



# JPAbusiness Strategic Value Checklist

**S**trategic value is the value a purchaser is willing to pay for a business, over and above what an impartial business valuer might determine is 'fair market value'.

How much a purchaser will pay for strategic value is largely determined by their individual circumstances, but it can also be influenced by a vendor's management decisions long before sale time.

Below is a **checklist of business and industry characteristics which can influence strategic value**. Use the checklist to support your decision making and help drive positive strategic value in your business.

Business and industry characteristics	Factors to consider
<b>1. Clients – customer base diversity</b>	<input type="checkbox"/> Avoid concentration risk <input type="checkbox"/> Consider contractual arrangements to support orders
<b>2. Products – supply contracts and certainty</b>	<input type="checkbox"/> Consider opportunities to offer products that are exclusive <input type="checkbox"/> Negotiate distribution agreements with favourable supply terms, certainty and consistency
<b>3. Brand – well established, recognised and reputed</b>	<input type="checkbox"/> How well-known are you in your target markets (without investing significantly in marketing)? <input type="checkbox"/> What's the 'pull-power' of your brand?
<b>4. Value – clear, unique and valuable point of difference in your offering to the market</b>	<input type="checkbox"/> What is it you do better than anyone else? <input type="checkbox"/> How are you protected from others replicating you?
<b>5. People – structured and dedicated team of people running key functions</b>	<input type="checkbox"/> Retention and performance of people (as if they own a slice of your business) is a key determinant of success
<b>6. Process – well-established systems and processes</b>	<input type="checkbox"/> Ensure your systems provide consistent quality and replicated outcomes through your business and in the service and offerings it provides to the market

Business and industry characteristics	Factors to consider
7. Ownership - trademarks, patents, licences, exclusivity, technology and know-how advantages	<input type="checkbox"/> Do you own or control any of these?
8. Market and industry consolidation, changes and/or competitive pressures	<input type="checkbox"/> What are the external market trends that may either positively or negatively impact your competitive position?
9. Expectations – changes in customer expectations	<input type="checkbox"/> Remember the customer is always right! <input type="checkbox"/> Know the customer and their changing needs and reflect their expectations in how your business model services those needs
10. Advancements – ‘category killer’ changes	<input type="checkbox"/> Category killers include sudden impacts that disrupt your market, such as internet sales, technology changes and regulatory changes <input type="checkbox"/> Be flexible, be prepared and know and trust your core offering

If you would like to learn more about the **business advisory and broking services** offered by **JPAbusiness**, please contact the team by visiting [jpabusiness.com.au](http://jpabusiness.com.au)

Please feel free to post this template on your blog, or email, tweet and share it with your network.