

VALUE-BUILDING EXPERTISE

# VALUE GROWTH

## INTRODUCTION


Value improvement often necessitates a significant mindset shift for business owners, particularly when transitioning becomes a critical goal. This paradigm shift is not only beneficial for those facing an imminent transition but also for proactive owners who aim to be ready for opportunities as they arise.

By adopting a value-focused mindset, business owners can better prepare their companies for future transactions. This document outlines a structured process to identify and address specific goals that enhance value, ultimately transforming the business into a more valuable, transferable asset - setting the stage for sustainable growth and successful transitions.

## ABOUT RIZOLVE PARTNERS

Rizolve Partners is a strategic advisory firm that helps privately-owned businesses achieve peak value. We help businesses owners define the right path and take the right steps to realize optimal outcomes.

We guide private businesses on how to accelerate growth, drive value and position themselves for scalability, external investment and liquidity events. With the right plan, executed by the right team, it can be enjoyable and extremely rewarding.

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## PROBLEM

Many business owners traditionally equate value with profitability and sales growth, believing that these metrics alone drive business success. However, businesses of similar size within the same industry can have vastly different valuations due to varying quality factors. This discrepancy often leads to dissatisfaction or failure when attempting to sell a company, as owners may have inflated expectations about the value of their business.

The core issue lies in understanding and improving the quality of the business's economic engine, which significantly influences its valuation. Addressing this problem requires a comprehensive assessment of the business's assets and operations to identify areas for improvement and align them with market expectations.

Without this understanding, owners risk overestimating their company's worth, leading to potential challenges in negotiations and transactions. Therefore, a shift in focus from mere profitability to overall quality and strategic capacity is essential for accurate valuation and successful business transitions.

## SOLUTION

Rizolve's approach to value improvement involves a thorough Discovery process designed to assess the quality of a business's assets and its economic engine. This process includes three main components:

1. **Reviewing Documentary Evidence**
2. **Interviewing Key Team Members**
3. **Benchmarking Value Drivers**

The Discovery phase collects detailed information on the business's history, market position, leadership, financial performance, and operations. By triangulating these insights with best practice benchmarks, Rizolve identifies strengths, weaknesses, and value gaps.

The outcome is a situational analysis of the company's strategic capacity, which informs the development of a Prioritized Action Plan (PAP) focused on value-driving initiatives and sustainable growth.

## BENEFITS

The benefits of this comprehensive process are multifaceted:

Firstly, it provides a detailed understanding of the company's strengths and weaknesses, supported by data, helping identify improvement opportunities to enhance valuation.

Secondly, it offers a clear roadmap for implementing value-driving initiatives, aligning strategic and tactical plans. By following the Prioritized Action Plan, businesses can improve their market position, attract potential buyers, and ensure readiness for future transitions.

Ultimately, this approach helps owners set realistic expectations and creates the potential to achieve a higher valuation, facilitating successful and profitable exits.

Let's talk about how Rizolve Partners can help you develop and implement a value-focused approach to achieve your business goals.

DRIVING OPTIMAL VALUE FOR BUSINESS OWNERS.