

Determine the Real Price of a Business

Appraising the value of a business is critical when buying or selling all or part of its ownership. It is the only way one can accurately judge the market price of the equity. Many business owners will value their business annually as another way to measure their company's financial health.

How it works

Before you meet with an attorney or CPA, the ISBDC will help you appraise your business accurately by running preliminary valuation reports that allows us to suggest a realistic asking price. Using a licensed valuation program, the ISBDC helps clients price their business using four industry recognized valuation methods. The ISBDC provides this education in valuation so you understand the methods of the IRS when you are ready to buy or sell a business.

Outcomes

- An understanding of true financial health.
- Known external factors that are affecting business value.
- Discerning business goodwill.

How to Use it:

Having an ISBDC valuation in-hand provides the business owner with an independently developed "snapshot" value of the business – not just what one party may "think" it is worth. Using the valuation, the client may work closely with an ISBDC Business Advisor to develop a marketing strategy for the sale of an existing business or a business plan to aid those who are purchasing an existing business. In either case, our business advisors have an abundance of resources to aid in the process of a business changing hands. An autonomous viewpoint facilitated by professional ISBDC advisors who do not hold a vested interest in the impacted business helps to alleviate much of the emotion that can be created as a business changes ownership.

Let's Work Together: Find your local ISBDC Regional Center at www.isbdc.org.