CASE STUDY

Paul Dodgshon

business partnership™ corporate

Paul Dodgshon is a business broker from Cheshire, United Kingdom and has been using The Value Builder Score since 2012

"I know using The Value Builder Score to assess the business gave us an advantage in the sales process with these clients."

Q. What is your secret to keeping a steady flow of reports coming through?

There are a few different ways. Whenever we meet a new network contact, we talk about Value Builder. I do this because I'm talking a different language, delivering a different message to anything they have heard before.

We also qualify our sales leads to understand if they are looking to sell or just to value their business, and if they fit our ideal customer profile for Value Builder, we ask them to complete the score as a fact-finding exercise before the meeting, so the time they spend is more productive.

Q. How do you engage business owners in completing the questionnaire?

After every network, each potential partner gets a follow-up e-mail, with a direct link to our web page inviting them to complete the Value Builder Score. We also offer a free delivery of a report for every new professional advisor we meet, which they can then use for a client. If I can deliver one, I know we will get more.

Now it probably won't surprise you to learn that we send out a lot more invites than actually take the Score, but to make the offer and send the e-mail is very low cost, with a high potential return, so I figure it is worth it.

We also make an offer. If a client engages us after they have paid for an assessment, we will credit 50 percent of the cost of the assessment against future work.

CASE STUDY

Q. What resources do you use (either provided from The Value Builder Score or on your own) to drive these results? Flyer, template e-mail & talk...

Every time one of our brochures leaves the office with me, it contains a Value Builder flyer. We will use this with network contacts, along with some key metrics from the Quarterly Tracker update. The killer metric that really gains traction is businesses scoring over 80 being worth an average of 71 percent more.

PAUL DODGSHON'S RETURN ON INVESTMENT

Value Builder Score Questionnaires Completed:	62
Paid Value Builder Assessments:	8 x £1,000 = £8,000
Sale mandate success fees from Value Builder Score users:	+ £173,500
Total revenue attributable to The Value Builder Score investment:	£181,500

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Q. Can you outline the mechanics of how you offer a Value Builder Assessment? Specifically: how much of the report is provided to business owners prior to committing to the Assessment (full report or summary page on its own)?

If the owner is coy about his intentions, we will have a phone conversation when they have completed their score. I will advise them that I see that the business has certain strengths, but that it also has certain areas where they can improve the value of the business. I do not reveal the valuation range at this stage; I am simply looking to get a commitment from them to pay for the assessment – typically £1,000. I am trying to position the meeting as helping them understand why their business has the value it has, not what the value itself may be.

CASE STUDY

Q. If they commit to pay for an assessment, do you send the report beforehand, hand deliver it during the meeting, or send it after the fact?

In our process, the Value Builder report itself is at the core of the meeting. It is a working document, but I do not deliver the report word-for-word. That would be very dull. Our job is to interpret the report and apply the principles to their business. We typically spend two hours doing this.

We then use the Value Builder Assessment to summarize the findings and deliver their personal action plan outline. After this, it is a simple follow-up call to agree to a way forward.

Q. Do you use the "Estimate of Value" in your assessment?

Rarely at the first meeting. We have found that most business owners struggle to calculate a true profit when they first take the report. The risk profile, and hence the multiple, I have found to be a reliable figure, but the base profit number is often incorrect, and hence using the value first provided would actually be counter-productive.

So I will ask for the accounts to be available before or during the first meeting so I can make sense of the valuation. I will then re-do the report, along with the Value Builder Assessment, and provide both to the client.

> "...for those assessments we have done without charge (because they were ready to sell now), six have engaged as clients, netting £13,500, with potential earnings for our firm of around £160,000."

Q. What proportion of the people who get their Value Builder Score through you will also agree to pay for an Assessment?

Over the past 12 months, we have had 62 people take reports. Of these, we have charged for 8, netting £8,000; and of these, I expect two to go through The Value Builder System™ and one to sell in the next six months. This seems low, but bear in mind we are generally speaking to people who want to sell now. As we change our marketing focus, this proportion will increase.

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Lastly, for those assessments we have done without charge (because they were ready to sell now), six have engaged as clients, netting £13,500, with potential earnings for our firm of around £160,000.I know using The Value Builder Score to assess the business gave us an advantage in the sales process with these clients.

> "Our focus, however, is on selling better and more valuable businesses."

Q. You'll have just completed your Value Builder Certification the week prior to the roundtable. How do you plan to use this? Give us your thoughts on the training/certification and how you plan to get started.

To be honest, this is the 64,000-dollar question, not because I do not know, but because I do not know what to do first. The ideas that came from the group of advisors have clearly identified many differing opportunities, and we are just discussing with our marketing advisors where to start!

Our focus, however, is on selling better and more valuable businesses, so if I were to define the top three, they are:

1.Use it as a tool to engage with strategic partners. We can offer assessments of the open-market value of their clients' businesses, which is something they cannot provide. This is not the end in itself, but a door opener to more a productive relationship.

2. Define differing target markets. We have a hi-tech hub around Manchester, and I will look to become the expert in subscription models to help these businesses grow over the longer term and develop their businesses for exit.

3. For other clients I am looking to set up one or more advisory boards, using Value Builder as the tool to help a group of business owners grow. This helps me leverage my time much more effectively.

