

Valuation Information Checklist

To expedite the valuation process, you should at a minimum assemble the following information. Having this done 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, 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
- _____ 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

13 Keys to Enhancing Value

- Maintain good financial records
- Demonstrate an ability to generate profit, be profitable
- Regularly monitor key financial ratios, [liquidity, leverage, profitability, productivity]
- Deliver more than advertised, demonstrate superior service and timely responsiveness
- Build/maintain a “transferable” customer base
- Identify the right [strategic] buyer if possible
- Get professional help
- Demonstrate application of sound business management principles
- Focus on objectives, be true to your mission
- Keep facilities up [clean, maintained, etc.]
- Create teamwork atmosphere
- Be an advocate for change, facilitate the transfer
- Plan ahead, anticipate financial and resource needs