

# DO YOU KNOW?

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*A free periodical to promote education and alert you to important areas of interest in the financial valuation, fraud, and litigation services profession.*

## Do You Know...

### ... what your business valuation colleagues are using for the size premium for smaller businesses?

Valuation Products and Services (VPS) presents monthly webinars in financial valuation and forensic services. As part of each webinar, we have the audience answer poll questions. Given the importance of the size premium, we have often asked questions about what CRSP/Ibbotson size premiums are being used. So, what CRSP/Ibbotson size premium data do you use for smaller businesses? The decile 10 size premium is the clear choice of most valuation analysts. See the percentage of respondents that selected decile 10 below:

<u>Date</u>	<u>Webinar Title</u>	<u>Decile 10</u>
4/26/17	Best Practices: Business Valuation Methods - The Cost of Capital	70%
9/22/16	How to Defend Your Business Valuation - Very Detailed Discussion of Components, Data, Methods, and Applications	48%
3/1/16	New Hitchner Pratt Fishman Guide- Select Controversial Issues	75%
10/8/14	20 Ways to Calculate the Cost of Equity Capital: A Case Study - How to Apply the New Data and Methods from the 2014 Duff & Phelps Valuation Handbook	64%
8/15/13	How to Detect and Attack a 'Rigged' Valuation: Preparing the Case Against an Unethical Valuation	74%
6/19/13	Common and Uncommon BV Mistakes	67%
2/13/13	Valuation of Small Businesses: Key Issues in Valuing Businesses Worth Less than \$5 Million	62%
<b>Overall Mean Average</b>		<b>66%</b>
<b>Overall Median Average</b>		<b>67%</b>

As you can see, about two-thirds of the responses use decile 10. Other responses included 10b, 10z, and micro-cap (deciles 9 and 10). For more poll questions and responses, see *Financial Valuation and Litigation Expert*, [FVLE Issue 71, February/March 2018](#).

# Financial Valuation and Litigation Expert

IEWS AND TOOLS FROM LEADING EXPERTS ON VALUATION, FORENSIC/FRAUD AND LITIGATION SERVICES



**Editor's  
Outlook**

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Valuation Products and Services (VPS) has been offering monthly webinars for over a decade. In this issue, our front-page article brings you results of surveys we've included in our webinars over the past year. It's a good chance to see what models, methods, and data others are currently using and compare them to your own practices. Archives of these webinars are available at [www.valuationproductsandservices.com/webinarspast.html](http://www.valuationproductsandservices.com/webinarspast.html).

Next up in this issue, Serena

## Poll Results Reveal Current Business Valuation Practices

Over a decade ago, Valuation Products and Services, LLC (VPS) began producing interactive webinars on trending topics in business valuation. Led by many of the business valuation industry's thought leaders, each webinar contains a series of interactive polls that ask participants "What are you doing?" and "How are you doing it?" Although valuation analysts use a variety of methods in preparing valuations, the poll results reflect the most current popular practices in the valuation world.

Thousands of analysts have participated in these polls, and we would again like to share the results.

We present these polls by date, title, and presenters for each webinar. We cover all of the hot topics in business valuation and litigation. We hope you'll find the results interesting and see how others' methods compare to the way you do things. Where the numbers add up to greater or less than 100 percent, it's because of rounding or the option to give multiple answers.

These polls are from the past year. A complete list of VPS webinars that are available can be found at [www.valuationproducts.com/webinarspast.html](http://www.valuationproducts.com/webinarspast.html).

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**FREE WEBINAR!**

## Hot Issues In Business Valuation with Hitchner and Fishman

Jay Fishman and Jim Hitchner discuss the new developments and topical issues in business valuation included in the new edition of the *PPC's Guide to Business Valuations*, which they co-authored with Shannon Pratt.

The Guide, updated annually, addresses many of the issues confronting valuation practitioners. Jay and Jim will present what's new in this edition, including:

- Avoiding business valuation mistakes
- What's the impact of the Tax Cut and Jobs Act (TCJA) on business valuation, especially pass thru entities (PTE)
- Reference to new restricted stock studies and other DLOM resources
- What's new with cost of capital
- Engagement letters
- Report writing
- What's new with regard to Business Valuation Standards (USPAP, SSVS, and IVS), including calculation engagements

This **free** webinar will qualify for one hour of CPE.

**Thursday, March 22, 2018, 1-2 pm EDT**

To get more information and register for this free webinar, [CLICK HERE](#)

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