The key factors that make a business valuable

Use the table below and score your business from **1–10** on how you feel the business is performing - **1 being a very poor performer** in that area through to **10 being the leader in the market**.

1	Highly profitable	
2	Low reliance on owner or single key person	
3	Repeatable systems	
4	Strong brand	
5	High customer loyalty	
6	Scalable – able to grow	
7	Unique – difficult to replicate	
8	Consistent figures and performance	
9	Focused and reliable workforce / team	
10	Growth opportunities in the market	
	Total score (out of 100)	

Businesses that score **high** on the scale (70 or above) would be more likely to command a higher business value or multiples.

Businesses who score **low** would be looking at lower multiples – perhaps 1 to 2 times profit.

Businesses in the **middle** score would perhaps fall in the 2 to 3 times profit multiple levels.

Now, you can have a go at a 'back of the coaster' indicator of what your business might be worth:

What is your business profit after paying a market salary to the owner but excluding interest expense and other add backs (expenses that are not critical to the businesses operation) ?	$ ___________
Multiply by a valuation multiple based on how you scored yourself in the table above	x ___________
Likely business value (profit x multiple)	= $ ___________

The most common valuation range for small businesses value is between 2 and 3 times net profit (after allowing for working owners salary)

Remember, tax will take a slice of the sale proceeds, so you will need to consider your structure and options on sale before you list your business.

Should you have any questions or require assistance, contact our **Business Sales Specialists division** today.

Here's how you can contact us:

Contact us on 5592 3644 or email info@walshaccountants.com