



Identifying & Building Value in your Business

(Value Acceleration & Exit Planning)

November 2019

BRIAN FEENEY

We're by your side

Within six years, ALL baby-boomers will be over 60 years old

Own majority of the private businesses in Ireland

Most of their wealth is tied up in their businesses

Most of these will transition over the next 10 years

Only 18% of Irish family businesses have a formal succession plan

The Age Wave
Thousands of
Businesses
**€ Billions in
Wealth**

Always Be Ready to Transition

The 5 D's

Death

Disability

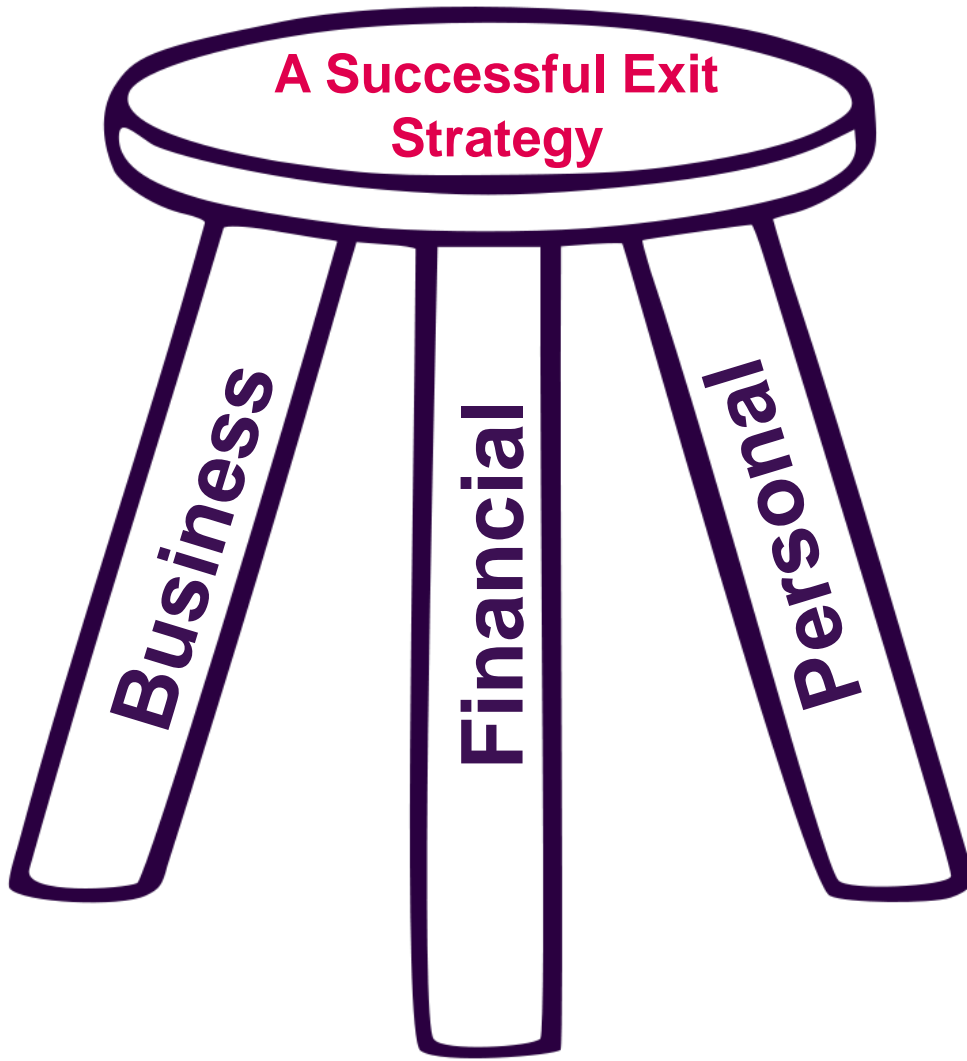
Divorce

Disagreement

Distress

Unsolicited offer to sell

3 Legs of the Stool



A Successful Exit Strategy
Has Three Legs:

Business - Maximizes
Transferrable Business Value

Financial - Ensures Owner
is Financially Prepared

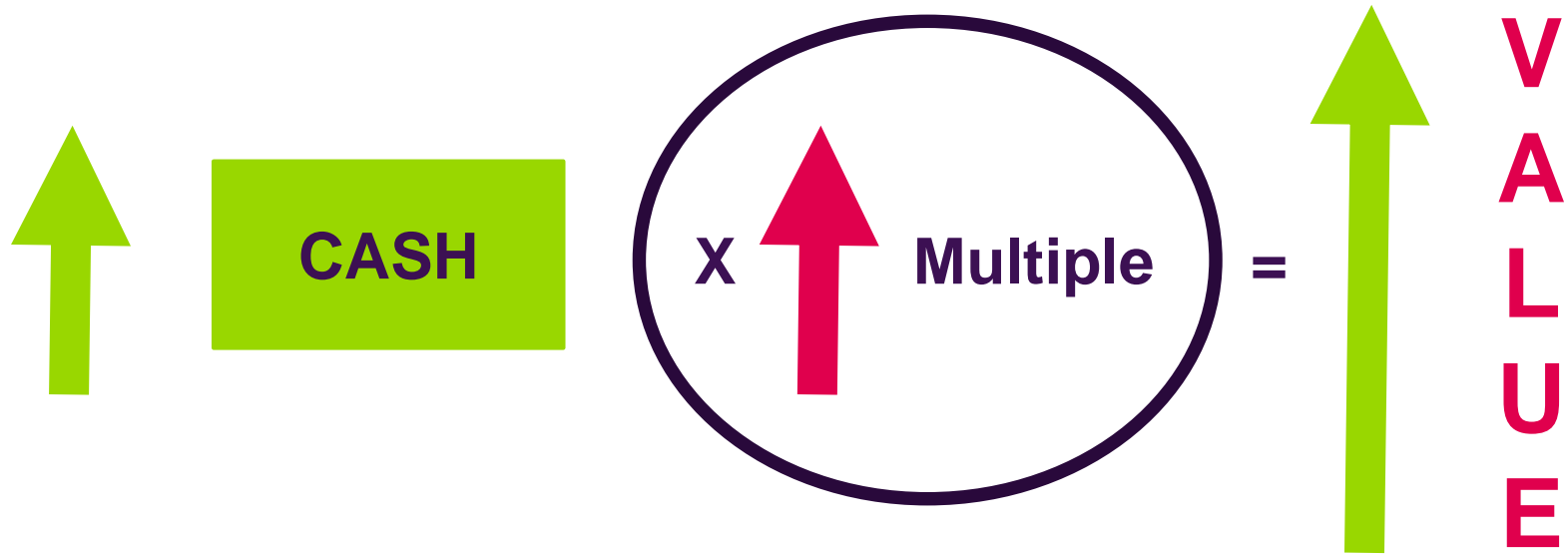
Personal - Ensures there is
a plan for "What Next?"

Value and Income



Owners are leaving € on the table because they are focussed only on Income generation and not on Enterprise Value

Stage 1: Identify Value



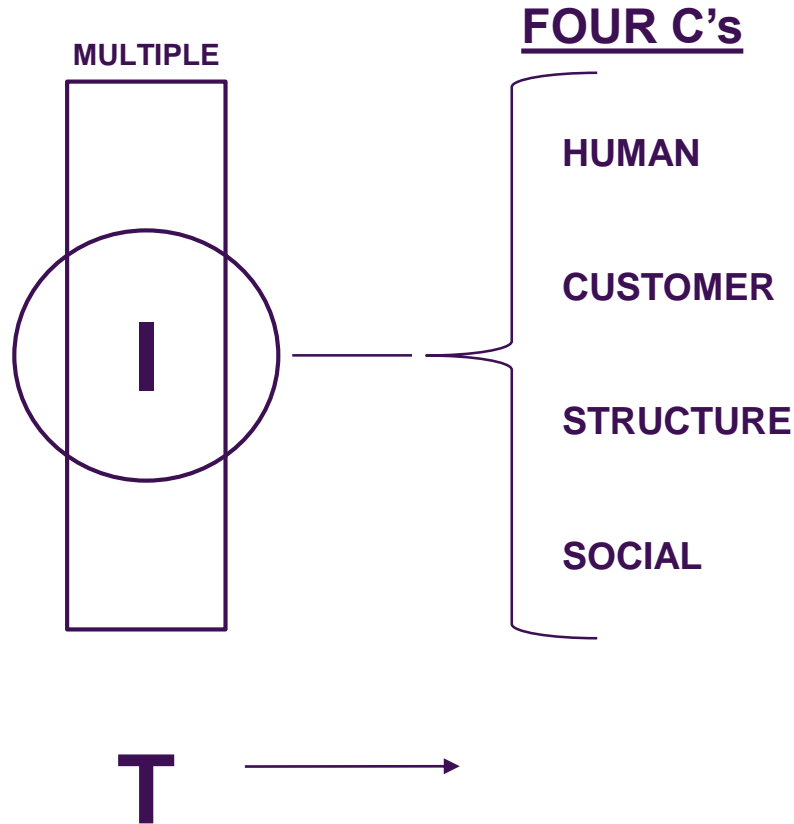
Tangible Versus Intangible Assets

Traditional accounting systems are set up to provide regular feedback on ***tangible assets***...

...yet, your ***intangible assets*** are the direct drivers of business attractiveness.

Value Acceleration
(Intangibles)

Accounting System
(Tangibles)



Can you
measure
the value of
your
intangible
assets?

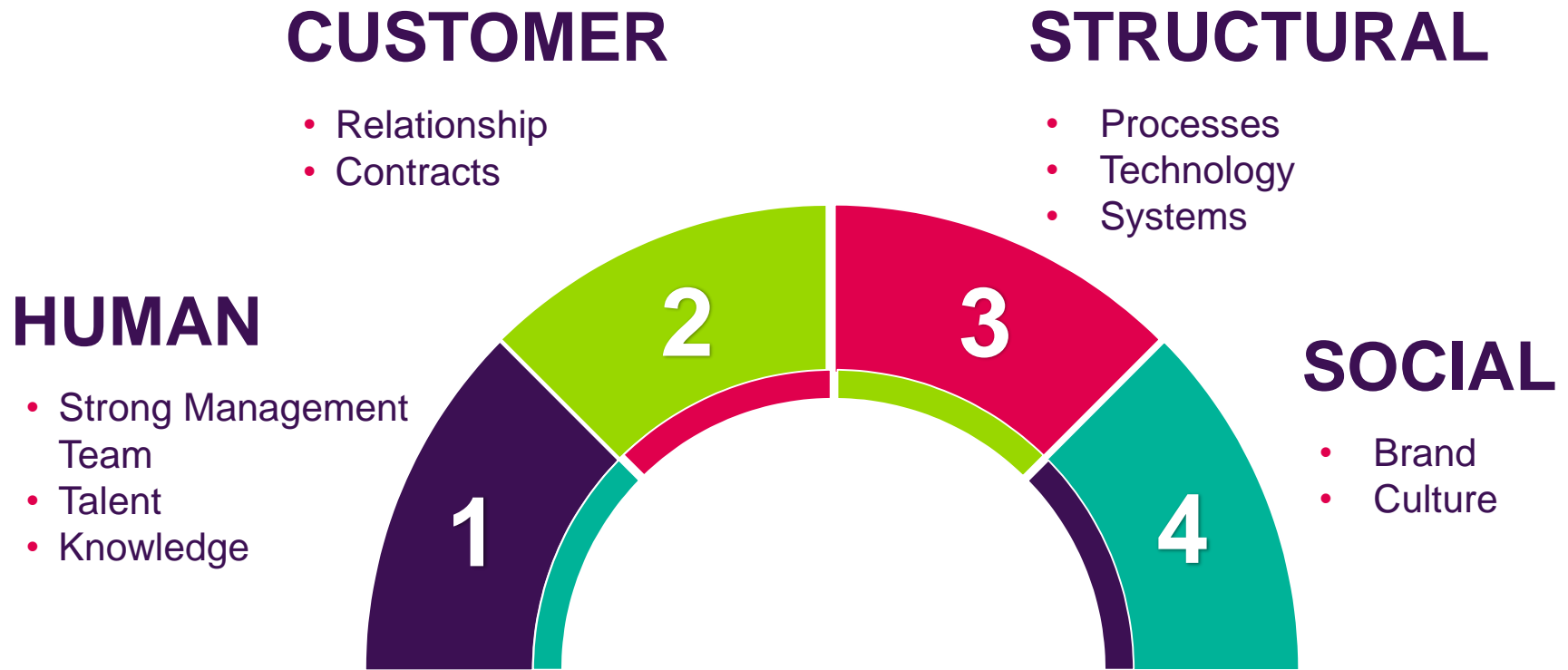
Most Valued Companies

Most Valued Companies

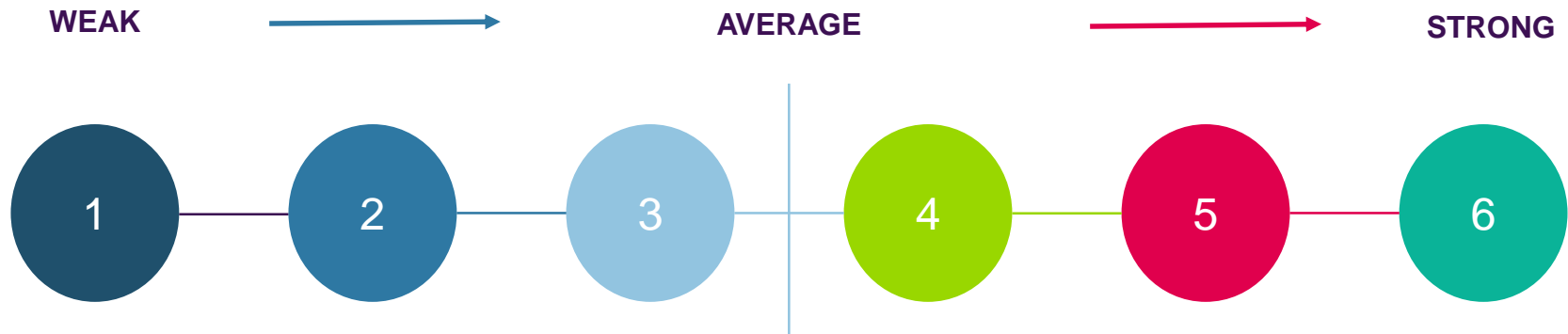
What do these companies have in common?

Company	Market Value (in billions)	Total Shareholders' Equity (in billions)
Apple	752	128
Google	580	152
Microsoft	508	72
Amazon	427	27

The 4Cs – What Builds Strong Capital?



Common Sense Scoring



- _____ Human capital
- _____ Customer capital
- _____ Structural capital
- _____ Social capital

Maximizing Business Value

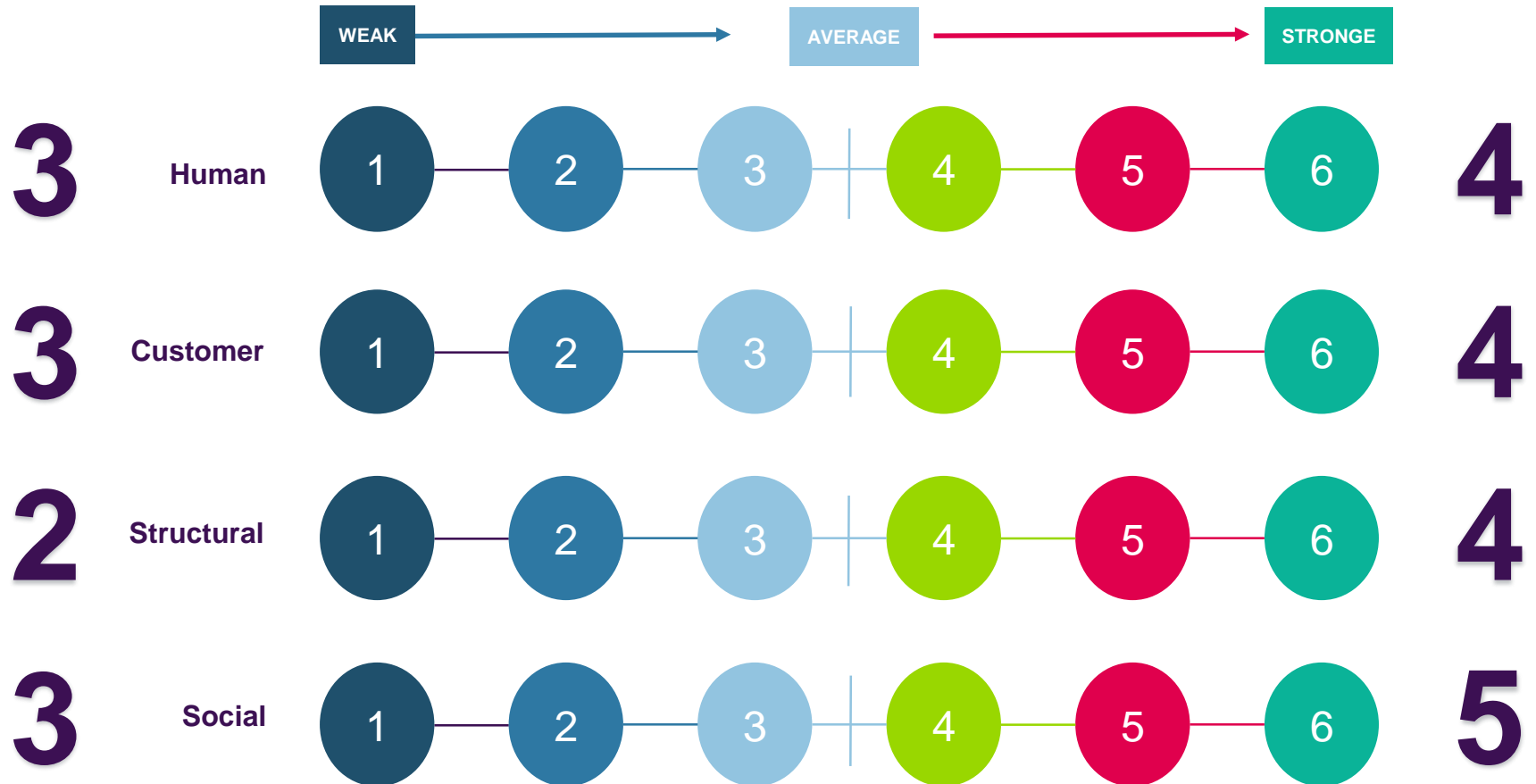
COMPANY A	Comparable Companies?	COMPANY B
25 Years Old Niche Product €30m €3m Nominal	Company Age Product Sales EBITDA Market Growth	25 Years Old Niche Product €30m €3m Nominal
None Original and Worn Thin and Weak None Old, Antiquated Unreliable None At Risk Haphazard	Product Development Program Equipment Condition Management Team Strategic Planning Information Systems Financial Reporting Lean Initiatives Sustainability Training	Robust New, State-of-the-Art Deep and Experienced Highly Developed State-of-the-Art Highly Disciplined Fully Implemented Industry Leader Regular and Formal

Would They Both Have the Same Value?

Which Company Has More Value?

COMPANY A

COMPANY B



Change of Mindset

From	To
Future	Present
Business	Personal, Financial and Business
Income	Value
Individuals	Team
Project	Process
Plans	Actions
Tangible Assets	Intangible Assets
Tax Number	Real Number
Owner	Stakeholders
VERSUS	AND

What Can You Do?

- > Build a system that positions the business for a successful transition in good times or bad
- > Identify what you already have
- > Identify gaps and initiate steps to mitigate risk
- > Build value (not just Revenue/Profit) - Focus on value produces other positive outcomes
- > Position the business so that you can unlock the wealth on your terms when time is right

Value Acceleration & Exit Planning

Value
Acceleration
& Exit
Planning is
just good
business
strategy

Integrates the three legs (business, financial & personal goals) into one Master Plan

Focusing on value makes the timing of the exit irrelevant – always “ready”

Connects daily activities to value growth

Acts as a driver of organisational behavior

Mitigates risk

Gets employees and management thinking more like owners – what are the financial impacts of their performance?

Ensures owner and family wealth are at the center of the plan

Can be used as an inter-generational and employee development, transition and measurement tool

Exit Planning & Value Acceleration

THE FUTURE IS NOW

“I believe luck is preparation meeting opportunity. If you hadn’t been prepared when the opportunity came along, you wouldn’t have been so lucky”

-- Oprah Winfrey




Thank You

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