

What is Strategic Value?

“The degree to which a particular action or planned action is important or useful in relation to something that it wants to achieve.”

In the context of business growth, this ‘something’ is typically a business outcome linked to maximising commercial value at a critical point of change – be that committing to growth, acquisition, seeking additional investment, divestment or exit.



Why is Strategic Value important?

Many businesses struggle with strategic value as too often the elements of ‘value’ are intangible and default the business back to looking only at book value. When it comes to valuing your company in many cases any ‘due diligence’ focusses alone on book value and not strategic value.

What business owners actually build is their own perspective on strategic value that they would like to be able to expose to customers, investors and buyers.

If accessible to you it maximises the value of your business at a key point, encapsulating the relevant business outputs – proposals, business cases and resources for growth to build into the business case to acquire, grow, invest in or sell your business.

So how can you optimise this?

Bringing your ambition to life



What is SVM?

Part of the BAR A3 Methodology, the SVM is a robust assessment tool designed specifically to provide the framework to deliver you a definitive view of strategic value.



SVM captures many of those complementary business outputs that are key to optimising value. It describes the softer business characteristics as components of value, often the things difficult to quantify such as

- Brand
- Management team and workforce skills
- Competitive advantage
- Customer quality
- Business scarcity

It provides you this view based on your current position and gives you a baseline upon which to formulate effective growth plans.

What does SVM do for you?

Once the SVM baseline is set it enables you to take an associated future view of business potential over a projected time frame by considering how the key areas of your business can be improved to increase future value.

The SVM, based on the specific inputs, provides a roadmap describing strategic value and profit potential over a period of time supported by a development or execution plan.

It provides the ability to apply an appropriate market multiplier and strategic uplift factor in order to be able to quantify your potential future market value.



How is SVM delivered?

Preceded by an exercise to understand the business and creatively stimulate the opportunity for growth, the SVM tool is used to capture the key characteristics upon which the future direction and plan for the business can be based.

The SVM tool enumerates the key business areas and applies weighting against relative importance for both value drivers and external perspectives.

Used as part of the diagnostic exercise it enables the stakeholders to focus on key strategic value areas and deliver a valuation against which financial assessment can be derived based on the business lifecycle position.

The SVM delivery approach enables enhanced thinking, knowledge and skills transfer to improve and optimise the ability for your management team to embrace and execute your strategic plan.

What value is added by using SVM?

By quantifying previously intangible elements of the business you can derive a clear business case on which to understand your future business potential.

It identifies options to be captured around which growth can be focussed and the key areas providing the best opportunity for value creation.

It enables you to develop a clear plan on which to base activities that lower risk and increase certainty of delivering your value.

By quantifying the key elements of growth, the SVM enables your plan to become tangible, credible and underpinned by the proven BAR Methodology assures you it is:

- Appropriate to the business;
- Affordable in its delivery;
- Achievable for your management team.

This in turn enables you to evolve a clear return on investment (ROI) case and map cost to value.

What does SVM cost?

BAR pricing is tailored to your particular business scenario and can be flexibly based on a licence charge for SVM linked to business size, supported by a simple fees model to support you along the way.

Why Bar?

A specialist with real experience offering business growth expertise to companies with high value technologies who wish to expand within the UK defence and security sectors.

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