

Valuation In Practice: executive summary

Introduction

Valuations frequently underpin transactions and disputes. However, little is known about how valuations are used by lawyers for commercial and litigation work. This study sheds light on how lawyers use valuations, what they value, how important they are and how valuation providers could improve. Over 50 lawyers responded to the survey, from over 40 major UK firms.

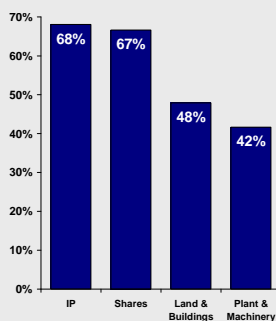
Key findings

- **IP** is the business asset that is **valued most frequently**, as seen by **68%** of lawyers.
- Over **50%** of lawyers found **each component service** expert valuers provide either **useful** or **very useful**.
- **98%** of lawyers find **valuations significant** or **very significant** to disputes.
- **65%** of lawyers think IP will become even more significant to disputes.
- **Goodwill** is the **most frequently valued** form of IP yet the **least understood** and least valued by a specialist firm.
- **54%** is the average typical **claim recovery** as seen by lawyers.
- **Disputes** use valuations **61%** less than non-contentious matters.

The three areas of research:

1. Valuations in context

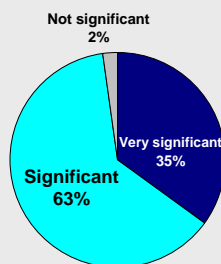
Which assets are valued most frequently?



- IP is seen to be valued most frequently.
- Goodwill is most frequently seen valued.
- Specialist valuers are most frequently used.
- Accountants dominate business & share valuations.

2. Use of valuations

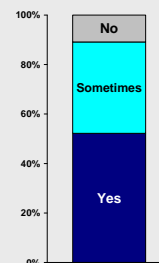
How significant are valuations to disputes?



- 98% of lawyers find valuations significant for disputes.
- 65% think the use of IP expert witnesses will increase.
- All lawyers thought the use of valuations will increase.
- Valuations for M&A are seen most frequently.

3. Valuation services

Do you receive adequate support from valuers?



- 52% of lawyers are satisfied with the valuers' service.
- The valuation itself is the most useful service.
- Industry knowledge requires the most improvement.
- Market research is the least useful service provided.

Conclusion

A number of positive elements are highlighted as well as some areas for opportunity and improvement. The dominance of IP in disputes and non-contentious issues stands out – and is also an issue that is set to increase.

