

# Veracity Financial Services

Michael Simms



*“We’ve had multiple cases where business owners have no clue what the intrinsic value of their business really is. They hear about random multiples of EBIDTA from friends or others in their industry, or better yet they get offers and think it’s a good price. Once comparing it to the actual business valuation results, the valuation is often higher. It is very enlightening to our clients.”*

– Michael Simms

## Michael Simms: The “Valuation Guy” and the Advisor

### STRATEGY AND APPROACH

“Since I have had great success using the **BizEquity platform** and offering business valuation services, I have become known as not only an advisor to my clients and Centers of Influence, but the ‘Valuation Guy.’”

“Our firm has invested in processes and technology to make ourselves proactive and relevant to business owners, and BizEquity is the only software to consistently deliver,” stated Michael Simms when asked what services he provides to his business owner clients.

Simms runs about four valuations a month using BizEquity, charging \$2,000 per valuation, and has seen great ROI from the BizEquity platform over time. He emphasizes to his clients the need to benchmark their business’ real value, compared to others in their industry, as they build their growth and exit plans. This is also where the KPIs of BizEquity’s 29 page valuation report come into play. “Once you have conducted the valuation and have come up with a number, you need to be able to defend the value during the due diligence period when it comes time to exit.” stated Simms.

Simms has multiple business owner clients who had no clue what the intrinsic value of their business was. “They hear from their friends about random multiples of EBIDTA or get offers and think it’s a good price. Once comparing it to the actual business valuation, they realize that ‘rule of thumb’ estimates and random offers rarely approach the real value of the business. It is very enlightening to our clients and gives them a much stronger position to negotiate their exit from. [BizEquity] has allowed me a deeper perspective on what the small business owner is dealing with in running their businesses as well as what they know and don’t know,” said Simms.

Recently, Simms was working with service provider clients who are linked to each other via their corporate ownership structure. In this specific business sale case, revenue from each subsidiary was treated individually, instead of combining the synergistic value that both entities provide. Simms advised that

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## CASE STUDY

Michael Simms  
*Founder and President*  
 Veracity Advisers

## BIZEQUITY BUSINESS VALUE

1.3 Million

## INDUSTRY OF THE BUSINESS OWNER

Service Provider

## NUMBER OF BUSINESS OWNERS

2

## BIZEQUITY IMPACT



Educate clients to manage their businesses more profitably



Reach desirable business sale value



Differentiate firm



Lead generation/new client acquisition



ROI on software

this type of approach is good in the short term to evaluate business growth and management objectives, but not long term for exit valuation goals. In the short term, it denigrates the value of the combined entity. He advised, instead of valuing the businesses separately, to rather combine them for an aggregate value and increasing the exit value by 11%.

## ABOUT MICHAEL SIMMS

Michael, and Veracity, deliver high-impact Business, Tax, Wealth Coach – disrupting the CPA referral model while delivering uncommon results for clients through the Virtual Family Office service approach.

Michael enjoys volunteering and mentoring while heading the business advisory board for the Palm Beach Gardens High School Five Star Magnet program, and has helped develop and oversee the Military Appreciation Program for the PGA Tour's Honda Classic Golf Tournament. He is a life member of The Association of Citadel Graduates and a member of the Citadel Club of the Palm Beaches and is a veteran of the United States Army.