**COMPANY VALUATION QUESTIONNAIRE**

**Although the questionnaire refers to a “company,” please remember this form can be used effectively for any business that is a partnership, limited liability company, sole proprietorship “C” Corp or Sub-Chapter “S” corporation. Please note "N/A" (Not Applicable} should be the answer for any question that does not apply to your business.**

**Please complete this form with answers that best reflect the current operational state of your business.**

What is the purpose of this valuation, for purposes of asset purchase, stock purchase, refinance and/or estate planning?

1. What is the Legal Name and legal structure of the Company as registered with the state?
2. What is the state of incorporation and when was it incorporated?
3. If your company is sole proprietorship what state(s) is it registered?
4. Ownership:
5. Who are the current owners of the Company and have there been any changes in ownership of the Company since its founding?
6. If there have been changes in ownership, please provide details of any transactions (i.e., date of transaction, terms, price, etc.).
7. What is the company ownership structure and who are the owners and by what percentage?
8. Are there absentee owners?
9. What would you have to pay a general manager annually, including all benefits and bonuses, to oversee the Company profitably?
10. Provide any significant events in the Company’s history that you believe would be relevant to the valuation of the Company.
11. Are there any restrictions on the sale of any interests in the Company such as buy-sell agreements, corporate restrictions, first right of refusal or partnership agreements?
12. Facilities:
13. Where does the Company have offices?
14. Does the Company own its facility(ies) or lease its facility(ies) from a related entity also owned by the owners, or is it leasing from an unrelated third party?
15. If owned, what is the estimated fair market value of the real property?
16. Is the real property going to be part of the potential sale or overall valuation of the company?
17. What would be the monthly fair market rent that the property owner would charge the Company?
18. How many square feet is the Company’s facility(ies)?
19. When does the lease expire?
20. Is it likely if the lease is about to expire in around 12 months or less that the landlord is interested in extending the lease?
21. Who are the Company’s major competitors?
22. What differentiates the Company from its competitors?
23. Describe the Company’s products and services and provide the approximate percentage revenues for each product and service.
24. What is the primary NAICS code and/or SIC code for the business?
25. Are there any contingent liabilities associated with the Company such as pending or threatened litigation, environmental issues, etc.? If so, please provide details.
26. Does the Company have any environmental, tax or other licensing problems? If yes, please explain including, the requirements a new owner would be required to meet in order to continue doing business?
27. Does the Company have a dividend or distribution policy?
28. What is your outlook for the performance of the Company over the next three years?
29. Have there been any non-recurring expenses or extraordinary expense items for the last five fiscal years? If so, please provide details.
30. Has the Company had any significant non-recurring revenue or revenue unrelated to core operations during the past five years? If so, please provide details.
31. Does the owner run any personal expenses through the business (travel, cars, etc.) not necessary for the core operations of the business? If so, please provide details of those expenses for each year of financial provided for the accurate recasting of financials.
32. What economic, industry, or local factors have the greatest impact on the Company and its performance?
33. How does the Company generate new business or clients?
34. Describe the Company’s market and market area served.
35. Is there any seasonality in the Company’s sales?
36. Who are the Company’s major customers? List any customers that account for more than 20% of the Company’s annual revenues.
37. Do the Company’s top ten customers account for more than 50% of the Company’s annual revenues?
38. Describe the Company’s employee relations. Are there any problems, pending or threatened legal action, unions, union contracts with expiration dates, etc.?
39. What is the average value of sellable inventory (at cost) on hand?
40. What is your estimate of current market value of OWNED equipment and fixtures?
41. What is your estimate of current market value of your leasehold improvements?
42. What is your estimate of the market value of included vehicles?
43. Does the Company have any transferable licenses, rights, or patents? Please provide any details.
44. How many family members, relatives, and/or partners, including the owner, are actively working in the business?
45. Are all owners/employees making fair market wages? If not, what adjustments need to be made and to whom?
46. How many full-time and part-time employees does the Company have?
47. What are the Company’s greatest strengths?
48. What are the Company’s greatest weaknesses?
49. What are the greatest barriers to entry for any individual or group thinking of starting a competitive business in the markets served by your business?

Please add any additional information you feel would benefit this project.

***Person who completed this questionnaire:***

|  |  |
| --- | --- |
| **Name:** |  |
| **Relationship (buyer, seller, seller’s accountant, etc.:)** |  |
| **Email:** |  |
| **Phone:** |  |

**Required Information for a Business Valuation**

* 5 years of Federal income tax returns in PDF format from CPA
* 5 years, plus current year-to-date, financials in both Cash & Accrual Basis for Income Statements and Balance Sheets. This can be provided in one of three ways:
  1. **Preferred**. A backup copy of the companies QuickBooks data file, so that GCA can produce the necessary reports with the least effort.
  2. Excel format of these financial reports. *Ideally in single report with columns for each year.*
  3. Printed financial reports for each, in both Cash & Accrual Basis.
* Real estate and/or Lease information with Appraised Value
* Franchise information, if applicable
* Basic business history
* Working capital explanation
* List of all furniture, fixture, equipment, vehicles & inventory with Fair Market Values
* List of intangibles assets

**QUESTIONNAIRE TO PREPARE FOR BUSINESS LISTING**

**Complete the following questions if you are preparing the company to be sold and listed by GCA. This will be used to prepare the necessary marketing deliverables and create the narrative to represent the business for sale.**

**General Business**

1. Why are you looking to sell your business?
2. Who would be the most likely acquirers of your business?
3. Provide a history of the company.
4. What business are you in?
5. Why did you start or buy this business?
6. If you walked into your business today, what programs would you implement to grow sales?

**Employees**

1. Describe the major functions the owner(s) are involved in performing.
2. Please identify key employees and why they are key – review of the organizational chart.
3. Who are your most important employees and why?
4. Please give us some idea of your rate of turnover of employees? And reasons for turnover.
5. What is your expected personnel growth and for what positions?
6. What kind or type of human resources would increase sales?
7. What is included in the employee benefit package?

**Products & Packaging & Process**

1. Describe the breakdown of revenue of the business.
2. Do you have additional services or products in mind for the future? If so, what and why those, if you do not, what could a new owner do to build revenue?
3. Can anything in your processes be outsourced or changed to improve profit margins?
4. What other products / services could you provide to increase sales and profitability?

**Marketing**

1. What was your marketing strategy when you started the business?
2. What is your marketing strategy today?
3. What changes do you see in your marketing strategy?

**Competition**

1. Has the competitive environment changed since the business started? If so, describe.
2. Advantage over competition
3. Disadvantages over competition
4. Pricing versus competition
5. When was the last time you increased prices and by how much?

**Miscellaneous**

1. If any, what major changes occurred in your business in 2017 and now in 2018?
2. Any updates to industry involvement & affiliations?
3. Do you have any contracts in place with clients or groups?
4. Articles & awards.

**Looking Back and Towards the Future**

1. How might a new owner address a downturn in the business to protect the current level of equity?
2. If you had to start over what would you do different?
3. Think in terms that you have just purchased the business, (knowing what you know now) what would you do to enhance the operation and increase profits?
4. Is it possible and a reasonable strategy to purchase competitors?
5. What would keep you up at night about an aggressive growth strategy?
6. What is your biggest concern for business operations on an everyday basis?
7. How can the above concerns be eliminated and/or can it be eliminated at all?
8. If your business fell into some major money, what would you do with it to improve sales?
9. What CapX (capital investment) is necessary over the next 3 to 5 years?
10. What would the likely return be on the investment of money for new equipment?