

Valuation of private companies

Help your clients prepare for a business sale



Why a financial advisor should care about business valuation



More than 80% of business owners' wealth is tied up in their business



90% of business owners are planning to sell in order to provide liquidity for retirement



10,000 baby boomers retire per day



\$10 trillion of US business value is set to transfer in the next ten years



Favorable gift and estate tax regulations may change

Exit Planning Institute

While your clients may be hesitant about selling their business, here is some information to answer your clients' questions about when to begin planning, how to prepare for a transition, and what factors affect value.

When should a business owner begin planning for a transition?

Preparation should ideally begin **three to five years** before the planned sale.

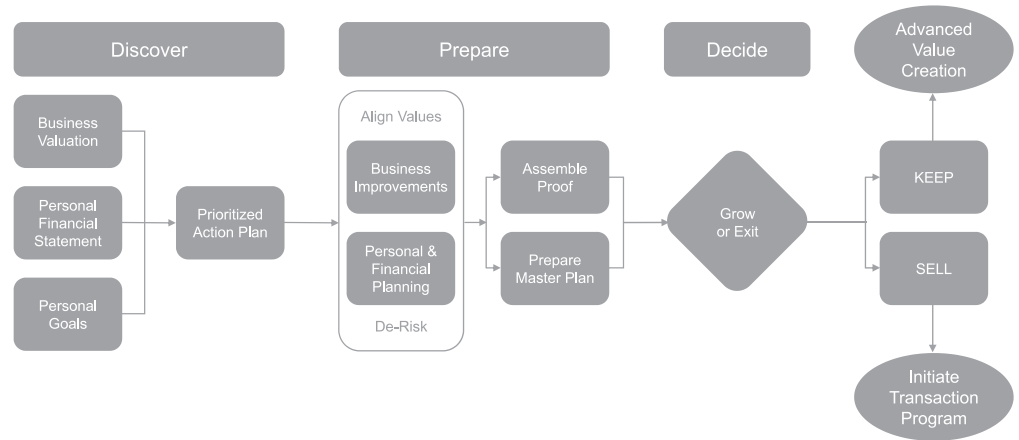
- Baby boomers retiring and selling businesses
- Ten-year private transfer cycle: 2023 will begin a prime selling time

US Ten Year Private Transfer Cycle



A framework to help your clients prepare

BerryDunn helps business owners build value into their businesses and liquidity into their lives by leveraging the value acceleration process, focused on three distinct stages: **discover, prepare, and decide.**



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Opportunities to increase a business' worth

Business owners can achieve a spike in cash flow and business value, and obtain liquidity to fund their plans outside of their business by:

- Aligning values
- Decreasing risks
- Improving intangible asset value: human capital, structural capital, social capital, and consumer capital

Common factors affecting business value

What your clients should consider:

- **Barriers to entry:** Are there high startup costs, regulatory hurdles, or strong relationships that need to be established?
- **Product type:** Is it easy for customers to find product alternatives? Strong product margins?
- **Management team:** Depth? Experience?
- **Profitability:** High margins? Volatility? Outlook?
- **Customers:** Is the customer base diversified? Are contracts in place?



With offices and employees located in 30+ states—wherever you are based, we look forward to working together.

berrydunn.com/valuation

Financial advisors are in a great position to provide insight to clients on these items.

For additional information on factors affecting value, visit berrydunn.com/business-value.

Contact **Seth Webber** or another member of our business valuation team to learn more about the valuation process that can position your clients for a successful transition.