

### Corporate Financial Services

- The company has outgrown its bookkeeper or junior accountant, but is not in a position to add a full-time CFO to the management team.
- The business is sound, the entrepreneur has marketing or operational skills but needs additional financial expertise.
- The company struggles to provide timely financial reporting.
- The business is having cash flow issues and trying to avoid ending up in the "special loans" group.

We can help by providing the appropriate financial expertise and tools to thrive in today's business world.

At a time when demand for a company's products/services might be declining, we can help business owners and their management teams identify and focus on the high-margin aspects of their business. Through regular financial analysis (weekly, monthly, quarterly), we work with management to focus on key performance indicators, reduce extraneous overhead and improve margins. By focusing on the financial issues, we free up valuable time so that entrepreneurs can focus on business issues.

### What's the business really worth!

Every year business owners and their bankers review the annual financial statements to consider past performance and to ensure the business is operating within agreed upon ratios and guidelines.

While financial statements are an important measure of performance, they are not designed to give a realistic indication of business value.

In reviewing a balance sheet, readers need to be aware that current accounting methodology provides for a write down in value where an asset is below cost; there is no write up provision for assets that have appreciated. In most cases internally generated goodwill and other intangible value is ignored completely. For this reason balance sheets typically provide an indication of the minimum business value, with no indication of the true market value.

To some extent business values operate in a similar manner to house prices, which change in value with changes in economic cycles, new enhancements or general deterioration. Each year home owners are provided with local assessments which provide some guide as to a homes' change in value. Business owners have little indication of changes in value in what is likely to be their greatest asset. In addition, the business owner, unlike the home owner, has the ability to 'create value' through consistent, increasingly profitable operations.

It is for these reasons that we encourage our clients to consider a regular valuation review (recommended biennially) for the purposes of establishing benchmarks and planning. At each valuation interval business owners can see if they are adding value to their shareholding or if value is being eroded. The process will identify what has caused a change in value, be it changes to the business specifically or the market in general.

The valuation process can be extended further to consider the likely effects on value by taking specific actions. It may also assist with making decisions on the best time to exit the business as well as evaluating potential changes to the capital structure, shareholding or estate planning.

Valuation is an incredible business tool, which will help stakeholders assess the true value of their investment and show owners how they can attain the most value from their business.

*Wolrige Mahon has a team of Chartered Business Valuators, specializing in a wide variety of industries. An initial valuation can cost as little as \$6,000 dependant on the company and valuation purpose.*

### And I Quote...

A customer is the most important visitor on our premises, he is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so.

**Mahatma Gandhi**