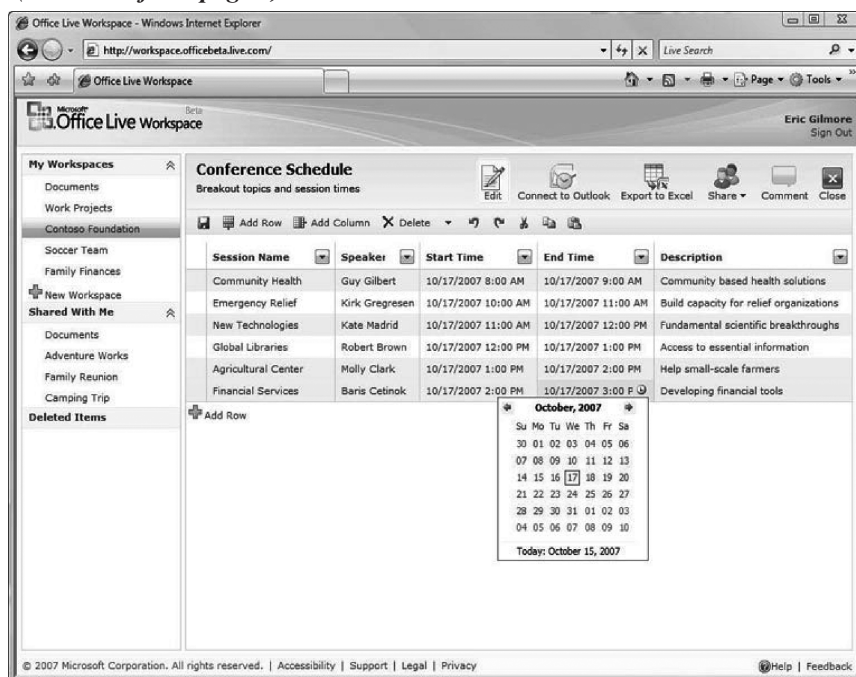## GOT OLW?
(continued from page 7)

Figure 4 A Workspace Event List

Office Live Workspace beta works with Office XP, Office 2003 and Office 2007. A download is offered for the Office Live add-in for easier integration with the Office suite. Installation of this Office add-in will install a new toolbar in Office XP and Office 2003, and new menu options in Office 2007. These additional tools will enable you to open OLW documents on your local computer or easily save them to your *Office Live Workspace* beta account.

In my field testing of *Office Live Workspace* beta, I did note that several file types were refused. The service will deny what it feels are executable files. This restriction can be overcome by renaming the file's extension. Also, Excel spreadsheets with complex formulas or macros do not present themselves in the usual manner when viewed within OLW. Any document, though, that you download to your personal computer performs exactly as it should.

Office Live Workspace beta is a solid and easy online document sharing tool. It encourages use of desktop applications that are already used on a daily basis in the workplace. This free service encourages co-workers, clients, friends and family to share documents in a password-protected environment. OLW is a solid first effort by Microsoft in the online productivity arena.

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PRODUCT REVIEW

Mergerstat®/BVR Control Premium Study™

REVIEWED BY: PAUL FRENCH, CPA/ABV, CVA, BVAL, CFE, CFFA, CDFA, CFD, CM&AA, CPIM, FCPA, CRFA, CMEA

Whether you are looking for information to quantify control premiums, determine a minority discount, or simply looking for comparable public transactions for valuation purposes; Mergerstat®/BVR Control Premium Study™ is a great place to find empirical support for your valuations, and minimize the need for subjectivity.

Per BVMarketData.com, as of early 2008, the database contains 6,090 total transactions in 674 SIC Codes. Over half of these transactions are included in the top 25 SIC Codes (most common). About fifty percent of the deals in the database have net sales less than $100 million. As of March 2008, approximately 57% of the Mergerstat®/BVR Control Premium Study™ represented U.S.

based companies, with the remainder being international companies.

The sources of the information used include SEC, government, regulatory filings and public announcements for merger and acquisition transactions, and are only included when a public target is being acquired.

MERGERSTAT®
(continued from page 8)

The Mergerstat Control Premium is computed by comparing the per share total consideration price for one share of the target company's common stock to the Mergerstat unaffected price. The pre-announcement price is selected by Mergerstat and based on volume and price fluctuations during the period prior to the acquisition announcement. The database also calculates control premiums for one day prior to the announcement, one week prior, one month prior and two months prior. As of March 2008, the database began automatically calculating the Implied Minority Discount for both individual transaction and for summary statistics on the search results page.

The database's user interface is very user friendly, and for most people should be quite self-explanatory. The interface offers various search criteria in order for the subscriber to be able to search as broadly or as narrowly as needed. The database offers the following searchable criteria:

- SIC Code and/or NAICS code
- Target Business Description
- Control Premium
- Implied Minority Discount
- Target Financial Data[1] (Net Sales, EBIT, EBITDA and TIC)
- Financial Performance Ratios (Operating Profit Margin, Net Profit Margin)
- Sales Details (Effective Date, Deal Value, Transaction Purpose)
- And any combination of search criteria

Once the search criteria have been selected, the database generates a summary table for all transactions that match the search criteria. This summary table includes the count, range, median, mean, and coefficient of variation for the Mergerstat Control Premium and Implied Minority Discount

(both of which are highlighted in yellow), LTM[2] Net Sales, LTM EBITDA, Deal Value and Date Effective of the selected transactions. The summary table also gives the count, range, median, mean, and coefficient of variation for the valuation multiples of Price/Sales, Price/Income, Price/Book Value, Target Invested Capital/EBIT, and Target Invested Capital/EBITDA.

Below the summary table is the list of the selected transactions that match the search criteria. For each selected transaction the Target SIC, Target Business Description, Effective Date, Acquired Shares, LTM Net Sales, EBITDA Cash Flow LTM, Deal Value, and the Mergerstat Control Premium are listed. The subscriber is able to click each individual transaction and find more information concerning this specific transaction such as specific premiums, Target Stock Prices, Sale Details, Target Financial Data, and Target Pricing Multiples. Once the subscriber has looked over the more specific data concerning each transaction, the subscriber may choose to eliminate certain transactions to fine tune the information to the engagement. The Mergerstat®/BVR Control Premium Study™ database makes this process quite simple.

The subscriber is able to eliminate any of the transactions from the transaction summary by deselecting those transactions which he or she deems unfit for comparison. After deselecting the transactions the subscriber would like eliminated, click the "Recalculate" button and the summary is then recreated including only the transactions chosen and not eliminated.

The subscriber is able to obtain a hardcopy of the transaction summary table with its list of transactions below in three different ways. There is a Printable Format option, an Excel Format option which exports the data into Excel (this option is not supported by the Mozilla FireFox web browser) or

an "Email To Me" option which sends the Excel file to your email address. The Printable Format maintains the format the subscriber sees on the webpage. A downside of choosing to export the information into Excel is that the transaction summary table does not get exported. Under the "Export to Excel" approach, only the individual transactions along with all of the detail the database contains on those specific transactions are exported. The upside to the Excel Format option is that you can manipulate the data and conduct statistical analysis in your spreadsheet.

Overall, the Mergerstat®/BVR Control Premium Study™ is quite easy to follow and use, and offers its subscribers a great deal of valuable information. The Mergerstat®/BVR Control Premium Study™ is available online at WWW.BVMARKET-DATA.COM for an unlimited use annual fee of $525.

Paul French's practice focuses on Forensic Accounting, Business Valuation, and Litigation Support. His testifying experience includes cases concerning damages, legal and business valuator malpractice, fraud, lost profits, business valuation, marital dissolution, shareholder oppression and other financial matters. He is a member of NACVA's Executive Advisory Board and is the Chairman of the Texas Society of CPA's statewide Business Valuation, Forensics and Litigation Services (BVFLS) Committee. Mr. French's practice is located in Plano, TX, a Dallas suburb, and he can be reached at 972-424-1133 or at paul@frenchcpa.com.

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1 "EBIT" – Earnings Before Interest & Taxes, "EBITDA" – Earnings Before Interest, Taxes, Depreciation & Amortization, "TIC" – Target Invested Capital

2 "LTM" – Last Twelve Months