



SOUTH WIND

Charter Granted 7 August 1961

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No. 2653
12th May 2017

Today's Topic: **"USA VS. CHINA IN ASIA"**
Professor Stephen Young

MEETINGS : EVERY FRIDAY AT NOON

BUSINESS VALUATION FOR DUMMIES RICK SMITH

By RTN Tim Cornwall

It is clear Rtn Rick Smith knows his topic as he led us through a quick, albeit thorough review of how to value, market and sell a non-traded business in his talk appropriately sub-titled, 'Positioning and Preparing Your Company for a Successful Exit.'

While he talked about traded companies, his emphasis on non-traded SMEs led to two main ideas, first that a business is only worth what a buyer is willing to pay and that a transaction only occurs when there is both a willing buyer and willing seller and what this really means, second, how to value a business not listed on a stock exchange.

In terms of valuing a non-traded company, Rick described the valuation method, Discounted Cash Flow (DCF), a calculation designed to estimate the attractiveness of an investment opportunity by using future free cash flow projections over a five-year period and then discounted over the five to arrive at a present value estimate.

The biggest problem with DCF, he countered, is that the analysis for smaller private companies is difficult as it requires accurately projecting future cash flows and setting the proper discount rate. Rick then built on this difficulty with examples from different industries, but summed up by suggesting that most buyers will discount the value of a non-traded company typically between 20-30% due to a lack of liquidity and as most non-traded businesses are usually smaller.



Having shown how to estimate the value of a business, Rick dealt with who might be a good buyer and why they might be interested including the premise that while you might be selling something you love, many buyers are simply looking for an opportunity to turn a profit on their investment/purchase.

In the third part of this talk, Rick reviewed the three basic stages involved in selling a business, Preparation Marketing – Negotiations – Documentation and Closing,

with a recurring theme, the need to conduct and be prepared to undergo a serious process of Due Diligence, defined as "... an investigation or audit of a potential investment to confirm all facts, such as reviewing all financial records, plus anything else deemed material."

This need to do due diligence before going to market to sell a business, he said, should not be overlooked or left to chance as the longer it takes from a buyer's first show of interest to the actual closing, the more danger something will happen and a deal will fall through resulting in the need to start over.

Summarizing his talk, Rick suggested the path to success is a) do your upfront work and clean up any problems in preparation for due diligence; b) run a proper private placement process to maximize competition, c) be realistic in your goals; d) hire qualified accounting, tax, finance services and finally, e) keep focused on running the business during the sales process.



P Krin exchanges banners with Victoria Rivera from San Rafael Evening Rotary, USA



PP Per, RTN Arie and PP Ole enjoy fellowship



PP Andrew and Guest Thomas Schmelter prepare for lunch



PP Banvetch and RTN Paul enjoy fellowship



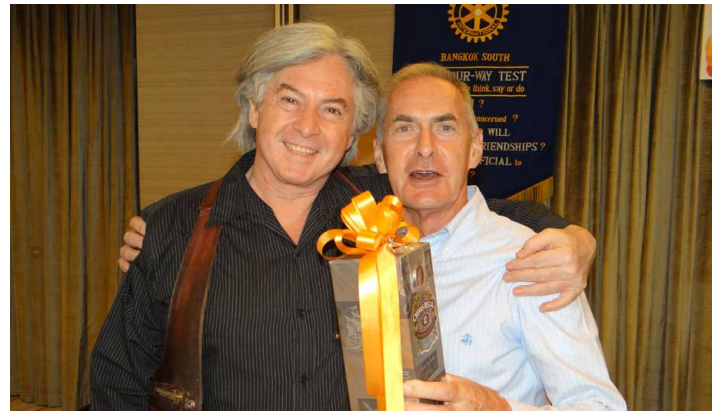
SAA Mark gives the thumbs-up to RTN John



RTN Carol offers a two fisted welcome to guests



PP Mark, P Krin and PP Don present a Certificate of Appreciation to Rick Smith



RTN Carol and PP John celebrate winning the Cosmos whisky

ROTARY COLLECTION BOX RAISES 3,100 BAHT IN FIVE MONTHS



Queen Victoria Pub
10/1 Sukhumvit Soi 23
Bangkok, 10110

Re: Queen Vic Rotary Charity Box Collection

Dear Brent and Queen Vic Staff

I would like to thank-you for the time, effort and support all of you have given over the past few months to help fill the Rotary Club of Bangkok South charity donation box in your pub.

The 3,100 Baht raised and now added to our Charity Funds, will help the club to continue to help those in our community who have special needs.

I would like to add that as the club and its members pay for all our own expenses to plan, implement and review all our charity projects, all 3,100 Baht will be going towards charity work.

I look forward to the next time your donation box is opened and counted and know we will share the same excitement as this time.

Thank-you for your support, it is very much appreciated.

Yours in Rotary

John Casella
Rotary Club of Bangkok South
Fund Raising Chair 2016-2017

Khun Khob's Club Almanac #2653

12 May 2017

Happy Birthdays:

Vitool Tantianunanont May 12
 M. Chase Schneier May 16
 Roy Howard May 17

Wedding Anniversary Greetings:

PP Maarten Worp May 18

Attendance for 5th May 2017: 58%

Present 34, Make-up 10, Absent 32, Exemption 32, Total 108

Visiting for 5th May 2017

From Local

None

From Abroad:

David Raybin RC San Rafael Evening, USA
 Victoria Riuera RC San Rafael Evening, USA

Invited Guests:

Chris Venvell
 Jason Goldstein
 Thomas Schmelter

Introduced by:

Rick Smith
 Rick Smith
 PP Andrew MacPherson

Recent Makeups:

RC DACH, 26th April 2017 & 3rd May 2017: PDG Alex Mavro
RC Bangkok, 4th May 2017: Gerard Garaets

Makeups:

2017-18 District Training Assembly and DG Installation, 29th April 2017: PDG Alex Mavro, PE Jon Plate, PP Per Dibber, PP Peter-Michael Schuster, Prasert Mangkornkarn

Membership, 3rd May 2017: PDG Alex Mavro, Dana Caron, PP Don Lavoie, PE Jon Plate, P Krin Charnmaytesakul, PP Mark Butters, PP Michael Schulz, IPP Narain Suradejvibul, PP Ole Madsen, Rod Vergaram Rui Belo

Incoming Admin, 4th May 2017: Alastair Timblick, Dana Caron, PP Don Lavoie, PP Mark Butters, Mike Ellis

CLUB CALENDAR

Thursday, 18th May 2017 – RCBS New Members' Night at Roadhouse BBQ at 18.00 – 21.00 hrs. THB 650 Net (Food and free flow drinks). Potential New Member are free. Book with Khun Khob now, please.

Friday, 19th May 2017 – Club Assembly at 11 am, followed by a regular lunch. Cooking Contest – LADIES DAY – Bangkok South's best Cooking Contest by PP. Eddie who challenges some of our members to unleash their creativity. Just basic cooking? More of a talent? Or Michelin rated? You be the judge – or a competitor – in our cooking party that promises to be enjoyably delicious

Friday, 26th May 2017 – Andrew Biggs on – "Learning Thai" – our speaker will provide us with a humorous look at how foreigners cope with learning the Thai language.

Friday, 2nd June 2017 – Wuttiphol Wanglee on The State of the Rice Business in Thailand – The rice business has one annoying by-product: rice. Which makes it complicated. How is the classic rice business model evolving after the Shinawatras? Wuttiphol Wanglee – from a family of rice traders – brings us news from a sector that fills plates, stomachs and some pockets.

Friday, 9th June 2017 – TBC

Friday, 16th June 2017 – TBC

Friday, 23rd June 2017 Fellowship – P. Ken's Farewell Party – LADIES DAY – Countdown to the day of relief when P. Ken will have survived, and so will have our Club. Hard to believe that it soon is time to say farewell to President Ken, at a fellowship luncheon at Charcoal Restaurant in Soi 11 Sukhumvit owned by Rohit Sachdev.

For more information about Bangkok South events contact:
rotarybangkoksouth.org/calendar-of-events

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