



## What is a Business Valuation?

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Knowing how much your business is worth takes a little homework. Consider hiring a professional called a valuator, a valuation analyst, or a business appraiser to name a few, who will employ professionally accepted methods to arrive at a well-reasoned and defensible opinion of the value of your business or your ownership interest in a business. Just like attorneys, financial planners and wealth management experts, professionals who specialize in conducting business valuation projects, also have special certifications like CVA (Certified Valuation Analyst) or ABV (Accredited in Business Valuations) which require rigorous course work and an exam.

The arrival of an opinion of value is what is termed a business valuation or a business appraisal. While it is true that your business or ownership interest is only worth what someone is willing to pay you for it, a valuator will estimate the price that an economically rational person should be willing to pay you for your business or ownership interest. In fact, a business valuation may be used to support the value that a seller might demand for his or her business or interest.

Why would you need a business valuation? There are a number of triggers that often are the catalyst for needing a complete valuation. They can include:

- Divorce
- Buying or selling a business
- Succession plans

No matter what the reason for needing a business valuation, be thoughtful about selecting the appropriate professional who can help you gain a clear understanding of the value of your business. For more information about [business valuations](#), contact [Rob Metcalf](#), CPA/ABV, CVA, CBA, ASA at [rmetcalf@marksnelsoncpa.com](mailto:rmetcalf@marksnelsoncpa.com).