income up to \$500,000. Nevertheless, the report is great for any business owner, whether you may be on the road to selling your business and need to set a fair price, or you just want to know how much your company is worth. We produce a full market data analysis of your business based on several different methods including financial and industry factors, and we produce a value range based on ratios.