The Business Valuation Book:
Proven Strategies for Measuring a Company’s Value

According to the authors, the main purpose of this book is to teach business owners how to value their business. In addition, business brokers, intermediaries, and other valuation professionals “who operate in the trenches of dealmaking” will find this book useful and make it a reference resource for day-to-day work. It provides all the tools necessary to estimate the fair market value of any business while allowing you to customize the level and depth of analysis based on your needs. Special Price: $32.35 - Saving You 10%!

Chapter One
Describes the relationship between what the authors call “classic” business valuation and the approach they use in this book – the ARM Approach. This chapter concludes with a two-page listing of useful valuation-related Web sites.

Chapter Two
Presents the generally accepted valuation approaches along with basic knowledge about the profession – designations, certifications, and the structure of a valuation engagement. The chapter concludes the authors’ answers to questions like “What about rules of thumb?” and “Which approach is best?”

Chapter Three
Includes the ARM Approach Questionnaire and the Five-Page Tool – valuation methodologies developed by the authors to help the valuator organize information effectively and focus on the valuation techniques used most often by business brokers. Selected questions in the ARM Approach Questionnaire refer the reader to Web sites where information necessary for the engagement can be found.

Chapter Four
Focuses on the first element of the ARM Approach – the adjusted cash flow -- while Chapter five presents the last two elements -- the rules of thumb and market comparables. Chapter four emphasizes the importance of adjusted cash flow as the primary indicator of business value and success. The chapter contains a practical and detailed analysis of how the adjusted cash flow is computed. The appendix at the end of this chapter illustrates an income approach valuation method called the Snowden technique.

Chapter Five
Discusses the last two elements of the ARM approach and begins with a general classification of rules of thumb, along with a list of factors that tend to push the rules up or down. The second part of the chapter delves into the use of market data for business valuation. The chapter also includes a summary of market data sources along with illustrations of applying the two variants of the market data method: the comparable sales method and the guideline public companies method.

Chapter Six
Reviews various terms and conditions of the negotiation process from the perspective of their potential impact on final deal price. The rest of the chapter discusses the differences between a stock sale and asset sale along with a basic review of tax minimization strategies.

Chapter Seven
Deals with valuations of minority interests and introduces the reader to minority and marketability discounts.

Chapter Eight
Is a case study that wraps up the discussion of the ARM Approach to valuation. This chapter also explains how to make the best use of the ARM Questionnaire and the Five-Page Tool. The chapter and book conclude with a list of valuation facts, concepts, and tips.

About the Authors
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