What We DO Is More Important Than What We SAY

Also in this Issue: Mercer on Value - An Update

By Z. Christopher Mercer, ASA, CFA, SPBE
mercerc@mercercapital.com

Mercer on Value, my personal blog, was introduced in the last issue of Value Matters™. It was created to provide access to a new direction in my writing. I have been writing and speaking on technical subjects for many years and that will certainly continue; however, this blog provides a vehicle geared to less formal and less technical writing.

To date, my most commented-upon posting had nothing to do with valuation, but quite a bit to do with values. Posted on May 1, 2005, "What we DO is more important than what we SAY" is reprinted below. If you like it, I encourage you to go to the sequel posting, "What we SAY should influence what we DO," which reflects a personal experience of being challenged to practice what I had just preached. This post can be found at http://merceronvalue.com/archives/2005/05/what_we_say_sho_1.html.

Post on May 1, 2005 on Mercer on Value

What we DO is more Important than what we SAY

This past weekend was one of the most unusual I've spent in many years. I attended the Grace St. Luke's Men's Retreat at St. Columba Episcopal Conference Center beginning Friday evening and ending on Sunday morning. St. Columba (521-597) was a missionary saint who was responsible for converting much of Scotland to Christianity. He is said to have written some 300 books, only two of which have been preserved to this day. However, it is what he did, rather than what he said (wrote) that caused the Catholic Church to elevate him to sainthood.

The retreat was led by the Reverend Canon Ed Wills, Jr., rector of St. Michael's Episcopal Church in Little Rock (that's in Arkansas, the home of former President Bill Clinton, a person of the other political persuasion, but that has nothing to do with this posting). Amazingly, I have known Father Ed's father and younger brother for many years at my home parish (church). Ed was just old enough to be "gone" when I arrived in Memphis in 1975, after a few years with Uncle Sam.

Needless to say, it was a pleasure to connect with someone I knew, but barely, and in such a different way. That's all about why what we do is more important than what we say. I discovered that he has done so much, and I had no idea of what he has said along the way.
Lessons Learned. Father Ed spoke to us about the mission of the Church. He spent several hours carefully describing four critical relationships that we must all embrace, treat with ambivalence, or ignore:

1. Our relationship with God (or for some, the Supreme Being by another name)

2. Our relationship to Ourselves.

3. Our relationships with Others, including family, friends, co-workers, and everyone else.

4. Our relationship with Creation (i.e., the earth and all things physical)

If those relationships are in good shape, the work of the Church will be done through us as individuals. That was an important message of the weekend. The other was the title: What we do is more important that what we say. In other words, our actions speak louder than our words.

I'm writing briefly about this weekend in Mercer on Value because these lessons are important in business and life.

Lessons Applied. In business, what we as CEOs, leaders, or managers at any level do is much more important than what we say, especially if what we say is incongruent with what we do. We set the tone and the example for those around us. It is just that simple. A recent personal example illustrates the need for congruency.

We say that we value integrity at Mercer Capital. That means we need to do business with the highest degree of ethics and integrity. And that means that we simply cannot do some business. So if we want ethical employees, we must conduct our business lives in an ethical manner.

Last week, I reviewed a prospect situation with one of our vice presidents. The engagement would have been lucrative based on the magnitude of the case and the damages claimed. However, both our young vice president and I were uncomfortable with the facts and the opinions that were desired from an expert.

Had we accepted it, we would almost certainly have been pressured to render opinions that are inconsistent with our corporate values. Taking the wrong kind of business, i.e., business that is inconsistent with our values, would be unethical. Unless I model ethical behavior, how can I expect that others will act with integrity?

What we DO is more important than what we SAY.

We declined the engagement.

Mercer on Value - An Update

I promise that there won't be a monthly update on the progress of Mercer on Value in this newsletter. But with our readers' indulgences, I'll provide a brief update in this issue and an occasional (shorter) update as the months go by.

- **Fun.** Getting the blog up and running has been fun. It has been stimulating to learn how blogs work out there in the blogosphere. And it has been fun, of sorts, to begin to master the intricacies of Moveable Type 3.15, the software platform we are using for Mercer on Value. WYSIWYG it ain't!

- **Hard work – 1.** It takes a lot of work to set up and to maintain a blog. There are lots of decisions that have to be made along the way that influence how your blog will look and work going forward. For example, I’ve gone through a number of iterations to get to the Categories (topic areas) under which I’m writing. There will undoubtedly be some further revision, but a great deal of what I have to say can be found under the current Categories on the left side of the blog. And speaking of decisions, I made one in
choosing to archive the articles by Category, rather than by Date as you will see on many blogs. Fortunately, I have a lot of help from Mercer Capital!

- **Hard work – 2.** Unfortunately, these blog postings just don’t write themselves. “They” say that blogs should be updated at least 3-4 times per week to be considered active and attractive. That’s easier said than done but it is a rewarding challenge.

- **Numbers.** As with anything on the Internet, there are numbers associated with blogs. If you spend the time to write, you hope that the right people will read it. Who are the right people? For *Mercer on Value*, they are CEOs, CFOs, corporate managers – and their advisers. Are they coming? Some are. Mercer on Value has been in the blogosphere for a short time. To date, more than 50 people have signed up to receive e-mail notification of postings as they are made. In addition, about 25 unique visitors are coming to the site each day, and that number has been growing. The visitors are beginning to find the blog through Google and other search engines, and through other sites that have linked to *Mercer on Value* or written about it. According to Sitemeter, *Mercer on Value* has been visited more than one thousand times. “They” say it takes about six months for the numbers to begin to take off, whatever that means, but that presumes that visitors think you are writing something of value to them. I’m patient. Sort of.

- **Making money?** Can’t say that we are from this activity. But then, very little I (or Mercer Capital as a firm) do in the area of development has ever had any immediate expectation for return. *Mercer on Value* is a personal investment of my time that is supported by the staff and management of Mercer Capital. There is no certainty of any return, but we believe the benefits will outweigh the costs over time. When we put up Mercer Capital’s website in 1996, lots of our friends laughed. Today, [www.mercercapital.com](http://www.mercercapital.com) is an integral part of the way we do business.

- **Feedback.** Thus far, the feedback we have received, from comments posted to the blog (not many to date) and from emails and calls from friends have been favorable. That’s encouraging, so we’ll keep it up for a while longer….

I may have told you more than you wanted to know about what’s going on with the blog known as [www.merceronvalue.com](http://www.merceronvalue.com). The writing style is different than my more usual academic style, or even the less formal style sometimes used in *Value Matters*™. I try to organize each posting around a central idea or event and then, following a brief discussion of the relevant issue(s), to reach the point of the story. The point may be a moral, a teaching point, or a focused observation – but my goal is to leave the reader with something to reflect on or to act upon.

If you like what you have read, and would like to receive e-mail notification of new postings to *Mercer on Value*, you can sign up in the upper right hand of each page on the blog.

**Postscript**

Now that you’ve read to the bitter end, you get to know about my new professional designation:

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<th>SPBE</th>
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<td>Granted by</td>
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<tr>
<td>Qualifications</td>
<td>None</td>
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<tr>
<td>Value</td>
<td>Priceless (or is that worthless!)</td>
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So guess what? I probably won’t use it again, but it seemed appropriate today! ◆
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<tr>
<th>Title</th>
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<td>Valuing Shareholder Cash Flows: Quantifying Marketability Discounts</td>
<td><em>Quantifying Marketability Discounts</em> has been updated and is now offered as an e-book. Titled <em>Valuing Shareholder Cash Flows: Quantifying Marketability Discounts - 2005 E-Book</em>, this edition provides a brand new chapter which discusses each of the five assumptions of the QMDM in depth. As a bonus, when you purchase the e-book, you will also receive the QMDM Companion, the latest edition of Quantitative Marketability Discount Model in spreadsheet format. We plan to continually add content to this e-book and as a purchaser, you will receive this added content free of charge when it becomes available.</td>
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MERCER CAPITAL ON THE ROAD

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<tr>
<td>June 10, 2005</td>
<td>“Bank Valuation and Value Drivers”</td>
<td>Atlanta, Georgia</td>
<td>Andrew K. Gibbs, CFA, CPA and Z. Christopher Mercer, ASA, CFA</td>
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<td>June 22, 2005</td>
<td>“Valuing Intellectual Property &amp; Other Intangible Assets”</td>
<td>Wichita, Kansas</td>
<td>Travis W. Harms, CFA, CPA/ABV and Z. Christopher Mercer, ASA, CFA</td>
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<td>August 2, 2005</td>
<td>“Mergers &amp; Acquisitions: The Transactions Behind the Transaction”</td>
<td>Wichita, Kansas</td>
<td>Travis W. Harms, CFA, CPA/ABV and Z. Christopher Mercer, ASA, CFA</td>
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<td>October 18, 2005</td>
<td>TBA</td>
<td>Memphis, Tennessee</td>
<td>Z. Christopher Mercer, ASA, CFA</td>
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Mercury Capital
Business Valuation • Investment Banking

Headquarters:
5860 Ridgeway Center Parkway, Suite 400
Memphis, Tennessee 38120
901.685.2120 • Fax 901.685.2199

Midwest Office:
511 South 5th Street, Suite 206
Louisville, Kentucky 40202
502.585.6340 • Fax 502.585.6345

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