

# Valuation Challenge Moved to Georgia State University

With the retirement of Seattle Pacific University's Professor Herb Kierulff, the Valuation Challenge moved to the J. Mack Robinson College of Business, Georgia State University. Given the reputation of the Robinson College, we feel that this is a very fortunate opportunity for the Challenge. The College is highly ranked and the Faculty of Finance has an excellent reputation with a special interest in valuation. We look forward to the continued growth and development of the Challenge at Georgia State. Dr. David Beard will be the main point of contact for those interested. He may be reached at [dbeard@gsu.edu](mailto:dbeard@gsu.edu) or 404-413-7331.

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## Fourth Annual Private Business Valuation Challenge Reviews (April, 2015)

The Valuation Challenge 2015 evaluations were compiled and, with the exception of names of persons, are published in their entirety

Faculty:					
Question:	Excellent	Very Good	Good	Fair	Poor
1. The Renaissance Hotel accommodations:	5	2			

2. The Columbia Tower as a venue:	8				
3. The Tower Club's meals and service:	5	3			
4. My overall experience with this competition:	7	1			
	Definitely Yes	Yes	Maybe	No	Definitely Not
5. Do you believe the experience will be worth the time and effort put into it?	6	2			
Students:					
Question:	Excellent	Very Good	Good	Fair	Poor
1. The Renaissance Hotel accommodations:	18	4	7		
2. The Columbia Tower as a venue:	31	3			
3. The Tower Club's meals and service:	21	12	1		
4. My overall experience with this competition:	22	12			
	Definitely Yes	Yes	Maybe	No	Definitely Not
5. Do you believe the experience will be worth the time and effort put into it?	20	13			

Valuation Challenge 2015 Comments

Question:	Faculty Comments:	Student Comments:
<p>1. The Renaissance Hotel accommodations:</p>	<p>I didn't stay in this hotel. Service was excellent, if pricey. Great location. Very nice accommodations.</p>	<p>Great, but bar is expensive. First class. Perfect location, nice room. Very close, very nice. Very nice. Issue was check-in. They didn't have our room ready until 5pm.</p>
<p>2. The Columbia Tower as a venue:</p>	<p>I wish I have a second chance to come back. Very classy, well designed, excellent view. The venue made the experience a more professional one; great atmosphere.</p>	<p>Amazing, could not be better. Very great experience. I can't imagine any other setting. The views allowed us to be here all day and never have a dull moment. Beautiful! Please keep it here! Great view. Beautiful view. Great view, space is perfect and professional. Amazing! Very enjoyable. Very nice. Nothing better than the tallest building in WA. Really made it special!</p>

<p>3. The Tower Club's meals and service:</p>	<p>Good food.</p>	<p>Very good.  Too much chicken.  Enjoyed the food.  Need some gluten free. ☐  Top notch! Pesto is a personal favorite.  A little more variety.  The BEST chicken.  Food was alright.  Very high quality; however, options would be excellent.  Some adult beverages would be great!</p>
Question:	Faculty Comments:	Student Comments:
<p>4. My overall experience with this competition:</p>	<p>Great job. We will come back.  Thanks.  Access to practitioners/other professors provided insight &amp; opportunities for networking &amp; exchange of ideas.</p> <hr/> <p>Student Comments:</p> <hr/> <p>2 thumbs up!  Learned evaluation, and networked with amazing people. Saturday was so long; maybe split events between Fri &amp; Sat.</p>	<p>From start to finish, this was an excellent competition.  Very good learning experience.  A day well spent. It was so valuable to speak with the judges over lunch and dinner.  Best ever!  Overall great experience.  Lots of work, but learned a lot as well.  The best competition I have participated in outside of the classroom.</p>

<p>5. Do you believe the experience will be worth the time and effort put into it? Please explain.</p>	<p style="text-align: center;">Faculty Comments:</p> <hr style="width: 20%; margin: auto;"/> <p style="text-align: center;">Yes, although the challenge is especially daunting for untenured professors. Lots of hard work, but worth every minute. The students learned a lot. Students learned a lot. Provides a well-developed real-life laboratory for applied teaching techniques in valuation. I learned so much in the last two days.</p>	<p>The trip to Seattle was worth the work we put in. Lots of learning opportunities. Learn a lot today. Very good real world application of my classwork. Once I've learned this, it can't be taken away. Very challenging and new. The knowledge gained, professional knowledge shared, and networking opportunities available are unbeatable. We put in long hours and hard work and were rewarded by being asked to present in WA. It's nice to know you think we worked hard too.</p>
	<p style="text-align: center;">Student Comments:</p>	<p>Invaluable. These opportunities are difficult to find. Oh yes! This challenge made me feel all my hard work has paid off. The valuation challenge is a tremendous learning experience. One of the best opportunities. It is great to put what we learn in college to practice.</p>
	<p>It required a lot of time and effort, but I have gained invaluable It was a great learning experience and well worth my time. Great learning experience. This has been a good real world work experience on BV. We did it within the walls of the classroom but presenting in front of judges Greatly expanded my depth of knowledge. Provides great insight in interpreting a company's financials and further helps with decision making skills. I learned so much! I will have hands on experience that is incomparable. It felt great to complete this.</p>	<p>The valuation skills will be very valuable for any finance field we go into. The learning experience exceeded anything that has been taught in my academic classes. No matter where I go in the future, I will be able to apply the skills I learned. Private BV is diff. than public BV. Meeting with students from other schools is a great networking experience. Even if I don't go into the BV field, I think this is a valuable professional experience to have. For those who choose it as an occupation, it was very valuable. It's also good for those who want some exposure to the field.</p>
<p>Question:</p>	<p>Faculty Comments:</p>	<p>Student Comments:</p>

<p>6. What needs to be improved/changed? Why? How should improvement/change be made? Please be specific.</p>	<p>Timing: wanted to get material earlier, wanted to be informed of second-round advancement earlier. Too close to arrange for team travel. Perhaps an add'l speaker for the profs regarding how to attract employers in this area; how to increase the visibility of our students. Professional and efficient. More speakers to learn more. All good. Less expensive hotel. Allow teams to estimate the cash flows for DCF analysis. Please post the Powerpoint presentation/video of the best team online so we can have an example to follow.</p>	<p>Presentation audience was informal and easy. Not a lot of pressure. Consistency across valuation methods was an issue for us. Critiquing what Moss Adams did in a replicated format was a bit disappointing. If we have a little more background of the private equity, that would Video taping of presentations. A meet &amp; greet. More clarification on case/excel files for new schools. To film the other teams. It will be nice to see and learn from them.</p>
	<p>Student Comments:</p>	
	<p>A workshop showing the valuation approach overview could be helpful. The workshop should focus on how the BV is done by the industry experts. I feel there should be a guideline set issued directly from the judges that are participating. This will provide better insight on how to conduct our valuation presentations. I would suggest more information about the company. From all the info we had, nowhere was it suggested that they are almost a sole player in the local market in WA. Saturday is too long for presenting teams. The guest speaker should be done on Friday. Judges seemed to not all be on the same page when it came to the guidelines of the competition. There isn't too much that needs to be improved. Possibly some presentations available for the competitors next year. Schedule sent out to all teams more in advance. More detailed itinerary and emcee for event. Maybe do speaker Friday to shorten Saturday. Competitors meet &amp; greet to get to know each other. More speakers would be great too. More teams, maybe regional competition, more speakers, competitor meet &amp; greet.</p>	<p>Larger presentation room. Judges need to be more familiar with the rules and assumptions made on the case. I truly think it was efficient, professional, and I have not found anything to improve on. Make clear what type of corporation we are working with. I cannot think of anything that needs to be improved or changed. I'd like to be able to see other teams present. Be less restrictive on how we project cash flows for the DCF. Or make it clear how free students are to change assumptions based on research. Maybe a more interesting case. Maybe less expensive hotel. The meals at hotel were expensive. Judges should be more informed about the assumptions of the case before saying that participants used incorrect methods. If students are supposed to analyze a company and be prepared to explain methods as if they are speaking to 5th graders, then that should be stated up front.</p>
<p>Question:</p>	<p>Faculty Comments:</p>	<p>Student Comments:</p>

<p>7. My advice to those students/faculty members participating next year.</p>	<p>Prepare early. Not easy case, technical. Provide guidance only. Encourage the students to work towards the goal largely on their own. Good prep is key. Develop ideas and support them.</p> <p>Start early, be diligent.</p> <p>Start earlier to work on valuation case. Start early. Keep students' feet to the fire. The panel of judges can pose a few typical questions to participants so they would have a feeling of how they might be challenged.</p>	<p>Practice, start early, ask mentor lots of questions. Set deadlines, plan ahead. Spend as much time as a group together as possible to get the most out of your experience.</p> <p>Work hard all the way through.</p> <p>Use your time well, delegate tasks to members, analyze all opinions within group and from outside sources.</p> <p>Get a head start. Report everything you did. Fact check, fact check. Work as a team, don't split up tasks. Understand where your numbers have come from. Hit the ground running, develop a calendar of deadlines, and read as many books as you can to develop innovative and sensible ideas. Stick with it. It will pay off.</p> <p>Start early. Focus on the big picture. Know everything about the company, industry, and economy and be able to tie in the story of what going on with the valuation techniques. Be committed. Be prepared to learn a lot and put a lot of time and effort in. Take your time and start early. Start early. Select a team leader. Utilize all possible resources and alumni connections. Big time commitment.</p>
	<p>Student Comments:</p>	
	<p>Ask as many questions as you can to the coaches right from the beginning, drill down deeper, that would help you with your work for this competition.</p> <p>Know the "why" just as well as the "how." Don't get lazy. Redo everything a bunch of times.</p> <p>Start early, seek outside help often, and answer the question why. Also, spend a day to yourself. Seattle is great. Dedicate your time wholeheartedly. If you put in the hard work, you will receive the benefits.</p> <p>Start working on BV from the beginning. Getting the valuation reviewed by faculty/experts in detail will help to eliminate errors. Always establish rational reasoning for the decisions you make.</p> <p>Keep track of your sources and all assumptions/calculations you used for each value.</p> <p>Have fun. Defend all numbers and decisions. Make specific notes of everything you do. It comes in handy when putting together the final presentation.</p>	
<p>Question:</p>	<p>Faculty Comments:</p>	<p>Student Comments:</p>

<p>8. Other comments?</p>	<p>Thank you for your great efforts. Thank you very much for organizing this!</p>	<p>First-class event. Thank you! A+ program. We were so engaged and intellectually stimulated! Thank you for this opportunity. THANK YOU for a great weekend! Great students, great professionals, great location, great food, excellent learning experience! Great competition, great learning experience.</p>
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## May 2014 Valuation Challenge Reviews

Student teams from 18 universities entered the Third Annual BVR/SPU Valuation Challenge—now the Private Business Valuation Challenge.

Six teams were chosen to come to Seattle on May 9 by a distinguished panel of 17 judges who hold senior positions in their valuation firms. The 2014 Challenge winners are: University of Denver followed by Portland State University and Seattle Pacific University in that order. Middle Tennessee State University, University of Maryland (University College), and William Paterson University provided strong competition. Congratulations to all! The list of participants and their professors will follow in a subsequent blog.

We used an eight question survey to evaluate the

Challenge. Questions 4 and 5 in the survey summarized the experience. Question 4 ("My overall experience with today's competition") asked for a ranking using a range of 5 to 1, where 5 was excellent and 1 was poor, and it asked for comments. Question 5 ("Do you believe the Valuation Challenge experience will be worth the time and effort you put into it?") asked the respondents to circle one of the following: definitely yes, yes, maybe, no, and definitely no. Comments were also requested.

All three judges gave question 4 an excellent (5) rating and all circled "definitely yes" for question 5. Among other comments was the following: "It was an awesome experience to see everything the students learned."

Four faculty members filled out the survey; the fifth was unable to attend the competition due to illness. I organized the event, so I did not participate. Two faculty members rated the Challenge as excellent on question 4. The other two faculty members did not provide a number rating on that question. The first of the two simply commented "Amazing" and the second commented: "Very positive." The judges did a good job of explaining how to conduct non-classroom presentations." All four faculty members circled "definitely yes" on question 5.

Twenty-five of the 27 student participants returned the survey. On question 4, 13 checked 5, and six marked 4. Six did not record a number; here are the initial comments of those six: "Very good"; "It was great"; "I had a very good experience"; "Good flow, lots of fun, overall very good"; "I love this, learned so much"; and "I really enjoyed being part of this event", and "it's such a great experience..."

On question 5, 21 of the students circled "definitely yes." Four circled "yes"—they believed that the Valuation Challenge experience will be worth the time and effort they put into it.

Thanks to the judges for their great work. Willis Eayrs, Independent Valuation Consultant and Deputy Chairman of the International Association of Consultants, Valuators, and Analysts (IACVA) brought an international perspective to the judging. Joseph Maas, Founder and Principal of Synergetic Finance, not only judged but also contributed the Joseph Maas \$1,500 Award, the opportunity to use the magnificent Columbia Tower Club for the event, his new book *Exit Insight: Getting to Sold*, and the all-day beverage service. Miranda Rickert, Senior Financial Analyst, represented Moss Adams, the firm that provided the valuation report we used as the case.

William Hanlin, Jr, President & CEO of IACVA spent most of the day as a consultant to the judges and participants. Marek Omilian, Managing Director of Value Prism Consulting, dropped in as observer and consulting judge.

We also welcomed Joseph Marasco and Adam Manson of Business Valuation Resources (BVR). It was Manson's offer of access to BVR materials, the assistance of the two in finding judges and gaining Moss Adams' support, and BVR's financial contribution that made the Challenge possible.

A special thank you to Grant Learned, Attorney at Law, who recorded the day's events on camera and video recorder and to Mark Sabo, Principal of Financial Horizons, who monitored the presenters' slides and kept the presentations on time. I wish to express my gratitude to Kathy Stegman at SPU for all her significant support and assistance and my thanks to Dean Joseph Williams for his encouragement.

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# BVWire Report on the Valuation Challenge

The recent Business Valuation Resources' BVWire Issue #140-3 included a nice write-up about the Valuation Challenge. Here it is in its entirety with the permission of BVR:

## Budding BVers compete in BVR/SPU Valuation Challenge

Promising young business valuers competed in the third annual BVR/SPU Valuation Challenge at Seattle Pacific University (SPU). This year, for the first time, university teams and faculty from across the U.S. competed in the challenge. Also, unlike other finance competitions, students valued a real U.S. private company using special appraisal information in a contest judged by 20 of the nation's senior valuation experts. The experts selected six teams from among 18 U.S. university first-round entrants to come to Seattle for the final round.

And the winner is: The competition was won by the University of Denver. Portland State University took second-place honors, and SPU was third. Middle Tennessee State University, University of Maryland (University College), and William Paterson University were the other participants.

BVR provided research support to the competing student teams. Moss Adams provided a full valuation report with only names and some locations changed. Three local experts—Willis Eayrs, deputy chairman of the International Association of Consultants, Valuators and Analysts (IACVA); Joseph Maas, principal of Synergetic Finance; and Miranda Rickert, senior analyst at Moss Adams—judged the competition's final round. William Hanlin, CEO of IACVA, participated as a consultant.

BVR congratulates all of the students who competed in this year's Valuation Challenge and gives its thanks to Dr. Herbert Kierulff, SPU professor, who runs the event. For more

information on the BVR/SPU Valuation Challenge, [click here](#).

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## [Distinguished Judges](#)

The 2014 BVR/SPU Valuation Challenge was fortunate to have a distinguished panel of judges evaluate the student presentations and advise us. All of them hold senior positions in their valuation firms; many have made important and groundbreaking contributions to the literature and practice in their profession. We congratulate them on their achievements and greatly appreciate their willingness to spend time and effort working with us and with the teams of students who participated. We are proud to present them here with our thanks.

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SVP/Private Client Advisor  
U.S. Trust, Bank of America Private Wealth Management

Peter J. Butler, CFA, ASA, MBA  
Principal  
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