

5 THINGS THAT YOUR CLIENTS WANT FROM A BUSINESS VALUATION



In striving to always deliver excellent service and value to your clients, I thought you might find it helpful to review the following five factors. Over the past decade we have consistently found these tend to be the clients' priorities when requiring valuations.

Accuracy *Your client's first instinct will be that they want a valuation that favours their own interests.*

I have often had to listen at length why the client feels their business has no value (and therefore they should not have to compensate their spouse as part of the divorce settlement) and from their wife/husband why they feel the business is laden with hidden assets.

But underlying this desire to win out, the clients have an idea what the business is really worth, and as long as they do not feel that they have been short-changed they will settle for fair value. With a fair value the conflict can be resolved and the parties can move on with their lives.

Most of the valuations we do are in situations of conflicting interests, of one kind or another. Perhaps surprisingly almost all of the draft valuations we prepare are accepted without request for change by the client.

Control

Because of this fear that the valuation will be wildly unfavourable, it is crucial that the valuer gives the client the chance to review the draft valuation, to comment and to provide any information that has been missed. This undertaking helps the client to feel in control. It reassures the client that they will have a say, but also more subtly that the valuer is confident that he can get to an answer that the client will be happy with.

We always provide a draft valuation to the client and invite their comment.

Transparency

Valuations are intrinsically difficult. Usually they involve predicting, and then putting a current value on, future income. Some methodologies are extremely complex.

Clients are quite correct to be concerned that they will not be able to see what methodology the valuer has used, why that methodology was chosen, what data was used, what adjustments were made to the data, how the calculations were performed, what assumptions underline the calculation and how the results were checked.

We always set out all stages of the valuation process as clearly as possible. So much so that we believe a reasonably competent client could easily rework the valuation if they want to change a figure. One client informed us his Barrister said ours was ***"probably the best, and certainly the clearest business valuation report that she had ever seen"***.

Speed

Nearly every client that we have asked to comment on our services confessed that **speed was one of the things they really appreciated about our service**. It is these responses that have drawn our attention to the importance of quick turnaround.

Your clients want to get a deal completed, a divorce settled, an Inheritance Tax liability agreed, or a dispute resolved. In almost all these cases the need for an independent valuation is understood, but perceived as yet another delay. Getting this matter resolved quickly is important to the client, because it is another matter that is out of their control.

Price

Is an issue on almost every job. Many clients will be concerned to keep their costs to a minimum, but there are also clients who relate price to quality of service, who want the best and expect to pay.

We like to think that professionalism and expertise are delivered as standard. We have handled valuations ranging from small catteries to large tech companies, and whilst the **service standard we deliver is high regardless of the client**, the time taken and fee charged varies widely. Our practice is to assess the job, then issue a timetable, price quotation, and contract terms to the client before commencing work.

Contact Us

If you would like to discuss a business valuation required by one of your clients why not contact me, Phil Needham. Call me on **01603 720424** or email me at **phil@hornbeam-accountancy.co.uk**

Phil Needham, BA (Hons) FCA Managing Partner, Hornbeam Chartered Accountants & Auditors
Hornbeam House, Bidwell Road, Rackheath, Norwich NR13 6PT

WWW.HORNBEAM-ACCOUNTANCY.CO.UK