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What Family Business Owners and Advisors Need to Know About Valuation

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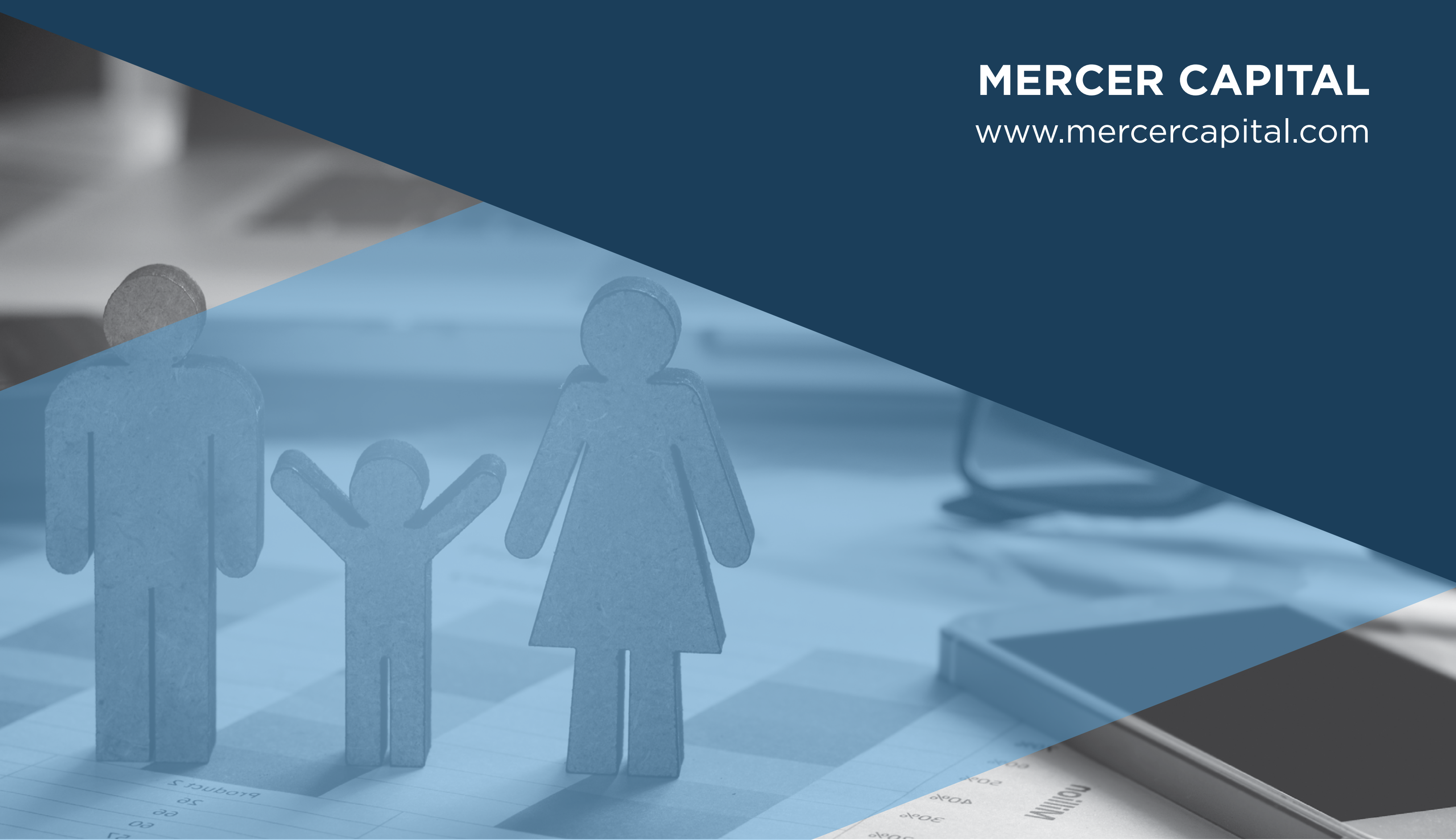


INTRODUCTION

Family business advisors help companies and leaders navigate a wide range of business and family challenges, ranging from corporate governance to succession planning to family relationship dynamics and all points in between. Over the past several years, many of the family business owners and advisors we have met expressed a desire to better understand the intersection between business valuation and family business advisory services. We have written this whitepaper to help fill in that gap.

The whitepaper is organized in four sections, each of which seek to answer a specific question about valuation.

SECTION 1 **When Does Valuation Matter to Family Businesses?** In this section, we identify and describe the four primary applications of valuation in family business.

SECTION 2 **How Are Business Valuations Prepared?** Next, we describe the valuation process, the steps involved, and the timeline for completing the process.

SECTION 3 **Why Do Family Businesses Have More Than One Value?** The answer to the valuation question depends on how and why it is being asked. In this section, we describe the three principal perspectives on value and why they are different.

SECTION 4 **Why Do Buy-Sell Agreements Rarely Work as Intended?** A common source of strife and contention in family businesses involves determining the price at which shares transact under the terms of buy-sell agreements. A process intended to minimize conflict often seems to create conflict instead. In this section, we offer some suggestions for a better path forward.

SECTION 1

When Does Valuation Matter to Family Businesses?

Why should family business leaders care about the value of their business? If the family is not contemplating a sale of the business, why does valuation matter?

Clearly valuation matters a lot when it is time to sell. But valuation matters at other times as well. In this section, we describe four common valuation applications in family business.

Ownership Succession and Tax Compliance

Enterprising families prioritizing sustainability of the family business over decades need a strategy for ownership succession from generation to generation. Ownership transfers within a family unit can occur either during the present owner's lifetime or upon death. In either case, compliance with tax laws require that the shareholders determine the fair market value of the shares being transferred.

Family shareholders occasionally confuse fair market value with what they believe the shares to be worth to them. Fair market value is the statutory standard of value that emphasizes the actions of "hypothetical willing" buyers and sellers of shares in the family business. Revenue Ruling 59-60, which provides guidance for valuation of closely held companies, presents a working definition of fair market value:

> *2.2 Section 20.2031-1(b) of the Estate Tax Regulations … define fair market value, in effect, as the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of the relevant facts. Court decisions frequently state in addition that the hypothetical buyer and seller are assumed to be able, as well as willing, to trade and to be well informed about the property and concerning the market for such property.*

In other words, fair market value is not defined by what a particular family shareholder feels like the shares are worth to them or "what they would be willing to pay," but is rather defined by a more rigorous process that considers the behavior of rational, willing, and well-informed parties to a hypothetical transaction involving the subject block of shares.

Shareholder Redemptions

Not all family shareholders need the same things from the family business. A share redemption program can help provide interim liquidity for shareholders and provide a release valve in the event relationships among the shareholders deteriorate to the point that it becomes advantageous for some shareholders to be bought out completely.

In contrast to tax compliance valuations that must conform to fair market value, there is more flexibility in pricing shareholder redemptions. In other words, enterprising families can seek to execute shareholder redemptions at a price considered to be "fair" or that otherwise advances the goals of the share redemption program.

Regardless of the underlying goals or valuation philosophy selected, it is important for the transaction price to be the product of a disciplined valuation process. Doing so helps to ensure that the share redemptions do not detract from broader family goals or undermine other estate planning objectives of family shareholders.

Performance Measurement, Evaluation, and Compensation

Whether family members or outside "professionals," the managers of the family business are stewards of family resources. Family shareholders should be entitled to periodic reporting on the effectiveness of that stewardship. While there are a variety of "internal" measures of corporate performance that are helpful in this regard (return on invested capital, etc.), periodic "external" measures that reflect the change in the value of the family business over time are also essential.

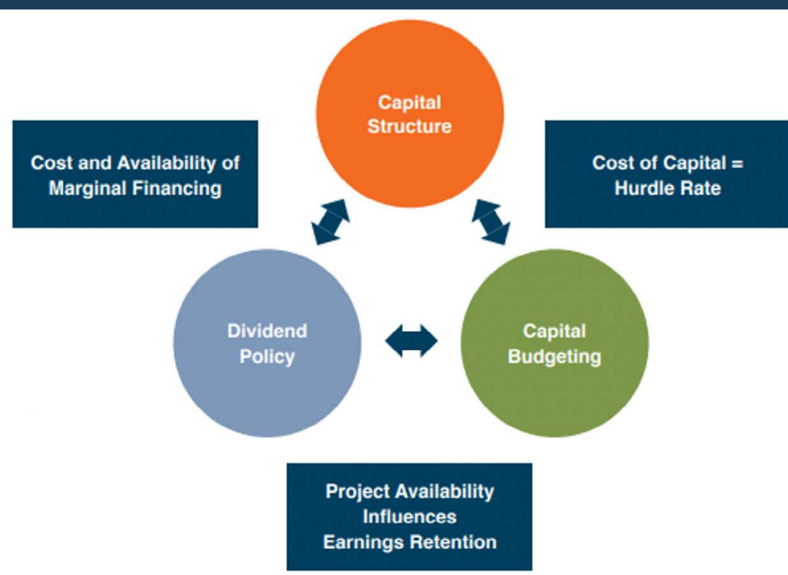
Most observers acknowledge the benefit of aligning the economic interests of managers and family shareholders. The most common strategy for doing so involves using some form of equity-based compensation, and the most common equity-based compensation programs require periodic valuations for administration. Many family businesses have installed employee stock ownership plans, or ESOPs, to provide a broad-based ownership platform for employees, and ESOP administration requires an annual independent valuation of the ESOP shares.

Corporate Finance Decisions

Finally, valuation is an essential component of the most important long-term corporate finance decisions made by family business directors and managers.

Exhibit 1 depicts the inter-relationships between the capital structure, dividend policy, and capital budgeting decisions facing family businesses.

Exhibit 1 : Capital Structure, Dividend Policy and Capital Budgeting Relationships



The capital structure and capital budgeting decisions are linked by the cost of capital. There is a mutually reinforcing relationship between the value of the family business and the cost of capital, as each one influences, and is in turn influenced by, the other. The cost of capital depends on both the financing mix of the company and the riskiness of capital projects undertaken. The cost of capital also serves as the hurdle rate when evaluating potential capital projects.

The availability of attractive capital projects is also reflected in the value of the family business and is the point of intersection between capital budgeting and dividend policy. If attractive capital projects are abundant, family business leaders will be more inclined to retain than distribute earnings.

Finally, the cost and availability of marginal financing is also affected by the value of the family business. The resulting cost of capital influences both the value of the family business and the decision to distribute or retain earnings or to borrow or repay debt.

In short, the value of the family business is inextricably bound up with these critical corporate finance decisions and is an important consideration in making those decisions.

SECTION 2

How Are Business Valuations Prepared?

For family businesses that have never had an external valuation, there is likely to be some confusion as to what the process involves. In this section, we give a brief walk-through of the valuation process, from engagement through to issuance of the final report.

Engagement

The first step in the valuation process is preparing and executing an engagement letter. The engagement letter should clearly define several key components of the valuation, including:

- **The subject interest to be valued** (i.e., XX shares of XYZ Corporation, Inc.). There needs to be absolute clarity on what will be valued. It is not uncommon for enterprising families to develop a rather elaborate structure of holding companies and operating businesses, and the engagement letter should clearly state what is being valued.
- **The "as of" date for the appraisal.** Any valuation conclusion pertains to a specific subject interest as of a specific date. Markets change, and the value of a family business is not static across time. For most engagements, the valuation report is issued after the "as of" date. In other words, there is nearly always some lag between the effective date for the conclusion and when that conclusion is rendered.
- **The level of value for the conclusion.** As we discuss at greater length in the following section of this whitepaper, family businesses have more than one value at any particular date, so the engagement letter should specify which level(s) of value are relevant for the valuation.
- **The standard of value and purpose of the engagement**. The engagement letter should indicate how the valuation is expected to be used and what the corresponding standard of value is.

- **Fees.** Most valuation engagements can be performed for a fixed fee. Occasionally, the scope of an engagement is sufficiently open-ended that the parties agree to calculate fees on an hourly basis. In either case, the engagement letter should spell out how fees will be calculated and when billings will occur.

Prospective clients naturally want to know how much a valuation will cost. Unfortunately, the answer to that question is that it depends on the complexity of the assignment. Most valuation professionals will ask to review a family business's financial statements to help in preparing a fee quote. This allows the valuation professional to gauge the complexity of the analysis that will be required. Valuation fees are ultimately a product of the estimated time required to complete the engagement a targeted effective billing rate. Effective billing rate is a function of project complexity and the ability of the firm to leverage staff resources effectively to complete the valuation engagement efficiently. When comparing fee quotes, family businesses should keep this in mind. When presented with widely diverging fee quotes, one should ask if there are underlying differences in scope expectations or perceived complexity that need to be clarified.

Data Collection

Valuation is a data-intensive process. Concurrent with the engagement letter, most valuation firms will provide a preliminary information request. While potentially voluminous, the requested items are often ready to hand for family businesses, and include historical financial statements, financial projections, data on the assembled workforce, customer relationships, market segments, and product lines. In addition, clients often have access to industry-wide performance measures that are not readily available to those outside the industry. In short, the valuation professional will seek to collect the same sorts of data on the subject company that a potential investor would.

Diligence

Upon receipt of the requested information, the valuation firm will perform diligence procedures, including relevant economic and industry research and analysis of the subject company's historical and projected financial performance. The diligence phase of the engagement culminates in an interview with senior management of the family business. The purpose of the management interview is to help the valuation professionals identify and articulate the underlying narrative of the company: what makes this family business tick, and why is it valuable?

Analysis

The heart of the process is the application of valuation methods under the asset-based, income, and market approaches. Each approach seeks to answer the valuation question from a unique perspective.

- **What are the current market values of the business's assets and liabilities?** This is the key question underlying the asset-based approach. It may involve assessing whether there are assets or liabilities that do not appear on the company's balance sheet and evaluating whether there are assets having current market value different from that recorded on the balance sheet (such as real estate that has been owned for decades).

- **What are the expected future cash flows of the family business, and how risky are those cash flows?** This is the income approach to valuation, and it involves a careful analysis of the historical earnings of the family business, as adjusted for unusual or nonrecurring items, and the outlook for the economy, relevant industry, and the family business itself.

- **What can be inferred about the value of the family business from transactions in reasonably similar businesses?** This is the essence of the market approach, and it involves searching for and analyzing comparable public companies and/or transactions involving comparable private companies.

In applying these methods, the valuation professional seeks to develop reasonable inputs and consider prevailing market conditions at the "as of" date for the valuation.

Draft Report Review

Concurrent with performing the analysis, the valuation firm will prepare a draft valuation report which describes the company, relevant industry and economic trends, valuation methods applied, and inputs used. The client should have an opportunity to read this document in draft form. This draft review is a critical step in the valuation process, helping to ensure there have not been any misunderstandings or miscommunications that would undermine the credibility of the conclusions in the valuation report. Clients should read the draft report carefully to assess whether the valuation firm developed a balanced and informed view of the industry and the company. Clients should be able to recognize their company in the valuation report. If they don't, the draft review process should allow them to discuss those concerns with the valuation analyst.

Issuance of Final Report

Once the draft review process is concluded, the valuation firm will issue a final report. The final report should include the attributes of the engagement from the engagement letter and a clear description of who is entitled to use the report and for what purpose.

Billing

Billing practices vary and should be detailed in the engagement letter. Many valuation firms request a retainer at the beginning of the engagement and invoice for the remainder of the professional fee at the end of the engagement, either upon completion of the draft report or issuance of the final report.

Timeline

In the normal course, family business leaders should anticipate that the valuation process described in this section should take six to eight weeks to complete. Most valuation firms are able to adjust as needed to accommodate reasonable deadline requests so long as they are communicated to the valuation firm during the engagement process. Prompt responses to information requests and follow-up questions help to keep the valuation process on track. Regular communication between the client and the valuation firm is the most important factor in meeting deadlines for project completion.

SECTION 3

Why Do Family Businesses Have More Than One Value?

What is our family business worth? That seems like a straightforward question which merits a straightforward answer. However, the question is not as simple as it seems, so the answer is necessarily complicated. As business appraisers, we would prefer to give a simple answer, but the reality a valuation is attempting to describe is not simple.

The answer depends on the motivation for the question. In this section, we will demonstrate why context matters. We will consider three potential scenarios requiring three different answers.

1 – What Is the Family Business Worth to the Family?

This is the most basic question about value, and the answer revolves around the expected cash flows, growth prospects, and risk of the family business on a standalone basis. This does not mean that the status quo is assumed to continue indefinitely, only that an acquisition by a strategic buyer is not anticipated. The family business may have plans for significant changes to operations and strategy, and if it does, the value should reflect the anticipated effect of those changes on the expected cash flows, growth prospects, and risks of the family business.

Asking what the value of the family business is to the family is akin to thinking about what its market capitalization would be if it were a public company. This perspective on value is especially important for families contemplating long-term decisions regarding dividend policy, capital structure, and capital budgeting.

The value of the family business to the family depends on three factors:

- **Expected cash flows.** Identifying the expected cash flows of the business requires careful consideration of historical financial results, anticipated economic and industry conditions, and the capital needs of the business. Revenue and earnings are important, but future cash flows also depend on how much the business will need to spend on capital expenditures and working capital to execute on the business plan.

- **Growth prospects.** All else equal, the faster a business is expected to grow, the more valuable it is. Cash flows can grow because of increasing market share, a growing market, or improving profitability. The assessment of growth prospects should consider each of these potential factors and the sustainability of each.

- **Risk.** The value of a business is inversely related to the risk of the business. Investors crave certainty, and risk is just another word for not knowing what the future holds. The wider the range of potential outcomes for your family business, the riskier it is, and the less enthusiastic investors will be about committing capital to the business. Diminished investor enthusiasm leads to lower prices. Investors evaluate risk relative to alternative investments available to them in the marketplace.

Whether using valuation methods under the income, market, or asset-based approaches, the value of the business to the family is a function of these three attributes of the family business itself. As a result, this perspective is generally consistent with that of both public market investors and financially motivated private equity buyers who do not anticipate making significant strategic changes to the business.

If this first question about value assumes continued stewardship of the family business, the second question about value assumes that the family cedes ownership of the family business. In other words, what is the value of the family business if it were to stop being a family business?

2 – What Is the Family Business Worth to a Strategic Buyer?

Families occasionally decide they don't want to own the family business anymore. Families can reach this decision for different reasons. Sometimes, the family friction associated with managing the family business has reached an unsustainable level. In other cases, the family may be approached by a buyer of capacity with what appears to be an enticing offer. Or, perhaps, an enterprising family decides that a "fresh start" with proceeds from the sale of a legacy business could unlock new opportunities for the family. In any event, when the decision to sell, or at least consider selling, has been made, attention naturally turns to maximizing the after-tax proceeds from the sale.

A strategic buyer is one that will combine the operations of the target company with their existing operations in a bid to increase the earnings and cash flow of the target and/or the new company resulting from the combination. Strategic buyers are most commonly competitors but could also come from the ranks of suppliers or customers. The essential attribute is that a strategic buyer can change how the target operates, resulting in either higher earnings, better growth prospects, or reduced risk (or some combination thereof).

Exhibit 2, illustrates potential earnings enhancements available to a strategic buyer (in this case, a competitor).

By combining the target with existing operations, the larger strategic buyer will be able to achieve purchasing efficiencies, which will contribute to a higher gross margin. In addition, there are redundant general and administrative expenses which the buyer can eliminate. As a result, the strategic buyer anticipates an incremental EBITDA margin of 22%, compared to the 16% EBITDA margin available to the target company on a standalone basis. Stated alternatively, the strategic buyer anticipates generating 38% more EBITDA from the target company.

Does that mean the target company is worth 38% more to the strategic buyer? Not necessarily. The amount that a strategic buyer is willing to pay for the target company depends on how many competitive bidders there are likely to be and how unique the opportunity presented by the target company is, as illustrated in Exhibit 3.

Exhibit 2 : Illustration of Strategic Benefits

	Stand-Alone	**Strategic**
Revenue	$50,000	$50,000
Less: Cost of Goods Sold	(20,000)	(19,000)
Gross Profit	$30,000	$31,000
Less: Selling & Marketing	(15,000)	(15,000)
Less : General & Administrative	(7,000)	(5,000)
EBITDA	**$8,000**	$11,000
Gross Margin	60%	62%
EBITDA Margin	16%	22%

Exhibit 3 : Negotiating Dynamics in Strategic Transactions

Number of Competing Bidders

Number of Comparable Targets	**Few**	**Many**
Few	Negotiating power is relatively balanced between buyer and seller as unique nature of target may force buyer to share benefits even in the absence of competitive bidders	Negotiating dynamics favor seller, as buyer has to share more of the strategic upside with seller to secure the unique asset amid a crowded field of competing bidders.
Many	Buyer less likely to share strategic benefits with seller in absence of competing bidders and presence of other available targets that can deliver similar benefits.	Negotiating power is relatively balanced between buyer and seller as competitive bidding pressure is mitigated by a large number of other available targets.

The available strategic benefits and negotiating dynamics for a family business tend to be unique to different strategic acquirers. As a result, assessing the value of a family business to a strategic buyer involves answering the following questions:

- To which competitors, suppliers, or customers would the family business provide the most compelling strategic "fit"?
- What opportunities would such buyers have for increasing earnings and cash flow, improving growth prospects, or reducing the risk of the family business?
- How unique is the family business? Are there other similarly situated businesses that could provide comparable strategic benefits to buyers?

The strategic perspective is important for families contemplating an exit or a strategic acquisition of their own. But on other occasions, it is appropriate to consider value from a different perspective. In the next section, we consider the final variation on the question of value.

3 – What Is an Individual Share of Stock in the Family Business Worth to an Investor?

The final perspective distinguishes between the value of an interest in the family business and the value of the family business itself. Minority shares in a family business are often considered unattractive from an investment perspective for several reasons. As a minority shareholder, one has no direct influence or control over business strategy or other long-term business and financial decisions: one is simply along for the ride and subject to decisions made by others. Furthermore, since it is a family business, there is likely no ready market for the shares. As a result, one is effectively stuck, potentially for a long time.

From the perspective of an investor owning an illiquid minority interest in a family business, one needs to consider all the factors influencing the value of the family business to the family plus some additional considerations. This perspective is critical for gift and estate planning and also needs to be considered when contemplating share redemption transactions.

There are four characteristics of illiquid minority interests that influence the amount by which the value of such interests is less than the pro rata value of the business itself:

- **Dividends.** Regular cash flow dulls the pain of illiquidity. A reasonable expectation that investors will receive dividends while owning the shares at least partially mitigates the burden of being unable to sell the shares. Since many family businesses are set up as S corporations, it is important to clarify that the dividends that matter are those in excess of pass-through tax liabilities.
- **Paths to liquidity.** Even though there is no ready market in which to sell shares in a family business, there are still opportunities to sell the shares from time to time. For example, the family business could be sold, the company may repurchase shares, or other family members may be willing to acquire the shares at a favorable price. While future liquidity opportunities cannot be predicted with precision, it is possible to establish a range of likely holding periods

by analyzing relevant factors. The longer the period until a liquidity event can be anticipated, the less attractive the investment.

- **Growth prospects.** When liquidity does come, what proceeds can be reasonably expected? In other words, at what rate would one anticipate the value of the business to grow from the current level? If the family business has a track record of reinvesting earnings in attractive capital projects, investors will view the growth prospects more favorably than if management has a propensity to accumulate large unproductive stockpiles of cash or other assets in the business.

- **Risks of illiquidity.** The relevant risks from this perspective include all of those associated with the family business itself plus those associated with the illiquidity of a minority interest. In other words, the focus is on identifying risks potentially including lack of access to financial statements, uncertainty as to the ultimate duration of illiquidity, uncertainty regarding future distribution decisions, and the like.

Reasonable expectations for dividends, paths to liquidity, growth prospects and the risks of illiquidity determine the appropriate discount for lack of marketability.

Conclusion

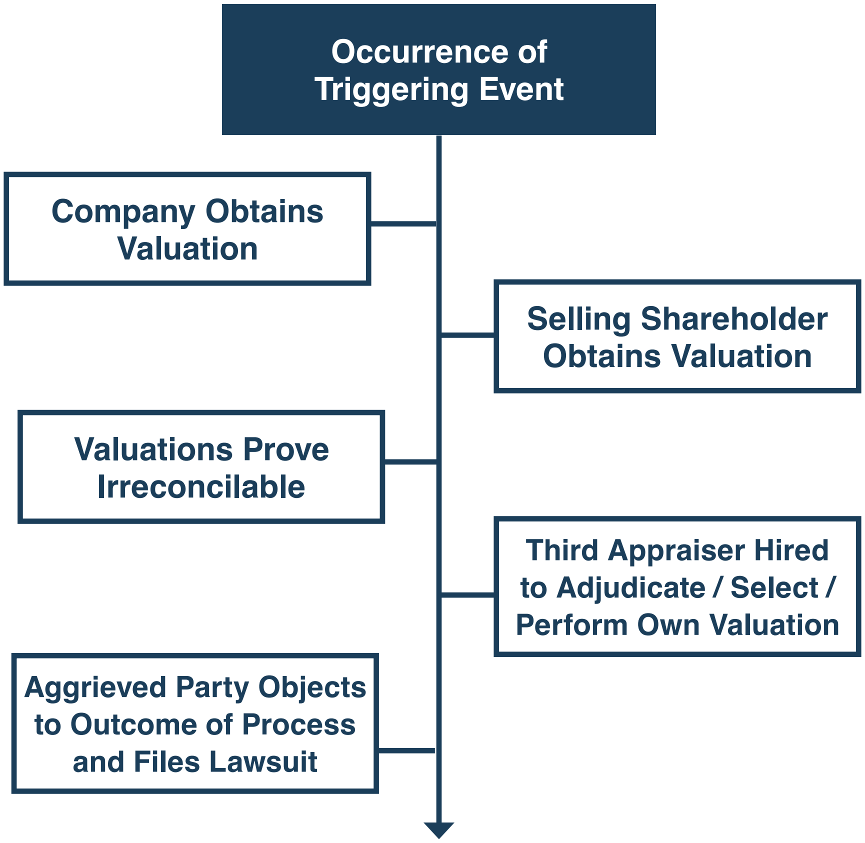
There is no simple answer to "What is the family business worth?" because the question is never quite as simple as that. The answer depends on exactly how and why the question is being asked.

SECTION 4
Why Do Buy-Sell Agreements Rarely Work as Intended?

The most common valuation-related family business disputes we see in our practice relate to measuring value for buy-sell agreements. Far too often, buy-sell agreements include valuation provisions that appear designed to promote strife, incur needless expense, and increase the likelihood of intra-family litigation.

The ubiquity of valuation provisions in buy-sell agreements that do not work is striking. While there are many variations on the theme, the exhibit on the next page illustrates the broad outline of the valuation processes common to many buy-sell agreements.

The buy-sell agreement presumably exists to avoid litigation, but the valuation processes in most agreements seem to increase, rather than decrease, the likelihood of litigation. It is almost as if failure is a built-in design feature of many plans.



Top Five Causes of Valuation Process Failure

1. **Ambiguous (or absent) level of value.** As we discussed at length in the previous section of this whitepaper, family businesses have more than one value. There is no "right" level of value for a buy-sell agreement, so the agreement must specify very clearly which level of value is desired. Failing to specify the level of value, and just assuming that the eventual appraiser will know what the parties intended is a recipe for disaster. The difference between the pro rata value of the family business to a strategic control buyer and the value of a single illiquid minority share in the family business can be large. Yet too many buy-sell agreements simply say that the appraisers will determine the "value" or "fair market value" of the shares. That is not good enough.

2. **Information asymmetries.** Most buy-sell agreements have no mechanisms for ensuring that the appraiser for the selling shareholder has access to the same information regarding historical financial performance, operating metrics, plans, and forecasted financial performance as the appraiser retained by the family business. The resulting asymmetries give both sides a ready-made excuse to cry foul when the valuation results do not meet their expectations. We recommend a thoroughly documented process of simultaneous information sharing, joint management interviews, and cross-review of valuation drafts to eliminate the likelihood of information asymmetries derailing the transaction.

3. **Lack of valuation standards / appraiser qualifications.** It is not hard to find an investment banker, business broker, or other industry insider who probably has a well-informed idea of what the family business might be worth (particularly in the context of a sale to a strategic buyer). However, when executing the valuation provisions of a buy-sell agreement, it is crucial to specify the qualifications for the appraisers. While an opinion of value from a business broker might be suitable for some purposes, the scrutiny that is attached to a buy-sell transaction can best be withstood by an appraiser who is accountable to a recognized set of professional standards that set forth analytical procedures to be followed and reporting guidelines for communicating the results of their analysis. There are multiple reputable credentialing bodies for business appraisers that promulgate quality standards for their members. The buy-sell agreement should specify which professional credentials are required to serve as an appraiser for either the selling shareholder or the company.

4. **Unrealistic timetable / budget.** Families often share a well-founded fear that the valuation process will prove interminable without specified deadlines. Deadlines are important but must be realistic. If there is ever a time for a "measure twice, cut once" mentality, it is in buy-sell transactions. Due diligence and analysis takes time, and the schedule set forth in the buy-sell agreement needs to take into account the inevitable "dead time" during which appraisers are being interviewed and retained, information is being collected, and diligence meetings are being scheduled. The same goes for budget: if you think a quality appraisal is expensive, see how costly it is to get a cheap one. Provisions that identify which parties will bear the cost of the appraisal can help incentivize the parties to reach a reasonable resolution, but can also be so punitive that they discourage shareholders from pursuing what is rightfully theirs. Each family should carefully evaluate what system will work best for their circumstances.

5. **Advocative valuation conclusions.** Sadly, even when the level of value is clearly defined, information asymmetries are eliminated, valuation standards are specified, and the timetable and budget is reasonable, the two appraisers may still reach strikingly different valuation conclusions. Whether this is a result of genuine difference of (informed) opinion or bald advocacy is hard to say, but it is rare for the appraiser for the selling shareholder to conclude a lower

value than that of the appraiser for the company. Valuation is a range concept, so it should ultimately not be too surprising when appraisers don't agree. Yet that inevitable disagreement adds time and cost to many buy-sell valuation processes.

Is There a Better Way?

Given the challenges and pitfalls described on the previous page, is there any hope that a valuation process for a buy-sell agreement can reliably lead to reasonable resolutions? We think so. We have identified three steps that we recommend for clients to help make their buy-sell agreements work better.

1. Make sure that the buy-sell agreement provides unambiguous guidance to all parties as to the level of value and qualifications of the appraiser.

2. Retain an appraiser to value the company now, before a triggering event occurs. This is essential for two reasons. First, it transforms the "words on the page" into an actual document that shareholders can review and question. No matter how carefully one defines what an appraisal is supposed to do, the shareholders are likely to have different ideas about what the output will actually look like. This appraisal report should be widely circulated among the shareholders, so they have an opportunity to familiarize themselves with how the company is appraised. Second, performing the valuation before a triggering event occurs increases the likelihood that the family shareholders can build consensus around what a reasonable valuation looks like. People tend to take a more sane view of things when they don't know if they will be the buyer or the seller.

3. Update the valuation periodically. Simply put, static valuation formulas don't work in a changing world. Periodic updates to the valuation help the valuation process become more efficient, and help all shareholders keep reasonable expectations about the outcome in the event of an actual triggering event. Discontent and strife are more likely to be the product of unmet expectations rather than the absolute valuation outcome. Periodic valuations help to set expectations and reduce the likelihood of friction.

Following these three steps are essential to increasing the likelihood that the valuation process in a buy-sell agreement will actually work and will help keep the family out of the courtroom, where both sides to the dispute often walk away losers.

Conclusion

Family business advisors and business valuation professionals are two important members of a well-rounded team of third-party professionals assembled to help family businesses thrive. In this white-paper, we have outlined what we believe to be the most important things that family business owners and advisors should know about business valuation to help them better serve their clients. To discuss any of these items in confidence, or to ask additional questions about business valuation, please give one of our professionals a call. We look forward to talking with you.

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BUSINESS VALUATION &
FINANCIAL ADVISORY SERVICES

Family Business Advisory Services

Mercer Capital provides valuation, financial education, and other strategic financial consulting services to family businesses.

We help family ownership groups, directors, and management teams align their perspectives on the financial realities, needs, and opportunities of the business.

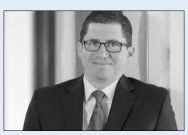
We have had the privilege of working with successful family and closely held businesses for the past 40+ years. Given our experience, we are convinced that an effective board of directors and an engaged shareholder base are essential for the long-term health and success of a family business. Yet, equipping family business directors and cultivating an engaged shareholder base are often difficult. We can help.

Services Provided

- Customized Board Advisory Services
- Management Consulting
- Independent Valuation Opinions
- Transaction Advisory Services
- Confidential Shareholder Surveys
- Benchmarking / Business Intelligence
- Shareholder Engagement
- Shareholder Communication Support

The group also publishes weekly content about corporate finance & planning insights for multi-generational family businesses in the blog, ***Family Business Director.***

Senior Professionals



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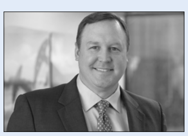

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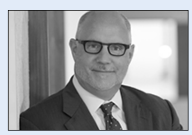

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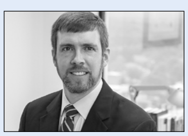

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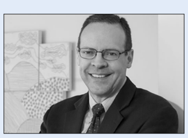

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