

## Valuation Information Checklist

To expedite the business valuation process, you should assemble the following minimum information for your business. Having this done before hand should speed up the process and reduce your cost.

### Financial Information:

- \_\_\_\_\_ Year-end Balance Sheets, 5 years preferred, 3 years minimum
- \_\_\_\_\_ Year-end Income Statements, 5 years preferred, 3 years minimum
- \_\_\_\_\_ Statement of Cash Flows, 5 years preferred, 3 years minimum
- \_\_\_\_\_ Interim Financial Statements, most recent
- \_\_\_\_\_ Federal Income Tax Returns, 5 years preferred, 3 years minimum
- \_\_\_\_\_ Accounts Receivable Aging
- \_\_\_\_\_ Accounts Payable Aging
- \_\_\_\_\_ Fixed Asset Inventory
- \_\_\_\_\_ Financial Projections, (income statements, balance sheets, cash flows) 3 years preferred

### Operational Information:

- \_\_\_\_\_ List of shareholders and number of shares owned
- \_\_\_\_\_ Copy of:
  - Bylaws and Articles of Incorporation
  - Operating Agreement
  - Partnership Agreement
- \_\_\_\_\_ Description of capital stock [common and preferred]
- \_\_\_\_\_ Schedule of dividends, 5 years preferred, 3 years minimum
- \_\_\_\_\_ Description of loans to shareholders or any related parties
- \_\_\_\_\_ Schedule of company stock transactions over the last 5 years
- \_\_\_\_\_ Description of employee benefit plans and contributions made over the last 5 years
- \_\_\_\_\_ List of key employees [position, responsibilities, skill sets, tenure, compensation]
- \_\_\_\_\_ List of key man insurance and any other key insurance policies
- \_\_\_\_\_ Description of employment agreements

### Operational Information continued:

- \_\_\_\_\_ Copy of buy-sell agreements
- \_\_\_\_\_ Copy of franchise agreement
- \_\_\_\_\_ Description of product/service offerings with markets served
- \_\_\_\_\_ List of primary customers, [% breakdown of business]
- \_\_\_\_\_ List of primary suppliers/vendors [% breakdown]
- \_\_\_\_\_ List of primary competitors
- \_\_\_\_\_ Copy of marketing literature
- \_\_\_\_\_ Organization Chart
- \_\_\_\_\_

### Proprietary Information:

- \_\_\_\_\_ Description of any patents, copyrights, trademarks
- \_\_\_\_\_ Description of unique offerings, your competitive advantage

Your valuation advisor may have his/her own checklist; this is a great place to start either way. Only assemble information that is pertinent to your business.

## Tips to Maximize Value

- Here are a few things to consider to help you maximize your business' value:
- Maintain good financial records, keep them current and accurate
- Demonstrate an ability to generate a profit, be profitable, demonstrate ability to make money
- Regularly monitor key financial ratios, [liquidity, leverage, profitability, productivity, cash flow]
- Deliver more than advertised, demonstrate superior service, and timely responsiveness
- Build/maintain a "transferable" customer base, tie customer to business, not individual(s)
- Identify the right [strategic] buyer if possible
- Get professional help, have a team of advisors (CPA, Insurance Agent, etc.)
- Demonstrate application of sound business management principles
- Focus on objectives, be true to your mission
- Keep facilities up [clean, maintained, state-of-art, etc.]
- Create teamwork atmosphere, create an atmosphere where people want to work
- Be an advocate for change, facilitate the transfer
- Plan ahead, anticipate financial, human resource, and physical surrounding needs
- Demonstrate clear two-way communication, make employees feel valued