



Key Lesson:

UNDERSTANDING YOUR BUSINESS AS AN ASSET

Extract the Full Value from Your
Most Valuable Asset

A shift in perspective that increases business value from startup to exit.

Understanding your business as an asset is a fundamental idea that, when put into practice, helps you extract maximum value from their business.

Most assets can be understood along 5 dimensions. Businesses are most commonly understood along only the first (1). These dimensions are:

- 1. Can produce income** - assets have the ability to produce income, which is easily measured
- 2. Monetary value easily known** - the monetary value of an asset can be understood in relation to similar assets in a given marketplace
- 3. Marketability easily known** - ability to sell the asset in its given marketplace is understood
- 4. Tied to personal financial goals** - assets are aligned with owner's personal financial goals and are a part of his or her personal financial plan
- 5. Current & future benefits quantifiable** - the benefits of an asset to the owner are understood in terms of how they serve the owner's unique needs now and into the future.

Unlocking 2 & 3 with the Discover Assessment

The **Discover Assessment** is a ValuCompass analytics tool that rapidly uncovers a business's enterprise value and potential value (2), giving the owner a reading of their business's monetary value, as well as its current and potential marketability (3).

Unlocking 4 & 5 with the Protect Assessment

The **Protect Assessment** tool from ValuCompass uncovers how a business aligns with an owner's personal financial plan (4). In doing so, it shows the present and future benefits of the business and how these benefits serve the owner's unique needs (5).

Getting full value from your business

On average, **the business represents 80% of an owner's net worth**. When the owner takes the time to understand the business as an asset along these 5 dimensions, they are able to extract more value from their already most valuable asset. Getting to know the business as an asset also helps when it's time to sell the business, transition ownership, and during other key moments in the business lifecycle.

“Understanding your business as an asset is the crucial first step to extracting maximum value from your business.