



NuVESCOR

Mergers & Acquisitions

What is a Business Worth?

– By Kevin Hirdes, Managing Partner

Business owners frequently wrestle with this important question throughout their profession. The theoretical value of a business can vary widely depending on the motive for the valuation. Value can also greatly differ by means of the methods used, along with the underlying assumptions in determining the valuation. Consequently, it is important to appropriately weigh the factors that can greatly impact the value of a business.

Many business owners have likely heard that the value of their business is determined by some multiple of their profits. While this is partially true, given this approach, the results can be quite misleading. Without the added consideration of normalization adjustments, company and industry market trends, and the potential synergistic benefits of a strategic buyer, it can leave a prospective business seller well short of what should have been the value received for the business. Business valuations are more of an art as opposed to an exact science. EBITDA times some multiple is insufficient in and of itself, telling only a portion of the value.

In addition to the previously mentioned factors, many off-balance sheet items must be identified with proper values in order to bring significant additional proceeds to the business owner. These items can include: customer lists, goodwill, trade secrets and proprietary methods or processes to mention a few. At NuVescor, our expertise in **transaction architecture** is a key method in which we deliver maximum value to the shareholders of companies.

NuVescor provides business owners with **expert guidance** when answering the real world question, “How much is my business worth?” As experienced professionals, including CPA’s, bankers, corporate executives, CFO’s and CEO’s, NuVescor possesses one of the most experienced business advisory teams in the industry.

Experienced in completing transactions with buyers and sellers in West Michigan and around the globe, we are specialists in providing business owners with answers to the important question, “What is my business worth?” Whether you find yourself as an owner in a multi-generational family owned business, or a shareholder of a successful company, NuVescor is well positioned to assist you in next steps of **exit planning**. This may include positioning the business to receive maximum value in several years, or possibly a near term confidential sale of the company. Many business owners have much of their personal net worth tied up in their business. NuVescor would be pleased to provide a no charge confidential consultation to share best strategies with you to **unlock the value of your business**.

Founded on the core principles of **Confidentiality, Integrity and Trust**, NuVescor is passionately committed to excellence in mergers and acquisitions. For additional information, please visit our website at www.nuvescor.com.



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