

Part V: Business Valuation Principles

“Optimization simply means that you take a bunch of little things that don’t seem to be difficult to change and all of those little changes have a multiplying effect and you get a giant change from all of those tiny changes”.

TONY ROBBINS



The steps we will follow, within this eBook and [eLearning program](#), in Part V: Business Valuation Principles are:

- (i) We will revisit your Valuation Model, which we introduced in Part II- assessing current financial picture, valuation principles and look ahead.
- (ii) Discuss further industry business valuation principles and benchmarks, so you fully understand and can formulate your own beliefs.
- (iii) Discuss whether the building content and approach of this entire eBook and [eLearning program](#) has helped you assess your business, decide where you are in this journey and re-establish your priorities in viewing your business as a real investment and potentially one of your most meaningful and opportunistic assets.

As you listen to the education video below, please keep the following in mind. A marketing agency business valuation will quite frankly involve three (3) success components:

1. Transferrable cash flow (from your business to the buyer)
2. Synergies (the opportunities together to: grow, improve margins and synergize overhead)
3. The sharing of risk and reward



Business Valuation Principles

Simplified Profit/ Loss			Simplified Balance Sheet		
(descriptions within cells)	Please fill in blue shaded areas	% of Sales	(descriptions within cells)	Please fill in blue shaded areas	
Total Sales	\$ -		Total Assets	\$ -	
Promo Products	\$ -		Bank Accounts	\$ -	
Incentive Recognition	\$ -		Accounts Receivable	\$ -	
Print	\$ -		Inventory	\$ -	
Other	\$ -		Prepaid Expenses	\$ -	
Cost of Goods	\$ -		Fixed Assets	\$ -	
Gross Profit	\$ -		Other Assets	\$ -	
Sales PR	\$ -		Total Liabilities	\$ -	
Sales Support/ Mktg PR	\$ -		Accounts Payable	\$ -	
Sales Expenses	\$ -		Accrued Expenses	\$ -	
Net Contribution	\$ -		PR Payable	\$ -	
G&A PR	\$ -		LOC	\$ -	
G&A Expenses	\$ -		Other Notes AP	\$ -	
Owner non sales income	\$ -		Long-term Liabilities	\$ -	
Net Income (pre-tax)	\$ -		Equity	\$ -	

- Although not a science, huge benefits of becoming familiar with the valuation principles of your business (one of your biggest investment assets)
- Step 1: Know your current position
- Step 2: Follow the eL program
- Step 3: Plan your business value growth
- Step 4: Know the alternatives to sell
- Step 5: Prepare to rebound and win.

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Listen to video on our [eLearning program](#)