

WHAT IS BUSINESS VALUATION?

Business valuation is the process of determining the economic value of a business or interest in a business. It involves applying various valuation methodologies to assess or estimate a company's value at a given point in time. Value, in the context of business valuation, is commonly referred to as fair market value, which is defined by the IRS 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 relevant facts."

Business valuations require an experienced, qualified appraiser and significant professional judgement.

REASONS FOR A VALUATION

There are many reasons business owners may need a valuation. Common needs and use cases are listed below and explored in more detail throughout our website. In addition to addressing their specific need, owners can learn new insights about their business through the valuation process that can lead to changes that build lasting value.

- Charitable Giving
- Tax Reporting
- Corporate Planning
- Divorce
- ESOP
- Gift & Estate Planning
- Equity Incentive Plans
- Dispute & Forensic Advisory
- Financial Reporting
- Transaction Opinions

Understanding Valuation Approaches

There are three common approaches that can be used to value a business: the asset-based approach, the income approach, and the market approach.

It requires significant professional judgment when determining which valuation approaches to apply to a subject company. Some business valuations will call for multiple methodologies and require the appraiser to apply various techniques to reconcile the indications of value. Multiple methods, resulting in multiple indications of value that all validate each other can result in more defensible company appraisals.

WHY CHOOSE ADAMY

Adamy Valuation has been providing executives, business owners, attorneys, and fiduciaries with expert, independent business valuation services for decades. Our team is driven by a commitment to make complex financial concepts simple, ensuring that clients have a solid understanding of our analysis. We prioritize quality by allowing our team members the time to deeply engage with each client's business, fostering insights that go beyond the numbers. With Adamy, clients not only receive a valuation but gain a trust advisor dedicated to their long-term success.



Visit our website to
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our team of experts!

 616.284.3700

 info@adamyvaluation.com

 AdamyValuation.com