

FAMILY BUSINESS 360°

Building Family Business Value from the Inside Out

Francis Brown – Key Private Bank
David McCollum – McCollum Auto Body

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Background

The value of a family business directly affects the senior generation's retirement and the next generation's ability to continue from a position of strength. The more valuable a business, the more transitions options available.

"Valuation gaps" occur when the market values the business lower than the owner's expected value. This gap can cause big issues with transitions. Research in 2016 by Pepperdine University confirmed the magnitude of the problem; valuation gaps account for 40% of failed ownership transactions.

The good news is that gaps are avoidable. This session will outline steps that owners can take to build value, close the gaps, and fine-tune the business for efficiency and profitability:

- How to assess the intrinsic value of your family business (versus other measures of market value), and develop steps to improve that value
- How to avoid short term value-boosting "mistakes" that actually destroy value in the long run
- Learn value building exercises to prepare your company for growth through acquiring other businesses, and making your business "transaction ready" for the future

Further Reading

Every Family's Business: 12 Common Sense Questions to Protect Your Wealth (2009), Thomas William Dean, Détente

Exiting Your Business, Protecting Your Wealth: A Strategic Guide for Owners and Their Advisors (2008), John Leonetti, Lion Publishing LLC

Keeping the Family Business Healthy: How to Plan for Continuing Growth, Profitability, and Family Leadership (2011) John Ward Ph.D., Palgrave Macmillan

2016 Private Capital Markets Report (2016), Craig Everett, Pepperdine University Graziadio School of Business and Management, http://digitalcommons.pepperdine.edu/gsbm_pcm_pcmr/4

Austin Family Business Program Resources

Advisor Search listing of experienced family business professionals:
<http://business.oregonstate.edu/familybusinessonline/advisor-search>

Social Media

Facebook at: <https://www.facebook.com/familybusinessonline>

LinkedIn at: <http://www.linkedin.com/groups/Austin-Family-Business-Program-5188170>

Audio Podcasts: <http://business.oregonstate.edu/familybusinessonline/podcasts>

Panelist Biographies

Francis Brown – Key Private Bank

Francis is a director in Key Private Banks's National Family Wealth Strategy Group. The group is comprised of tax attorneys who work with ultra-high net worth clients and business owners helping them with designing and implementing sophisticated wealth strategies as part of KeyBank's personal and family CFO services. These strategies include tax reduction, transactional tax, alternative risk management practices, philanthropy, asset protection, legacy planning as well as complex credit and leverage strategies. His specialty within the team is leading their business advisory services planning which focuses on liquidity and pre-transaction planning for owners of closely held businesses. He lives in Denver with his wife and two daughters, but spends a fair amount of time traveling across the Rocky Mountain and Pacific NW regions meeting with business owners.

David McCollum – McCollum Auto Body

David started in the mechanical & used tire business in 1980, with a focus on customer's needs and quality service. David has grown the McCollum business name over the past thirty-seven years serving as a premier auto body & mechanical repair option for the Greater Portland, SW Washington and Eugene areas. The McCollum name now consists of three state of the art collision repair centers and one mechanical repair center that continue to be operated by David, along with his two sons Dave Jr and Joey McCollum. Together they continue to focus on the customer and creating a one-stop shop for all of their customer's needs.