



CEO's Message IBA Alliance Update

By Pamell Black, MBA, CPA, CVA, Chief Executive Officer



As most NACVA members should now know, last year NACVA and ValuSource facilitated the acquisition of the Institute of Business Appraiser's (IBA) assets by a group of investors we had worked with in the past. One of the requirements by the investor group to assure the success of their venture was that NACVA and ValuSource leverage their vast resources, experience, and talents to make sure the IBA is a successful enterprise with a long future ahead. As part of the IBA's new structure, both NACVA and ValuSource have the ability to sell the IBA's business sales transactions database (over 30,000 transactions) to our own customer bases, greatly expanding the market beyond the IBA membership, thus benefiting all three organizations.

Having a voice in the operations and planning for the IBA's future, David Fein (ValuSource CEO) and I were recently asked by the IBA's Board of Governors (BOG) to talk about our vision for the IBA's future. (Thinking that some NACVA members might be interested too, I decided to make this my CEO's Message.)

To look to the future, one should first look at the past. The IBA has solid roots in the business valuation (BV) discipline, being the first BV organization in existence, starting in 1979. It was the first organization to train and designate practitioners in BV, and it possesses the oldest and largest database in the industry for comparable business sales transactions. The IBA was where many of us "old timers" were first introduced to BV, and the book Ray Miles (co-founder of the IBA, now 89 years old) wrote entitled, *Basic Business Appraisal*, was one of the first three books written on the subject. Essentially, the IBA is the icon for the valuation industry. And given the deep commitment to the valuation industry that both David Fein and I have, the opportunity to help bring new life to such a deeply rooted organization was a challenge that just had to be seized.

We have assembled an outstanding team: David Fein, CEO of ValuSource is now also IBA's CEO; Howard Lewis, former National Program Manager for Valuation Services for the Internal Revenue Service, is now IBA's Executive Director; I serve as an Advisor; we have a very well-qualified staff, plus a newly organized governance board. With this combined talent and experience, I believe we can take the IBA forward into a very viable and successful future.

When meeting with the BOG, they asked what our vision and goals were for the future. At the time, I responded that this had not been fully formulated because our focus over the past year had been on restructuring the IBA so that it will have the necessary foundation to position the organization for growth (i.e., an expanded board structure, new accounting system, operating procedures, staffing, website enhancements, etc.). And we have come a long way. Another key element was to transition their education logistics into NACVA's to gain economies of scale. Though there were some bumps along the way, this has been achieved, relieving the IBA of these administrative burdens. We accomplished this goal without NACVA having to hire even one additional staff member. Though there is more foundational work to be done, most of that is behind us, and we are now ready to look to the future.

The key to a successful future for the IBA will come by focusing on its strengths, as opposed to trying to compete with its competitors, one of whom has been NACVA. The IBA has many strengths; most noteworthy are:

1. It is the oldest BV organization and has among its ranks numerous, well-known and highly regarded, long-time members, many of whom are deeply devoted to its continuance, and many of whom are more than willing to offer their support, and have.
2. The IBA's transactions database is the largest in the industry and with it now being online, accessible 24/7, and with numerous planned enhancements on the way under the management of ValuSource, it will become the one and only premier comparables database for the BV industry.
3. The IBA has its roots in the business brokerage industry, which comprises a sizeable portion of its membership. Future plans include addressing and supporting the needs of business brokers at a greater level than in the past because they are a great asset to the Association, being the primary contributors to the database. Soon the IBA will publish a book by Toby Tatum entitled, *Pricing a Small Business for Sale: A Practical Guide for Business Owners, Buyers, and Their Advisors*, written with business brokers in mind. New training for business brokers is planned for the future, as well.
4. The IBA has three noteworthy credentials that are unique in the BV industry, and not necessarily competitive with NACVA's:
 - a. The CBA—Certified Business Appraiser, is not only the oldest BV credential but its credential holders are considered by many to have demonstrated not just proficiency in BV, but having subjected themselves to intensive peer review due to the extreme scrutiny given the two BV reports submitted to undergo this peer review process. (This is essentially a mentoring and coaching process, constituting the most valuable part of the IBA's education process for new members pursuing the CBA.)
 - b. The ABAR—Accredited in Business Appraisal Review, is relatively new but is attracting a lot of seasoned professionals looking to qualify and distinguish themselves as having skills that make them valuable as advisors to other valuers, attorneys, judges, mediators, and others where the keen and scrutinizing eyes of a valuator are required to punch holes in what otherwise might appear to be a fairly solid work product.
 - c. The BVAL—Business Valuator Accredited for Litigation does have some similarity to NACVA's CFFA in Financial Litigation track, with the distinction being the BVAL is more focused on defending one's valuation report, whereas the CFFA is more focused on working with attorneys and pretrial and courtroom skills in a wide array of matters concerning business damages.

Thus, going back to what the future holds for the IBA, it will certainly center on building upon its strengths, distinguishing itself from its competition, finding and filling voids within the markets it serves, and forming alliances such as that with NACVA, whereupon it can leverage its unique attributes.

I might add, a new benefit of membership in the IBA is if one is also a member of NACVA (and vice-versa), he or she will receive a 15% discount off training instead of the standard 10% discount. This applies to all training and webinars (but not the annual conference which is 10%), which for both organizations is held under the Consultants' Training Institute (CTI) umbrella.

Thank you.

Sincerely,

Parnell Black
—Parnell Black
Chief Executive Officer

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