



Project Valuations

By: Christopher Knight Lopez, [MPM®](#) [AAPM GA®](#) [AFA®](#)

How We Help You

Knight Advisory has board certified personnel by the American Academy of Project Management (AAPM) and the International Project Management Commission (IPMC). Our list of competencies include: Master Project Managers (MPM), Certified International Project Managers (CIPM), and Certified Project Portfolio Managers (CPPM) to name a few.

In our scope of finance we have Financial Industry Regulatory Authority (FINRA) recognized personnel who hold distinct international accreditations in finance. Among the international accreditors are the American Academy of Financial Management (AAFM), Global Academy of Financial Management (GAFM), Arab Academy of Banking and Financial Sciences (AABFS), & UAE Government Securities Regulators to name a few. We have personnel who hold an Accredited Financial Analyst (AFA) designation, and Master Financial Planner (MFP). We also hold on staff personnel who have passed Series 65 examinations. We are anticipating sponsoring a member to take their CPPM and look to offer that as an additional resource next year.

Three Distinct Goals we focus on with our Valuations

1) Minimize Pre Investment Negotiations

a. Item one focuses on generating a Company Value before you make any of the following: 1) Revenue, 2) Sales, and 3) Profit. If you are a market based concept or an "idea" you need to show investors you are worth something. You cannot put together a project and "pitch" your own value. This is called "bias". We look to offer "true third party" opinions. The investor in your project now has a third party opinion.

2) Provide Measurable Value

a. Item two focuses on making measurable deliverables. At KAP we believe a milestone made is a milestone earned. Our Valuations follow the same concept for Project Management Contracts. We tie to the delivery of product for payment. We do not arbitrarily charge for items "before" they happen. We understand businesses need to do "Cost Benefit Analysis". A dollar spent means a dollar earned. At KAP we are sensitive to this concept and build our proposal around performance for valuations too. We take half now and half at completion. If the product doesn't measure up we don't earn our other half.

3) Provide Accountability.

a. Item three is the primary focus. We provide a qualified metric of accountability. Having professionally accredited project managers means you're covered. We select third party insurance providers to cover our work. What separates us from "Consultants" is the ability to have a third party reimburse you for damages caused in error. No more chasing people down to get reimbursed on clear errors. We are accountable to our actions.

Special Issue Brief

12 September 2018

IN THIS ISSUE – KAP 3rd Qtr Valuation garnishes 1.0mm Licensing Fee for Biotech



Profile, Goals & Dues

We are focused on providing a cost free solution to the State Department / City Departments that increases revenues while not burdening it with resources or costs.

Page 1



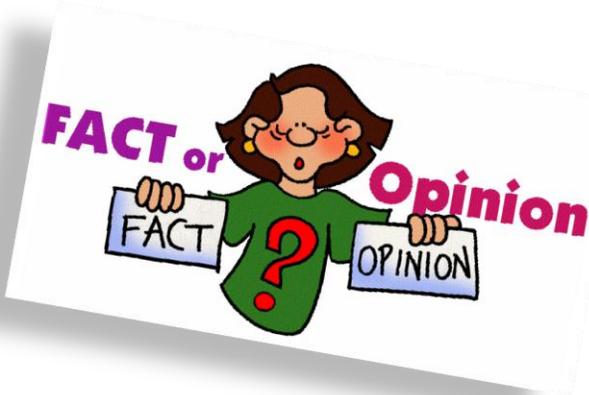
Unique Focus Profile

Knight Advisory works to offer superior product options that are "built to suit".

Page 2

Value Performance

The valuation KAP staff completed successfully realized a 1mm Licensing Fee for a Pre-Revenue Biotech this quarter! *This places KAP above its 1mm revenue goal set for 2018 for its pre-revenue valuations!*



Disadvantages of other Options

The conventional process deals with finding a consultant on retainer who will charge you to “Understand”. There is also an excessive screening process, a timely debate on whether you will receive real value, and then the matter of correctly appropriating funds for something you don’t know.

Transparency is at the focus of everything. We do not charge you to “understand”. Most firms will ask for retainers up front before they dive into your process.

We focus on providing a subject matter expert (SME) who has tangible experience. We believe that any master of their craft has the capacity to quickly assess your situation. While we will not author a comprehensive “Statement of Work” with a “Project Charter” for no cost; our Case Study will quickly dive into a formal approach. The approach is concise, detailed, and clearly lets you know what we can do. If we cannot perform according to your project you know quickly. Time wasted is money wasted.

Our Value Approach

By: Christopher Lopez [MPM®](#) [AAPM GA®](#) [AFA®](#)

Although the details of how to approach a project vary significantly from country to country, the approach to value is the same:

- **Market:** Knight will review the market acceptance of a project. From concluding the market acceptance Knight will value industry footprint, scale of market share, and even a public listing value. If you are a technology based enterprise the Market Value is your strongest category.
- **Assets:** The Asset approach analyzes what tangible assets you will acquire and what you currently have. If you are a real estate based enterprise the Asset Value is your strongest category.
- **Income:** We model financial projections and look at your current income. For service based enterprises that hold no assets and develop no technology income is a must. We will model out an acceptable income projection reflective of certain assumptions. This will instill confidence in your project stakeholders.
- **Weighted Average:** The overall value is subject to a blend of Market, Assets, and Income. Giving categories an equal stake is conservative. Sometimes you can lean towards a category that will have your business accurately capture its value. By having an AFA certified valuator we can redistribute the weighted average without looking like we are “skewing” your numbers.

What really happened?

The Client needed to justify the value of their project. In the process of negotiating with investors they could not agree on what the value was. The investors thought the numbers were inflated and the client thought their numbers were conservative. KAP took a methodical approach, which was well researched, to give the client the best possible value. The Value was higher than the investors’ opinion but not as high as the client thought. Both parties felt they received a fair value and now the future project is not subject to speculation.



Questions on the Process

By: Christopher Knight Lopez [MPM®](#) [AAPM GA®](#) [AFA®](#)

Email: work.request@knight-planning.com

- **Is the Valuation approach different for Public Private Partnership (P3) files?** No. We take the same approach. We use the same methodology which is certified project management approaches to justify market value. All projects must justify value regardless of P3 status or not.
- **How do we know we can rely upon your numbers?** Our AFA valuator has successfully obtained third party valuations with top accounting firms such as Grant Thornton. The valuator selected will have private equity valuation experience in excess of 300mm USD and 1bn in Debt Securities. While we cannot guarantee the value of a company we can guarantee the approach we take will be fundamentally accepted as a “valid approach”. Securities with no public market are always difficult to value and there is no guarantee without a purchase history. Despite this limitation our staff valuations have resulted in our clients obtaining over 100mm USD in third party investment commitments throughout the past 10 years.
- **Is there some kind of coverage for your work?** Yes. The capital is invested for our services are held under E&O Coverage with our Project Managers. We are limited up to 1mm USD per occurrence. Our service cost never goes over our E&O Coverage. If we display gross negligence in our duties you can be reimbursed for payments to us due to our negligence.
- **How do we know your valuation approach will work for our industry?** We are experts in determining valuations and modeling the financial impact of our activities. Our approach is strictly determined on financial impact for a “Dollar Spent” equals a “Dollar Earned”. We are not subject matters on construction, engineering, science or other highly technical practitioners. We understand how to translate technical activities into value. Regardless of your industry you need to justify “value”. We have experience in this arena across multiple industries.