



Helping clients to understand the value of their business

Jenkins, Magnus, Volk & Carroll, P.C., is a full-service accounting firm with over 75 years of experience helping clients achieve their financial goals. The firm views each client as a partner and when their partners succeed, so do they. The firm provides a wide range of services to both individual and business clients — across a range of industries — some of which include tax compliance work, financial statement prep, automation of bookkeeping and back office services and corporate controller initiatives. Patrick Strausbaugh, CPA and shareholder, shares his experience utilizing BizEquity and how important business valuation can be in helping his clients to fuel growth and better plan for the future.

Leveraging technology for a competitive advantage

There is tremendous value in staying up-to-date with the variety of products and services out in the market today. Our firm remains competitive by continuously pushing the envelope through implementing new technology and establishing new partnerships. I look at BizEquity's business valuation service as a new core offering and how, like ADP's core offerings, it can be utilized across many industries. We are diligent in our research to determine the best technologies available that will allow us to build efficient tech stacks to better serve our clients. We don't take our partnerships lightly, so the technology we utilize must deliver solid, accurate data. This results in our firm being able to hold effective and more strategic conversations with our clients.

BizEquity has been a powerful tool for us because it's not limited to specific industries, allowing us to provide another value-added service essential to helping our clients reach their business goals. We're very comfortable with BizEquity due to its ease of use, fast turnaround and extremely accurate data.

Patrick Strausbaugh
CPA and shareholder



Quick facts

 **Company:** Jenkins, Magnus, Volk & Carroll, P.C.

 **Headquarters:** Bloomfield Hills, Michigan

 **Industry:** Accounting

 **Employees:** 25

 **Established:** 1994

Learn more about
Jenkins, Magnus, Volk & Carroll, P.C.
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Valuations as a service in the accounting industry

I would estimate that 90 percent of our use for valuation is transition planning. I define transition planning as the process where we look ahead, anywhere from one to five years from now, where there may be a transition of ownership within a business. This could be the owner selling to an internal organizational operator, selling outside the organization using a broker, selling or gifting to their children or just closing their doors and liquidating everything. Whatever the reason, the bottom line is that we trust BizEquity to deliver an accurate valuation so our clients can successfully fulfill their goals.

A terrific example of a client success story took place last tax season. Our client, the business owner, was looking to retire. He had an operator, his general manager, who had been working for him for the past five years and was interested in purchasing the business. Using BizEquity, we provided our client with a valuation of what his business was worth. Not entirely trusting our numbers, the buyer went and paid a third party \$10,000-\$12,000 to do the same valuation. And guess what? When we all sat down to discuss this multimillion dollar valuation, the number that both parties came to was within \$25,000 of each other. Our client was very impressed. It helped remove any extended need to negotiate and haggle as both sides came to a quick agreement on the value and final price of the business. They were able to move forward and put their focus on finalizing the physical structure of the deal in terms of timing and financing. Within six months of that original conversation, they closed the deal. Our client gladly retired and the buyer happily took ownership of the business.

Valuation helps to be more strategic when advising clients

The first question I ask when I sit down with a client is 'what do you want to be when you grow up?' It's usually met with a laugh, but I ask them to take a moment and really think about the question. If they can articulate where they aim to be in the future, I can help align those goals with actions and put them on that trajectory. That's exactly where a business valuation comes into play.

If I have a client that eventually wants to transition out and retire, they need to know what their business should be worth in order to do so. Having the BizEquity tool allows us to run an evaluation and determine what their business is worth. With further analysis, I can help to set their expectations upon deciding between an asset or a stock purchase sale, and then accurately determine what they would net after taxes. We may conclude that it's not enough; the client would prefer more to retire at his/her goal. With the information provided by BizEquity's valuation, we're able to use specific business drivers and key performance indicators to increase the business value and potentially sell it for more.

I strongly believe that a business valuation is a vital component at any stage of owning a business. Right now, a vast majority of small businesses in America are owned by baby boomers who are getting older and, at some point in time, will look to transition out. Conversely, there are the younger generations who are in the market to purchase a business. In either case, this is where the BizEquity valuation tool can be of vital use. It gives us the ability to provide a solid start to

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the financial due diligence process and a better understanding of the value of the company that a client is either selling or purchasing. Most clients can tell me what their car is worth, what their house is worth, but they don't know what their business is worth. BizEquity provides us with that strong starting point and then I can help them meet their goals for business change or company growth.

Working to continue making a difference

Like many of our own clients, my overriding goal has been to work hard and acquire wealth so I can retire as early as possible. To me, retirement does not mean I'll stop working, however — it means that it will provide me the added freedom to focus future efforts on improving the greater good and helping to exact a positive change in society.

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For more information on the BizEquity offering from ADP, please visit adp.com/BizEquity.

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