

The Value Creation CHECKLIST for Beer Distributors

BeerBusinessFinance.com is dedicated to helping you improve the profit, cash flow and value of your business. The Value Creation Checklist will take you one step closer to achieving these goals.

Ready to create value in your business? The Checklist below can help.

- **Understand the importance of business value**
 - It doesn't matter if you plan on selling your business, buying another one, or maintaining your company as is, creating value is essential.
 - Value equates to strength and strength provides you with options. These options include selling at a higher price, or being in a stronger financial position to buy another distributor, or simply enjoying the improved cash flow of a more valuable company. It's nice to have options.
 - When you focus on creating value, there is an immediate improvement in business results – profits, cash flows, and systems all benefit from the attention to value creation.
 - Value creation is often over-looked and frequently misunderstood. A first step is to recognize the importance of value creation for your business. The next step is learning how to measure value.
- **Learn how to measure value**
 - We measure profit, cash flow, assets and liabilities, on regular basis. But rarely do we measure business value even though it's equally important.
 - To measure value you can hire a valuation expert or create your own valuation report. There are pros and cons to either approach.
 - A valuation expert will provide a thorough analysis of your business, and a good estimate of value. The drawback is that it can be expensive, time-consuming, and unless you contract for it, the report isn't updated on an ongoing basis.
 - Creating your own internal valuation report will give you a regular, updated look at the value of your company. The frequency of seeing the value number will provide immediate feedback and inform you whether value is on the rise or decline. The valuation can be bolted onto your existing financial statements. You'll know every month whether you are creating value in your business.
 - By definition, a valuation is an estimate. The goal is to make the best estimate possible, and then focus on what you can do to improve the value.
- **Learn how to improve value**
 - The act of measuring business value on a regular basis will bring focus and improvement to the number. The old adage: what gets measured gets managed. Measure your value.
 - Examine your business strategy – does it include a mission to improve business value? Profit and cash flow are for today, value is forever. Build forever into your strategy.
 - Create value on purpose. We have a vague notion that if we increase sales or gross profit the business value will go up accordingly, but it doesn't work that way. Learn the math behind value creation, and then purposefully work to improve the number.

Use the checklist, implement the steps and improve your Business Value.

For more details, and step-by-step instructions on how to use the Value Checklist and implement its teachings in your company, visit www.BeerBusinessFinance. We could talk Value all day.