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Dear Business Valuation Leader:


Over 160 firms responded to this edition of the survey. This is slightly fewer than the number responding to the last edition of this survey largely because we have seen a fair amount of firm consolidation and fewer solo practitioners participated.

The wealth of data here makes this survey the largest and most thorough analysis of business valuation, forensic, and litigation support (BVFLS) firm best practices in financial management, marketing, human resources and compensation, and professional and ownership standards that you will find anywhere. Data on over 330 BVFLS firm owners/partners and over 1,200 professional staff are included in the management and compensation sections.

The survey was conducted between September 2018 and October 2018. (Note: Any headings in the columns refer to the data collected for this, the 2017, 2011, and 2009 editions of BVR Firm Economics & Best Practices Guide but may pertain to the previous fiscal year, such as 2018 data for this edition of the guide.) All responses to the survey are anonymous. Our sincere thanks to all who participated!

We know these results will provide interesting reading about our profession, but we also hope that they lead to practice-enhancing comparisons and assistance with your business planning. The data are sorted in ways that should enhance your ability to quickly compare your own practice and highlight successes and areas for improvement.

If you did not receive a survey form this year and would like to be a part of future surveys, please contact us, and we’ll make sure you are included.

We have done our best to work through the responses we received and only include data that appear reasonable. Many respondents chose not to complete all parts of the survey or felt that certain questions were not applicable to their practices. For that reason, the sample size for each exhibit in the survey varies.

Again, thank you to the participants. We hope the data included in these pages lead to increased profits, growth, and enjoyment in the year to come. We look forward to hearing about ideas for improvement for the next edition!

Sincerely,

Sarah Andersen
Publisher
saraha@bvresources.com
2. General Firm Information

2.1 Years in the BVFLS profession

It is likely not news that the profession is maturing. Overall, the number of new practices offering BVFLS services peaked from 1996 to 2010, but nearly a quarter of our respondents started new practices after 2010, as shown in Exhibit 1.

<table>
<thead>
<tr>
<th>Five-Year Period</th>
<th>2018</th>
<th>2016</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior to 1975</td>
<td>1.9%</td>
<td>2.9%</td>
<td>5.1%</td>
</tr>
<tr>
<td>1976-1980</td>
<td>1.9%</td>
<td>5.3%</td>
<td>4.9%</td>
</tr>
<tr>
<td>1981-1985</td>
<td>9.9%</td>
<td>5.3%</td>
<td>8.5%</td>
</tr>
<tr>
<td>1986-1990</td>
<td>6.2%</td>
<td>14.0%</td>
<td>11.9%</td>
</tr>
<tr>
<td>1991-1995</td>
<td>8.1%</td>
<td>17.5%</td>
<td>11.9%</td>
</tr>
<tr>
<td>1996-2000</td>
<td>16.2%</td>
<td>17.0%</td>
<td>19.7%</td>
</tr>
<tr>
<td>2001-2005</td>
<td>15.5%</td>
<td>13.5%</td>
<td>19.7%</td>
</tr>
<tr>
<td>2006-2010</td>
<td>15.5%</td>
<td>11.1%</td>
<td>18.2%</td>
</tr>
<tr>
<td>2011-2015</td>
<td>12.4%</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2016-present</td>
<td>12.4%</td>
<td>13.5%</td>
<td>NA</td>
</tr>
</tbody>
</table>

This result, of course, could be partially influenced by the fact that newer BVFLS firms are less likely to be in BVR’s database and therefore may not have been surveyed, or—as risk and complexity increase—outsiders may be starting to recognize that it’s more difficult to get into the field than just hanging out a shingle. In any case, it’s a trend to monitor.
2.2 Job title of person completing the survey

The title of the individual responsible for submitting his or her firm’s data appears in Exhibit 2. Over 86% of those who submitted data were either owners or a senior professional within their firm.

<table>
<thead>
<tr>
<th>Exhibit 2. Who Submitted Data on Behalf of Your Firm?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Partner</td>
</tr>
<tr>
<td>Sole owner</td>
</tr>
<tr>
<td>Top BVFLS professional within a larger organization</td>
</tr>
<tr>
<td>Business manager/CFO/office manager</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

This is an unusually high percentage of participation by senior executives in a survey for any profession.

The most popular titles included in the “Other” category include:

- Vice president (2);
- Principal (3);
- Senior analyst/BV analyst (3);
- Manager/director (4); and
- Director (1).

2.3 BVFLS practice headquarters location

Respondents came from 40 states (Arkansas, Delaware, Hawaii, Maine, Michigan, New Mexico, Oklahoma, Rhode Island, Wisconsin, and Wyoming are not represented), five Canadian provinces, and 15 international non-Canadian countries, giving a wide representation from all regions, as shown in Exhibit 3.

<table>
<thead>
<tr>
<th>Exhibit 3. Where Is Your Firm’s Primary Headquarters?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Atlantic (including D.C., Del., Ky., Md., N.C., Pa., S.C., Tenn., Va., W.V.)</td>
</tr>
<tr>
<td>Central (including Iowa, Ill., Ind., Kan., Ohio, Mich., Mo., Neb.)</td>
</tr>
<tr>
<td>Southeast (including Fla., Ga., La.)</td>
</tr>
<tr>
<td>North Central (including Minn., N.D., S.D., Wisc.)</td>
</tr>
<tr>
<td>Northeast (including Conn., Mass., N.H., N.Y., N.J., R.I.)</td>
</tr>
<tr>
<td>Rocky Mountain (including Colo., Mont., Utah, Wyo.)</td>
</tr>
<tr>
<td>South (including Ala., Ark., Texas, Okla., Miss.)</td>
</tr>
<tr>
<td>Southwest (including Ariz., N.M., Nev.)</td>
</tr>
<tr>
<td>West and Northwest (including Alaska, Calif., Hawaii, Ore., Wash.)</td>
</tr>
<tr>
<td>Canada (all provinces)</td>
</tr>
<tr>
<td>International non-Canada</td>
</tr>
</tbody>
</table>
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