



July 8, 2020

Selling or buying a business may be the biggest financial deal of your life.

Over the years, we've assisted many clients through major transitions in business ownership, both on the buy side and the sell side. One of the key factors for a successful deal is accurately valuing the business. But that's not the only time you might need to assess the value of your business.



You may need debt or equity financing for expansion or due to cash flow problems, in which case potential investors will want to see that the business has sufficient worth. You may be adding shareholders or partners (or one or more shareholders may ask for a buyout) and need to determine what your company is worth. You may need to sell the business due to retirement, health, divorce, or for other family reasons.

Whatever the reason, performing a business valuation will help you set an appropriate price.

The 3 primary methods to value your business are:

1. Asset-based approaches
2. Earning value approaches
3. Market value approaches

These 3 take into consideration the assets of the company, the cash flow and discounted future earnings, and the value of comparable companies that have recently sold.

We highly recommend you engage a professional team whenever it's time to make a big transaction involving a business. If you are considering a big financial decision like this or simply want to discuss your personal financial strategy, click the blue button below to schedule a conversation with us.

Happy Wednesday!

Sincerely,


WEALTH ADVISOR FOR ENTREPRENEURS

Certified Financial Fiduciary®

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Schedule a Call

