



So You Want to Be In BV

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Business valuation is an attractive career choice. What was formerly an obscure and little-known field has experienced an increase in both profile and popularity. BV has been added to the finance curricula at more and more colleges and universities. Graduates of these programs are better prepared than ever before. That doesn't mean, unfortunately, that it's any easier to get a foothold in the profession.

A Fundamental Difference

At its core, business valuation is a business of judgment, where the deliverable is an "opinion of value". And because no two engagements are truly alike, competence and expertise accumulate more slowly. Even for those who have several years of experience with similar financial/analytical functions, though not in BV, it's just not the same.

It's A Small World

You would think it would be easier. You don't really need the years of experience to do basic financial analysis, do you? No, you don't. There are other variables, though, that create the roadblocks you may be encountering.

One is that business valuation is still a small world. Best estimates are that there are only 8,000 to 10,000 professionals doing it full-time across the country. The profession is simply not large enough to take in the numbers of talent who want to join at the entry-level.

BV is also a small world in the way that practices are organized. As a business model, BV occurs in two basic forms: inside an accounting practice as one of several service lines, and as an independent BV practice. In either case, only the largest practices will have more than 8 to 10 professionals in a given geographic location. The significance of this is that only the largest practices



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have the ability to consistently absorb the non-chargeable time of someone who is just getting started in the profession. Their hiring of entry-level professionals typically occurs through the campus recruiting process.

From time to time, smaller practices around the country do hire at an entry-level. That hiring occurs more irregularly so that connecting with the practice when they are in that mode is often a matter of luck and timing.

You've Heard It Before

You may be sick of hearing it, but “networking” is your most likely route to success in finding a position in BV. Anytime that you aren't able to sell yourself based on actual experience, by definition you're selling yourself based on potential. For someone to see that potential, he has to have some way of getting to know you outside the work environment. He has to see that you are aggressive, intelligent and articulate.

The best venues for networking are the courses offered by any of the organizations that issue professional designations. (If you don't already know who they are, you're further behind the curve than you thought.) When you take these courses not only are you advancing your knowledge and understanding of the practice of business valuation, you are rubbing shoulders with other practitioners; the very people who might connect you with your new employer.

Other avenues for networking include local chapters of the national credentialing organizations and business valuation “roundtables” which exist in some cities.

Step-up Careers

If you aren't successful in getting directly into BV, there are career options that may provide a “step-up” by giving you relevant experience.



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One of those is Credit Analyst in a bank. In this role, you would be reviewing financial statements and tax returns from closely-held businesses and performing a variety of analyses on that data. This would help you become familiar with the kind of data that valuation professionals receive and work with.

Another is a Trust Analyst, in the Trust Department of a bank. In this role, you would be reviewing and analyzing the assets held in trust. You would also likely participate in annual valuations of these assets. These valuations are required by banking regulation, and are not of the same scope as those performed by valuation professionals. Nonetheless, the position provides relevant experience.

Equity Analyst would be yet another career option. In this position, you would sharpen both your analytical and your writing skills. Writing is an important part of any valuation report. The more you can improve this skill, the more valuable you become. Most of your work would be done with publicly-held, as contrasted with privately-held, businesses. Still, the analysis and writing experience is valuable.

The vast majority of valuation professionals came into the field through the “side door”. You can do it, too.