

Discover Your Business's Health: Get Your Value Builder Score



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Kerry Boulton is Australia's most respected Exit Strategy Advisor and CEO of the Exit Strategy Group. Welcome to this week's segment.

KERRY BOULTON: When was the last time you had your blood pressure tested? Taking your blood pressure is one of the first things most doctors do before treating you for just about anything. I was at the doctor myself the other day, I had some problems in the ears. It wasn't the ears he looked at. He was taking my blood pressure.

So you know how much pressure your blood is under as it courses through your veins is a reliable indicator of your overall health, and it can be an early indicator of everything from heart disease to bad circulation. Does it tell the doctor everything they need to know about your health? Of course, it doesn't, but one powerful little ratio can give the doctor a pretty good sense of your overall well-being.

Likewise, your value builder score can be a handy indicator of your company's well-being, like your blood pressure reading your company's value builder score is an amalgam of a number of different factors, and can really help a professional quickly diagnose your company's overall health.

So when a doctor takes your blood pressure, they not only rule out possible nasty ailments, they can also use the pressure reading to forecast a healthy life ahead. Similarly, your value builder score can predict good things for the future.

For example, based on more than 10,000 business owners who have completed their questionnaire, we know the average multiple of pre-tax profits they are offered for their business when it comes time to sell is 3.7 by contrast, those companies have achieved a score from the value builder of 80 plus are getting offers of 6.6 times pre-tax profit.

In other words, if you have an average performing business turning out half a million in pre-tax profit. It's likely worth about 1.8 and a half million. That's 500 times 3.7. If the same company improved its value builder score to 80 plus, while maintaining its profitability of 500,000 it would be worth closer to \$3.3 million. That's 500,000 times 6.6.

Are you guaranteed to fetch 6.6 times pre-tax profit if you improve your value? Of course not. But just like blood pressure, one little number can tell you a whole lot about how well you're doing, and we can then prescribe an action plan to start maximising your company's health and its value down the road.

Heart disease is called the silent killer because most people have no idea what their blood pressure is. People can walk around for years and years with dangerously high blood pressure because they haven't bothered to get it tested. The first step on the road to health is to get tested. If you have a great score, you can sleep well at night knowing you have one less thing to worry about.

If your score isn't where it should be, then at least knowing your performance can get you started down the road to better health. So if you'd like to get your value builder score, just send an email to info at [theexitstrategygroup.com.au](mailto:info@theexitstrategygroup.com.au), and we'll send you a link to complete the questionnaire.

If you don't have a copy of Kerry's new book, ***The Uncensored Truth About Exit Strategy***, please visit <https://freeexitstrategybook.com.au/>