

Questions? Contact us at orders@blueowlvaluation.com

What will you need for the Valuation?

Accurately understanding the value of a business is a complex process. A business is a dynamic entity, and valuation is always purpose-and-use specific. Sure, you might be able to find some formulaic approach that will return a range of values, but that range will likely be so wide as to be useless.

Gathering this information may take time, but if you want a quality report, this is time well spent.

- ✓ Five years of income statements.
(It could be tax returns, but it doesn't have to be. You could get by with three years, or even less, depending on the history of the subject business, but five is preferred. If the date of value is not the end of your fiscal year, it is helpful to get a trailing twelve-month statement as of the valuation date.)
- ✓ Balance sheets for each end period date.
- ✓ Information on compensation for owners, with as much detail as possible.
(Especially if the company is picking up the tab on things like vehicles, travel, life insurance, etc.)
- ✓ Some kind of management estimate of the actual market value of fixed assets.

Company Information

- **Describe products/services offered.** (e.g., car sales (new and used), car maintenance/repair.)
- **Who are the customers?** (Please include information about the geographical location of customers and customer concentration.)
- **How are the products/services delivered?** (What are the distribution channels? e.g. Almost all sales come from the lot. All repairs performed on premises. Limited internet marketing and sales outside of the local area--less than 5%.)
- **Is the business seasonal or cyclical?**
- **Who are the major suppliers?**
- **Describe any barriers to entry for competition.** (e.g., Business carries significant new and used inventory--approximately \$5mm--which would present a barrier to competition.)
- List competitive strengths and competitive weaknesses.

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Financial Information

- **Please give a management estimate of the actual market value of fixed assets.** (Most of the time, the value of fixed assets on the balance sheet will not coincide with the market value of those fixed assets.)
- **Attach: Year-to-date financial statements for the most current data available and/or trailing twelve-month statements.** (balance sheet and income statement.)
- **List of shareholders, family members, and all compensation.** (Include as much detail as possible.)
- **List of all discretionary expense items.** (Such as car leases, cell phones, discretionary travel, leisure and entertainment expenses.)
- **Attach: Summaries of any non-recurring, non-operational, unusual, extraordinary, or discretionary income or expense items that occurred in the aforementioned financial statements.**
- **Attach: Copies of any prior valuations or appraisals relating to the value of the Company, its equity, or its assets.**
- **Attach: Any business plans, budgets, forecasts, sales projections or financial projections.** (preferably a 3- to 5-year financial projection.)

Other Information

- **Purpose for requested valuation.**
- **Details of prior transactions involving Company equity.** (e.g., buy-sell agreements, including prices at which transactions took place.)
- **List of officers, management personnel, and family members of officers or shareholders who are or were employed by the Company.** (Including title, responsibilities, and compensation for the past five years.)
- **The assessed values of Company-owned real estate.**
- **Background on corporate history.** (Including major benchmarks in its corporate life.)
- **Attach: Sales materials, brochures, or other literature describing the Company's products and services.**
- **Information regarding any pending litigation or contingent liabilities the Company is subject to.**
- **Any other information that would be beneficial to our understanding of the business and ultimately in valuing it.**