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CLIENT SOLUTIONS

Solving a client's problem or resolving transition issues is my primary focus – my mission.

Since going into business in 1981, I have served over 250 clients with business valuations, consulting assignments, and business sales.

Below are brief samples of clients solutions accomplished over the past 35 years. Many of these overlap between the main categories.

1. BUSINESS VALUATION

Electronic Instruments: Colorado. High tech company with excellent reputation and growing international markets. The **business valuation assisted the seller** to create a long term buy-out **with a key employee** with the goal of making a complete transition. The company is flourishing today both in the U.S and abroad with the new owner.

Telephone / Internet Communications Business: Ohio. **Key employee hired** for purpose of buying out the owner. They had already agreed on the price. The bank needed an independent look at the numbers. A **business valuation satisfied** bank's request for an outside valuation opinion.

Ship Management Company: Florida. Internationally operated ship management company had clients in fruit shipping business worldwide. Over 50% of the revenues were with one client that had an **equity interest** in the business. The **business valuation** required Libor interest rates, consideration of geopolitical risks worldwide, and an analysis of the major customer relationship.

Software Company: Illinois: Company was **struggling with cash flow** for new product development. The CPA contacted me to provide a **business valuation** to help **negotiate with the bank** for additional working capital.

Wire Fabricator and Supplier: North Carolina. Company had **multiple tranches of investment** since its startup years ago. Each time my business valuation was used to assist in the negotiations.



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Automotive Supplier: Michigan. One outcome revealed by a business valuation for a sale was a **high tax liability**. Ignoring my advice to work with his CPA to reduce the taxes, the owner got an **offer near the business valuation** amount. Only then did he understand the tax consequences. He **refused to complete the transaction** leaving a very unhappy purchaser who had spent time and money pursuing the company.

Manufacturing and Service Company: New Mexico: Retained by the client's banker, this was a **directed valuation** to determine lowest reasonable value for the fixed assets as a bulk sale to another similar company. The banker was looking for a level of comfort for their collateral that they could **justify to the banking regulatory commission**.

Fence Company: Alabama. **Business valuation for an estate** complicated by recent forecasted decline in housing market due to national mortgage crises. This was the second estate appraisal required in less than a year. Significant **differences arose that were resolved satisfactorily**.

Equipment Sales and Service: Mississippi. **Estate valuation**. Company had had two boom years after Katrina. Valuation forecast **required significant adjustments from immediate post-Katrina net cash flow**.

Service company supporting the oil drilling industry: Louisiana. **Offer by potential buyer seemed low** to business owner. A **business valuation revealed a much high value** and the offer was declined. Owner appreciated the confirmation of his "gut feeling."

Software Development Company: Africa. Owner needed preliminary opinion of **fair market value** to represent company to **prospective investors** based on forecasted net cash flow. Assignment required preliminary analysis of in-country risks in a less than stable geo-political situation.

2. FAMILY AND/OR OTHER STAKEHOLDERS SUCCESSION ISSUES

Electrical Sales and Service Company: Tennessee. Company was an **ESOP**. A new **annual business valuation** approach was required to update the employee's interests in the company and provide a value for retiring employees. Previous valuations were based on public company multiples resulting in highly **overvalued retirement packages** that threatened to **bankrupt** the company.



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Electrical Sales and Service Company: Illinois. One person, who was the majority owner, key manager, and parent, was **terminally ill**. Two customers were over 60% of the business. Even though the company was very profitable, the loss of the key manager and the risk of losing the two customers justified a low **business valuation for estate** purposes.

Electrical Manufacturer: Texas: The unexpected **death of the owner's spouse** created a need for a business valuation for settling the estate. The company had multiple product and service lines with different levels of profitability, serving different markets, and with different projected growth rates. The resulting **business valuation required consideration of each of these factors**.

Electrical Repair Company: South Carolina: I was retained by the **spouse's attorney in a nasty divorce**. She believed her contribution to the business was considerably more than the husband had offered. We settled on a value the night before the judge was to make the final decision. While our **business valuation** was much higher than the offer, the husband and his attorney **feared that an even higher value** from an inexperienced judge was possible.

Industrial Service Business: Alaska: This was a **messy divorce** proceeding. The owner's ex-spouse used unrealistic, "cocktail party", rules-of-thumb to value the business. Certain unique factors were included given the isolated location. I was grilled by the spouse's attorney over my credentials and credibility. The parties settled on my **business valuation** amount the next day.

Industrial Service and Supply Company: Minnesota. **Father and Son** were waiting for the other to raise the issue of passing the business. The **business valuation became the key** instrument for initiating the eventual very successful transition. Both generations and their spouses were pleased with the results.

Industrial Service and Supply Company: Alabama. **Two partners** who had worked together for years wanted an **amicable parting** of the ways. I was retained by both parties with the understanding that whatever the results, one would purchase the other's interest at that amount. They **completed the deal** at the recommended amount in the **business valuation**.

Retail Knitting Supplies Store: Pennsylvania. Client and partner **disagreed over the future** of the business. Dissension between the partners over work hours, compensation, and perks caused the business to suffer and profits to vanish. A **business valuation helped** one partner to buy out the other.



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Home Accessories Import Business: Florida. **Owner decided to return to school.** Businesses in U.S. and South America needed to be divided. My **negotiations** on the owner's behalf for sale of the company were based on the **business valuation** of the U.S. interests only.

Decorative Hardware Manufacturer: Illinois: Company manufactured decorative hardware for one time use. Unique niche market had constant growth and serious competition. The **business valuation** assisted the owner's CPA firm with a **complete estate plan**.

An appraisal that didn't happen: Mid-Atlantic: The parents exchanged their stock in the company in return for a **fixed lifetime annuity**. The children ended up as the owners. We subsequently determined the **present value of the annuity was way more than the** value of the company. This transaction created an immediate negative net worth, wiped out the company's borrowing power, and set off years of family dissension. A **business valuation before the original** exchange might have prevented the later problems.

Fraud: Western State. After I made several recommendations to improve the value of the business, the owner carried out many of them. As time progressed, there were no changes. The result was the uncovering of a **fraud of many hundreds of thousands of dollars**. Without the initial **business valuation and recommendations**, the **fraud might have continued** for many more years.

Wine Tele-Sales: California: **Partnership dispute for buyout**. Relatively new company with negative net worth and potential future sales growth. **Business valuation was used in the settlement negotiations**.

Pool Route Company: Washington. **Highly contested divorce**. Performed business valuation and **testified for husband**, a minority partner with another unrelated owner. Solid data of good comparable transactions in the same industry. Very defensible business valuation. **Appraisal fair value of husband's minority interest accepted by court**.

Coal Mining Service Company: West Virginia: **Business Appraisal Review**: Ugly family dispute between sibling owners of company. The appraisal prepared by another firm was not replicable. It included many analytical gaps, numerical errors and mistakes in the application of generally accepted appraisal practices. My business appraisal review **assisted the attorneys for the minority sibling to achieve an equitable settlement**.



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3. BUSINESS SALES

Electrical Sales and Service Company: Mid-west: Owner had a five year plan to sell his company. For each year, he used my annual **business valuation** to identify areas to improve value. **Company sold** at approximately double the original value at the bottom of the 2009 recession cycle.

Public Relations Company: South Carolina: **Business Sale Advisory:** Owner needed professional advice to sell the company due to personal relocation. Customer relations required a very confidential marketing effort. Working the client, the client's accountant and attorney, I advised the client from the **initial contact through the day of closing**.

Industrial Service Company: New England. **Business Sale Advisory:** Family needed immediate assistance due to **unexpected demise** of owner: a tragic situation with no succession plan. Five prospects visited with one week of my arrival. **Partial sale and remaining liquidation completed within three weeks.**

Electric Motor Repair Company: Southwest. Valued, packaged and negotiated sale of company to international buyer. Owner received our valuation price, cash at closing, with long term lease on owned real estate.

Machine Shop and Steel Fabrication Company: Alabama. **Business valuation** for sale. **Co-brokered sale** to private party. Transaction **closed near the business valuation** amount.

Electric Motor Repair Company: West. Company suffered from health problems of owner. No family succession was possible. **Brokered the sale to a major chain of repair company.**

4. CONSULTING ASSIGNMENTS

Industrial Service Company, Mid-Atlantic: Prepared **loan financing package** for buyer of on-going business. Bank complimented client on "one of the best packages" he had ever seem. **Loan was complete, business purchased and thriving.**

Manufacturing Company: Alabama. Four partners needed a **buy-sell agreement** that provided a permanent approach to any future buy-out valuation while maintaining flexibility to reflect changing business conditions and tax ramifications. I proposed **the structure, valuation approach, and other business terms.** The attorneys completed the agreement.