



Corrine R. Surano and Kelly L. Carrier operate Strategic Valuation Group in Warren.

How Much Is Your Business Really Worth?

Warren company takes the measure of your company.

By George Nelson

While its focus is assessing the present value of a company, Strategic Valuation Group of Warren also works with entrepreneurs to help them determine what their new businesses could be worth down the line.

Strategic Valuation, founded in October 2005, has been working with clients of Youngstown State University's Small Business Development Center to help entrepreneurs as they approach investors.

"It's something that fits very nicely with our services," says company co-owner Kelly L. Carrier. "We have a pretty good idea of the capital markets and private equity, so we can help them establish what a fair price is. We can help them sell the price to the outside investors that are considering making the transaction."

Strategic Valuation looks at fore-

casts of the venture. "We're considering exit events at some point in time so that a person who's going to contribute the money into the company can actually get his arms around what his return on investment would be," Carrier says.

The analysis helps the start-up, which has made a considerable financial and emotional investment,

What the owner thinks his business is worth often is higher than actual worth.

"to put some sort of a dollar value on the company so it can treat the investor fairly," says Bill Oliver, a business consultant with the YSU Small Business Development Center. "It puts a perspective on the price that a piece of the company is worth."

While knowing what it means to the business owner, that owner may not be sufficiently dispassionate about his enterprise and its worth to outsiders. That's where Strategic Valuation comes in.

The company, founded by Carrier and Corrine R. Surano, works with privately held businesses to help their owners understand the value of their companies. Carrier and Surano

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formed the new company after leaving their previous firm, where Carrier was a partner.

Carrier is a certified public accountant who 10 years ago branched out into business evaluation as a specialty. Surano, Strategic Valuation's office manager, has worked in advertising and accounting, managed a health club, and served as an executive assistant.

Companies need Strategic Valuation's services for potential tax liabilities, resolving shareholder disputes and divorce settlements, Carrier says. While large publicly held companies see their stock prices listed every business day, private companies "don't have that luxury," she observes.

"A lot of times we're called in for financial reporting reasons – the auditors need to know what the value of a company's stock is," she says.

Not surprisingly, what the owner thinks his company would fetch is significantly higher than what it would command in the marketplace, she explains, even though owners usually have a "decent idea" of that company's strengths and weaknesses.

"A lot of times there's a deep affection for a business, in particular with

smaller companies when you have a family that's built a business or an entrepreneur that's built something on his own," Carrier remarks.

"It's like their child," Surano adds.

About 70% of Strategic Valuation's client base is in Cleveland and Pittsburgh, although Carrier and Surano are focusing to develop more locally. "We think we can bring a level of expertise to our Valley that is really unparalleled," Carrier says.

They find themselves busier than they were at their old company.

Part of that Carrier attributes to changes in the regulatory environment. Also, as business owners approach retirement, they begin to consider how they will claim or recover their investment in their companies. So an increasing number of clients engage her firm to give them an "annual report" on what their investment is worth.

"If they're nearing retirement, that's a very critical item that they should have their arms wrapped around," Surano observes.

"As the baby boomer generation nears retirement, it's just going to keep increasing," she predicts.