

# 25 VALUE DRIVERS: How to MAXIMIZE Your Company's Value At EXIT

Elements of the business's condition, aside from its revenues and profits, may increase or decrease its potential value. Value Reducers and Drivers are about risk. The more or less risk the buyer sees within the business, the more or less the buyer may be willing to pay. Review the checklist and identify steps that may enhance your business value.

	Value Reducers	Value Drivers
	<b>MARKETS &amp; MODEL</b>	
1	Non-recurring / project-based revenue	Recurring revenue business model
2	Concentrated customer base	Diversified customer base
3	No known sustainable competitive advantages	Clear & sustainable competitive advantages
4	Low or unknown customer retention & satisfaction	High & documented customer retention & satisfaction
5	Low or declining rate of new customer acquisition	High & increasing rate of new customer acquisition
6	Low to no brand value and/or unprotected IP	Valued brand with robust intellectual property (IP)
	<b>OPERATIONS</b>	
7	Weak or undocumented operational processes	Robust & documented operational processes
8	Below market or declining operating margins	Superior & increasing operating margins
9	Disorderly accounting or budgeting systems	Accurate & timely accounting and budgeting systems
10	Inadequate HR policies or records	Up-to-date & documented HR policies and records
11	Inconsistent marketing and selling procedures	Scalable marketing and selling procedures
12	Supplier concentration	Supplier diversification
13	Dirty or disrepair in physical plant and offices	Clean & orderly physical plant and offices
14	Low or outdated technology	Current & effective technology
	<b>DOCUMENTATION</b>	
15	Incomplete or unwritten business growth plan	Compelling & written business growth plan
16	Disorderly or compiled financial statements	Reviewed or audited financial statements
17	Incomplete or out-of-date corporate records	Thorough & current corporate records
18	Little or no customer contracts or agreements	Assignable or assumable customer contracts
19	Disorganized or incomplete agreements with vendors, suppliers, leasers, strategic partners	Current, written agreements with vendors, suppliers, leasers, strategic partners, etc.
	<b>PEOPLE</b>	
20	Owner is the most valuable employee	Owner is not essential to day-to-day operations
21	Leadership team has open seats, subpar performers, or may turnover at exit	Leadership team complete with high performers committed to staying with the company
22	Unclear or unwritten roles and job descriptions	Clearly defined roles with current job descriptions
23	Little employee assessment or development	Documented employee reviews and development
24	Top employees have low or no barriers against departing the business	Employee non-compete or non-solicitation agreements; retention-based compensation plans
25	No to low bench strength	Strong successor management in place

To learn more about increasing company value, watch our free webinar "[Top 25 Tactics to Maximize Your Company's Value at Exit](#)".



Since 2009, NAVIX has helped more than 400 business owners, representing more than \$2.5 billion in combined company value, plan for and achieve successful exits. **CONTACT US** to learn how we can help you exit successfully.