

## ON THE COVER



6

## DEALERSHIP VALUATION: MOVING BEYOND THE GUESSING GAME OF THE BLUE-SKY APPROACH

By Matt Stelzman, CVA, MAFF, ASA

They say the first step in solving a problem is admitting you have a problem. The author admitted he had a problem in early 2013 when he realized that using blue-sky multiples to value automobile dealerships just was not going to cut it anymore. In this article, he shares that insight with you.

## IN THIS ISSUE...

### 14 HOW NOT TO USE DUFF & PHELPS DATA By Roger J. Grabowski, FASA; Jaime d'Almeida, ASA, CFE; and Debra Jacobs, Vice President, Duff & Phelps

“In God we trust. All others must bring data.” This famous quote implies that when data is presented, the conclusion can be trusted. However, the Ohio District Court’s decision in *Rover Pipeline, LLC v. 10.55 Acres of Land, More or Less, in Ashland County, Ohio, et al.*, demonstrates that data is only trustworthy if it is understood and applied correctly. This article gives an overview of what not to do and subsequently trust.

### 20 ACADEMIC INSIGHTS

#### ACADEMIC REVIEW

Guest Editor: Matthew D. Crane, DBA, ASA, CPA

The purpose of this column is to provide the readers of *The Value Examiner* summaries of contemporary research in business valuation and forensic accounting.

Guest editor, Matthew Crane, fills in for Peter Lohrey, PhD, CVA, CDBV, in this issue.

### 24 LEGAL INSIGHTS

#### WILL YOUR BV RESEARCH HOLD UP IN COURT? SIX TIPS FOR BETTER BV RESEARCH

By Jan Davis, President, Blue Sage Research

Research is an essential component of business valuation, and the Internet has made it less problematic to find the data needed to support your value conclusion. It may be easy and inexpensive to find comps from Yahoo! Finance, off-the-shelf industry reports, and compensation data from a free government source, but can you rely just on this data? This article explores ways in which practitioners should approach their reports and the tools needed to do it right.

## DEPARTMENTS

### PRACTICE MANAGEMENT

#### 30 WORKPLACE STRESS AND CORPORATE VALUE: IS THERE A LINK?

By Nancy Neal Yeend, *Dispute Management Strategist*

Stress is a significant and yet often hidden factor, which can negatively impact a business's bottom line, stock prices, and its overall value. There is a direct link between stress in the workplace and rising healthcare costs. Also, stress contributes to increased absenteeism and lower productivity—all of which impact corporate worth. The author, a frequent speaker at the annual NACVA/CTI conferences, provides some insights into how stress can impact the value of a business

#### 33 TELLING YOUR STORY: EDITORIAL BOARD MEMBERS AND CONTRIBUTORS TO THE VALUE EXAMINER SAY WHY THEY WRITE (PART II OF II)

Compiled by Nancy McCarthy, *Senior Editor, The Value Examiner*

Kindra Hall, a motivational speaker and one of the keynotes at the 2019 NACVA and the CTI's Annual Consultants' Conference presented a unique topic: "The Power of Storytelling on Your Journey to the Top." In the last issue of *The Value Examiner*, contributors and board members gave insights into why they write. In this issue, we hear from several more professionals who write as part of their business life.

#### 34 GROWING REVENUES VS. GROWING EQUITY VALUE: LEARNING THE DIFFERENCES

By George Sandmann, *President & CEO of Consulting Software System LLC, dba CoreValue*

Understanding the CEO's goal is the predicate for planning an engagement since a plan without a goal is a voyage without a destination. Goals drive strategy. This article which appeared first as part of a blog created by the author (<http://www.corevalueforadvisors.com/blog/what-do-you-mean-you-want-to-grow>) is reprinted by permission of the author in a slightly expanded version—discusses what it means when a CEO says they want a business to grow.

#### 42 PRACTICING SOLO: JOSEPH EMANUELE

By Rod P. Burkert, *CPA, ABV, CVA, MBA*

Rod interviews Joseph Emanuele, CPA, CFA, ASA, CFE, from Laguna Niguel, CA.



*Production:* Mills Publishing, Inc.; *President:* Dan Miller; *Art Director/Production Manager:* Jackie Medina; *Magazine Designer:* Jackie Medina; *Graphic Designers:* Ken Magleby, Katie Steckler, Patrick Witmer; *Advertising Representatives:* Paula Bell, Dan Miller, Paul Nicholas, Chad Saunders *Administrative Assistant:* Caleb Deane.

Mills Publishing, Inc., 772 East 3300 South, Suite 200, Salt Lake City, Utah 84106, (801) 467-9419. Inquiries concerning advertising should be directed to Mills Publishing, Inc. Copyright 2019. For more information please visit [millspub.com](http://millspub.com).

### The Value Examiner®

#### EDITORIAL STAFF

CEO & Publisher: Parnell Black  
Senior Editor: Nancy J. McCarthy  
Associate Editor: Lynne Johnson

#### EDITORIAL BOARD

##### Chairman:

Lari B. Masten, MSA, CPA, ABV, CFF,  
CVA, ABAR, MAFF

##### Past Chairman:

Michael Goldman, MBA, CPA, CVA, CFE, CFF  
Ashok Abbott, MBA, PhD  
John E. Barrett Jr., MBA, CPA, ABV, CVA, CBA  
Gary W. Baum, MBA, CPA, CVA  
Neil J. Beaton, CPA, ABV, CFE, CFA, ASA  
Rod P. Burkert, CPA, ABV, CVA, MBA  
Lorenzo Carver, MS, MBA, CVA  
Wolfgang Essler, CVA (Germany)  
Richard W. Goeldner II, ASA, CBA, CVA  
Judith Heim O'Dell, CPA, CVA  
Andrew M. Malec, PhD  
Danny A. Pannese, MST, CPA, ABV, CVA, CSEP  
Kevin Papa, CPA, CVA, ABV  
Donald Price, CVA, ASA  
Angela Sadang, MBA, CFA, ASA  
Keith Sellers, CPA, ABV  
Richard Trafford, MSc, FAIA, FCT, CVA, CFE,  
MAFF, PGCLTHE, FHEA (U.K.)  
Sarah von Helfenstein, MBA, CVA  
Todd Zigrang, MBA, MHA, FACHE, ASA

The Value Examiner® is a publication of:  
**National Association of Certified  
Valuators and Analysts® (NACVA®)**

5217 South State Street, Suite 400  
Salt Lake City, UT 84107

Tel: (801) 486-0600, Fax: (801) 486-7500

E-mail: [NACVA1@NACVA.com](mailto:NACVA1@NACVA.com)

#### ANNUAL SUBSCRIPTION

United States—\$215  
International—\$255 U.S. Funds  
Free to accredited university libraries

#### SUBMISSION DATES

Issue	Submission Dates	Publish Dates
May/June	Apr. 15	July 1, 2019
Jul./Aug.	Jun. 15	Sept. 1, 2019
Sept./Oct.	Aug. 15	Nov. 1, 2019
Nov./Dec.	Oct. 15	Jan. 1, 2020

#### ALL SUBMISSIONS

The Value Examiner is devoted to current, articulate, concise, and practical articles in business valuation, litigation consulting, fraud deterrence, matrimonial litigation support, mergers and acquisitions, exit planning, and building enterprise value. Articles submitted for publication should range from 500 to 3,000 words. Case studies and best practices are always welcome.

#### SUBMISSION STANDARDS

All articles should be thoroughly edited and proofread. Submit manuscript by e-mail (in standard word processing format) to Nancy McCarthy: [NancyM1@NACVA.com](mailto:NancyM1@NACVA.com). Include a brief biography to place at the end of the article and a color photo of the author. See authors' guidelines and benefits at [www.nacva.com/examiner/Publishing\\_Articles.pdf](http://www.nacva.com/examiner/Publishing_Articles.pdf). The Value Examiner accepts some reprinted articles, if accompanied by appropriate reprint permission.

#### REPRINTS

Material in The Value Examiner may not be reproduced without express written permission. Article reprints are available; call NACVA at (800) 677-2009 and/or visit the website: [www.NACVA.com](http://www.NACVA.com).