



Exemplify strategic, advisory services through business valuation

Edgewater CPA Group is a full-service tax and accounting firm that provides tax returns, payroll processing and bookkeeping services — specializing in servicing individuals, small businesses, and estates and trusts. Firm member, Derek Smith, CPA, shares his experience on how using BizEquity has allowed his firm to help their clients better understand the worth of their business.

Striving for a competitive advantage

I have no doubt that technology can be a great differentiator when trying to remain competitive. From a tech standpoint, I'm confident our firm is where it needs to be. We utilize and maximize secured, digital, and cloud based resources which allows us the mobility and technology to operate and scale. And, over the last several years, we've made a strong push into the SEO realm — Google and such — which has provided us the opportunity to attract clients from different areas of the country, not just in Indiana.

Yet, what remains one of the biggest challenges for CPA firms today, particularly the smaller firms, is being tasked with primarily handling general compliance work, which consists of preparation of tax returns, financial statements, payroll processing and the execution of payroll returns. As a result, it leads to a lack of ability to provide strategic advisory services.

However, since utilizing the BizEquity business valuation tool, we've been able to extend our expertise beyond just compliance and provide more value-added services to our clients. Simply put, the BizEquity technology is easy to use, providing rich and accurate data that adds value far and above the cost that we pay for it.

Derek C. Smith
CPA



Quick facts

-  **Company:** Edgewater CPA Group
-  **Headquarters:** Carmel, Indiana
-  **Industry:** Accounting
-  **Employees:** 15
-  **Established:** 2014

Learn more about
Edgewater CPA Group at
edgewatercpacarmel.com



Always Designing
for People™

Helping clients understand the worth of their work

It's a fact that we currently have a very large population of baby boomers in this country, who also happen to be small business owners. The aspiration of retirement and succession planning is becoming more and more relevant to this generation, and selling their business is often part of their retirement strategy. It's imperative that these business owners accurately determine the value of their business in order to avoid underselling — which would be devastating in securing their financial future. With BizEquity, we're now able to provide an accurate baseline valuation of their business without them having to hire a costly third-party to do it. BizEquity allows this service to be done at a fraction of the cost.

As an accountant, I simply can't say enough good things about the benefits of using BizEquity. I recently prepared a valuation for three separate clients of different industries. Using the BizEquity tool, I was able to build a valuation based on significant data points including the overall equity, asset and enterprise value. It was so simple to do and I'm a big believer in the accuracy of the data BizEquity provided in their reports. I am completely confident that within a 30 minute client meeting, I can prepare a solid business valuation using the BizEquity technology. BizEquity has provided my firm with a new way to generate revenue while still being a cost savings to my clients. We plan to continue to grow our business valuation service area going forward.

Strategic advising for clients

BizEquity allows us an opportunity to expand our advisory work by helping clients with long-term strategic planning. Recently, a client approached me to share that he was ready to transition out of his business and retire. However, part of this process included succession planning as his son was interested in buying.

As often is the case, he simply had no idea what a fair market price was for his company. I have seen, on far too many occasions, buyers who have paid too much or sellers who have asked for far less compared to the true value of the business. Especially with family involved, it's common to not appropriately evaluate the worth of a business, therefore "giving it away" for 20 to 30 percent less than fair value.

Using BizEquity, we were able to provide the client with an incredibly accurate valuation of his company. With that report, we sat down with both father and son to go over the details. They were both pleased and rather quickly, we were able to determine a fair price that both parties agreed upon. Now, you have a son who landed a good deal and has happily taken over the family business and a father who is enjoying his retirement. That's a win for everyone without a long wait to get to a deal.

With BizEquity, we're now able to provide an accurate baseline valuation of a business without them having to hire a costly third-party to do it.

Derek C. Smith
CPA



Always Designing
for People™

Working to have more collaboration amongst smaller firms

I've had the pleasure of serving on boards and other leadership positions in our industry. I'm working to bring more collaboration to smaller, local CPA firms and I think that BizEquity is a perfect tool to help them provide a new niche service — business valuations. Large, national sized firms do a good job of providing a ton of value to their clients with so many different service offerings, but with newer technology, such as BizEquity, the smaller firm can also provide a more strategic experience to their client base.

BizEquity allows us an opportunity to expand our advisory work by helping clients with long-term strategic planning.

Derek C. Smith
CPA

For more information on the BizEquity offering from ADP, please visit adp.com/BizEquity.

Case studies are illustrative only and do not imply an endorsement of any particular product or service. Each employer's situation is unique and results may vary.

ADP, the ADP logo and Always Designing for People are trademarks of ADP, LLC and its affiliates. All other marks belong to their owner. Copyright © 2020 ADP, LLC. All rights reserved.



Always Designing
for People™