

## BUSINESS VALUATION SERVICES

A business appraisal can help to reconcile perceived opinions on value as well as issues related to:

- Succession planning
- Estate planning
- Value of partners' ownership interest for buy-sell agreements
- Taxation
- Business disputes
- Stock transactions and/or divorce settlements

Business valuation can also be used to allocate a business purchase price across business assets, and a marketability analysis can help a business owner determine relative value in the marketplace.

The purpose of a business valuation can include any one of the following reasons: business transition/exit planning, due diligence, transaction price determination – Buy-Sell Agreements, Employee Stock Ownership Plan (ESOP), financial reporting – purchase price allocation, goodwill impairment, tax reporting – gift/estate taxes, charitable contributions, resolve IRS disputes, resolve marital and/or shareholder disputes, and capital raising activity.

BKA performs business valuation assessments to provide a business owner with both a point-in-time estimate of relative value in preparation for business exit planning and to provide a "gap assessment" to help identify and eliminate the various "anchors" to value growth during the exit planning or transition process

**BKA USES THE FOLLOWING METHODS TO VALUE CLOSELY HELD BUSINESS INTERESTS:**

### ASSET APPROACH

Also known as the "Cost" method, this measure the value of a business's balance sheet, including assets and liabilities

### INCOME APPROACH

This measures the businesses' ability to generate income and future cash flow, based on anticipated future earnings. The Income method utilizes one of two approaches, the single period Capitalization Method and the Multiple Period Discount Method.

### MARKET APPROACH

This measures the value of the business based on either comparable private market transactions or similar publicly-traded companies. For private market transactions, we use **BizComps**® and **IBA Market Data** databases, and for public transactions, we use the **Guideline Public Company database**.

Some considerations which could influence value include:

- Goodwill or other intangible assets
- Dependency on an owner or key employee(s)
- Strength and concentration of customer relationships
- Market position and competitive landscape
- Diversity of customer base, products, suppliers and services
- Management depth and quality
- Market position, competitive moat and landscape
- Industry life cycle
- Economic/political environment

### DISCUSSION

Covering the following topics:

- Nature and Background of the Business, its services and products
- Purpose & Objective for Valuation
- Key employees, customers, considerations
- Significant assets, including inventory, and liabilities
- Executive and owner compensation

### DISCOVERY

Collect necessary financial information

- Profit and Loss Statement & Balance Sheet last 4-5 years
- Tax Returns Last 4-5 years
- Interim Profit and Loss statement/Balance Sheet for current year
- Available Forecasts, Projections, Proforma, Budgets

### CONFIRMATION

Of required inputs, information and assumptions

### EVALUATION

Make adjustments and evaluate various valuation measures to assess true economic value for the enterprise, using a combination of various methods, including the Asset (Cost), Income, and Market method.

### REPORT

Draft of the Valuation Report & Letter of Opinion following the comprehensive analysis of the enterprise. The valuation report is drafted under the standards of the **Uniform Standards of Professional Appraisal Practice (USPAP)**.



# BKA BUSINESS VALUATIONS

WWW.BKABUSINESSVALUATION.COM  
1320 ARROW POINT DRIVE, STE. 501  
CEDAR PARK, TX  
78613

FOR MORE INFORMATION OR TO SCHEDULE  
A BUSINESS APPRAISAL, CONTACT  
**ERIC C. BOYCE, CFA, CHIEF EXECUTIVE OFFICER**  
(512) 496-5709  
ERIC@BKAWEALTH.COM

*Whether you are needing to know the value of your business for a sale, loan, or for a buy sell agreement, BKA Business Valuations will be able to help.*

There are many reasons for business owners to need a valuation of their business. The most common are in the case of a business sale, equity offering, Buy/Sell agreement or in the case of a divorce, or business divorce.

BKA Business Valuations has a highly trained staff of business valuation experts with over 50 years of combined experience in business valuation and security analysis.

One of our core beliefs at BKA Business Valuations is that business valuations do not need to be extremely expensive. We have several levels of business valuation that will be able to fit your unique valuation need without breaking the bank.

- ✓ Simple & Complex Valuations
- ✓ Experienced Staff
- ✓ Help with Buy or Sell
- ✓ Priced for Value

Business valuation is a process and a set of procedures used to estimate the economic value of an owner's interest in a business. An accurate valuation of a closely held business is an essential tool for a business owner to assess opportunities and opportunity costs as he or she plans for future growth and transition. It provides either a point-in-time assessment of relative value for an owner, or the price a buyer would be willing to pay to acquire the business.



*Boyce and Associates is doing business as  
BKA Business Valuations,  
in association with BKA Wealth Consulting, Inc*

# BKA BUSINESS VALUATIONS



## BUSINESS VALUATION SERVICES

BOYCE & ASSOCIATES