Introduction

The Business Valuation Review ("BVR") has been officially published by the Business Valuation Committee of the American Society of Appraisers since March 1982. It is a quarterly publication that has a regular circulation of several thousand. The BVR was the first publication geared to promoting the intellectual development of our fledgling profession of business appraisal.

I published more than a dozen articles for the BVR between 1988 and 2008. Publishing in the BVR was an important element in establishing me in the business appraisal profession.

Because of my consistent publications in BVR over a number of years, I was asked to write an article, “Writing for the Business Valuation Review,” that was published in 1998. Roger Grabowski, our esteemed editor, remembered the 1988 article and asked me to write a current update.

This article is written to give future contributors to the BVR guidance, based on my writing experiences over more than 30 years, regarding writing articles for this professional publication. As you may know, the BVR has an Editorial Review Board composed of several experienced business appraisers. Articles are approved on a “double blind” basis. In other words, two members of the Editorial Review Board read and comment on article submissions on a “blind” basis, i.e., with the author(s)’ name(s) removed. The purpose of this procedure is to assure the highest possible quality for articles that are published.

Many business appraisers use publishing as a means of building their businesses. Business building articles can be written for industry publications, local and regional publications, and various publications directed to lawyers, accountants, financial planners, and other relevant groups.

When we write for the BVR, however, we are writing for our fellow business valuation professionals. The standard of writing for the BVR, then, is elevated relative to the more marketing-oriented articles written for other publications. In writing for the BVR, we should be seeking to educate the profession. We do so by the merits of our arguments combined with the weight of the evidence that supports those arguments.

Types of Articles

There are several types of articles that may be of interest to readers of the Business Valuation Review.

Addressing a controversy. Controversy is defined as “a discussion marked especially by the expression of opposing views.” If an article addresses a controversy, it should begin with a general statement of the controversial topic and then outline the opposing points of view. Then, the remainder of the article can elaborate on the particular point of view that is being advanced. Too often, writers are so excited about their particular viewpoint that they forget that there is another that others consider relevant. Consider this formula for addressing a controversy:

- Specify the controversy
- Cite the sources of the controversy and previous publications dealing with the issue
- Summarize the opposing views on the issue, and only then,
- Resolve the issue by concluding for one side of the argument or the other
- An alternative to this treatment would be to show that there are elements of truth to both arguments
that can be synthesized by the author’s observations or conclusions.

When addressing a controversy, writers must “prove” their points in a logical way. The simple assertion that one is right, absent appropriate treatment of the controversy, is inadequate and, frankly, irritating to reviewers and readers.

**Advancing a “new” idea.** There are very few “new,” or at least totally new ideas. For example, I thought that my idea for the Quantitative Marketability Discount Model (QMDM), which is a shareholder-level discounted cash flow model, was new when I started writing about it in 1995 and developed the methodology independently. However, I discovered that Peter Lindquist and John Harper had written an article advancing a quantitative methodology for valuing minority interests in 1983. The Lindquist/Harper paper was a legitimate intellectual predecessor to the QMDM, and so I cited this article in my book, *Quantifying Marketability Discounts* (1997). So, while there may be very few “new” ideas, you can contribute to existing theory in a manner similar to that previously described.

**Providing results of original research.** Reporting on original research that provides insight into interesting valuation issues can provide the basis for good articles. Two elements are critical for such articles:

- **Specify the research protocol.** An example from typical valuation practice is illustrative. When we employ the guideline public company method to develop a group of guideline public companies, it is necessary to specify the screens that were employed, e.g., industry, size, operating characteristics, and any others, that yield the final group used in an appraisal. Whatever the original research is, it should be clearly specified. A reader should, for example, be able to replicate the results of research based on the specification provided in an article.

- **Provide the results of the research in sufficient detail that readers can make informed judgments about them.**

An article that is the end product of original research, but the research protocol is not sufficiently specified to enable the reader to understand, interpret, or replicate the research is not a good article. Articles of this nature often provide only a summary table that supports the author’s position or interpretation of a more detailed research project that is not provided.

Too many authors think that they can keep their research private and still publish an article. When using original research as the basis for an article, it is appropriate to specify the research protocol to the point that it can be replicated. Only then can both the author and the reader be assured that the inferences or conclusions drawn from the research are valid. At the very least, a sufficient amount of organized data should be presented to enable the reader to draw the same inferences or conclusions. Life and business are not zero-sum games. We gain more by contributing to the expanding knowledge in our field than we ever will by holding back.

**Surveying previous topics or research.** Often, reading an article or series of articles about a topic that has been previously treated in the BVR, available valuation texts, or in other publications, can be the impetus for a survey article. When writing a survey article, it is necessary to review the previous literature on the subject in some depth. This kind of review can be helpful to fellow business appraisers by putting results of several articles treating the same topic into a single article. Whether controversial or not, it is helpful to point out differing approaches or views of a chosen topic. Writers of such articles are then in a position to make a recommendation based on the results of the survey or to extend the topic in a logical fashion.

**Personal Examples**

In my previous articles for the *Business Valuation Review* and in my writing generally, I have used a number of techniques similar to the broad outlines above. Perhaps specific examples will be helpful to further illustrate how one can write useful articles for the BVR. The articles cited below may seem dated now, but they are certainly illustrative. Consider four examples.

**A Response to an Earlier Article.** In March 1988, John Emory, ASA, wrote an article entitled “Random
Observations Regarding Financial Valuations from 20 Years of Active Experience” (Length: 2 pages). I followed the Emory article with my first submission to the BVR, “Not So Random Thoughts Regarding the Business of Business Appraisal,” in June 1988 (Length: 2 pages). Both articles distilled a great amount of valuation and business experience into some rather timeless observations that are still relevant some 25 years later. I was asked to write a similar article for the ASA BV E-Letter in 2004 (Not So Random Thoughts on the Business of Business Valuation 2004 Edition).

**Recommending a Specific Methodology.** In December 1988, I wrote a short article that suggested the need for appraisers to compare their conclusions and methodologies in recurring appraisals. Published as a Letter to the Editor, it carried the title, “Issues in Recurring Valuations: Methodological Comparisons from Year-to-Year” (Length: 3 pages). This article was written to amplify the point made in an earlier article by Jeffrey P. Wright, ASA, entitled “Tracking a Company's ESOP Value,” which appeared in September 1988 (Length: 2 pages).

The combination of the two articles provided a short but powerful message to appraisers dealing with multi-year appraisals (e.g., ESOPs or gift tax appraisals). There are many other opportunities for helpful articles treating the application of specific valuation methodologies for particular valuation issues.

**A Synthesis and Extension of Earlier Work to Yield a Clarified Methodology.** The so-called “build-up” method of developing capitalization rates based on the Capital Asset Pricing Model is in general use today. Much has been written on the topic of developing discount rates, and much will continue to be written. However, in 1989, there was not a single article or book reference that dealt clearly with the components of the so-called build-up method. In December 1989, I wrote an article called “The Adjusted Capital Asset Pricing Model for Developing Capitalization Rates: An Extension of Previous 'Build-Up' Methodologies Based Upon the Capital Asset Pricing Model” (Length: 10 pages).

Today, we see controversies regarding each of the components of the build-up method. The Pratt/Grabowski text, Cost of Capital, is in its 4th edition, and each of the components of the build-up method has been the topic of controversy. However, in 1989, the individual components had not been clearly specified in any then-published valuation text or article. Interestingly, that article put me immediately on the business valuation speaking circuit. If you write about something that interesting or controversial in a convincing way, others will want to hear what you have to say about it. There are, of course, many other areas calling for a similar synthesis and/or extension.

**Addressing a Specific Theoretical Issue.** Many years ago, while serving as Vice Chairman of the ASA's International Board of Examiners for Business Valuation, there was a significant debate over the applicability of a so-called “marketability discount” that might be applicable to controlling interests in companies. To address that issue, I wrote a position paper in the form of a BVR article in June 1994 titled “Should ‘Marketability Discounts’ be Applied to Controlling Interests of Private Companies?” (Length: 11 pages).

Interestingly, I do not believe that the thesis advanced in that article – that there is no theoretical basis for applying a “marketability discount” to controlling interests in companies – has been refuted to date. The article also noted that there is no justifiable basis for the use of averages of restricted stock studies based on transactions in minority interests of public companies as a basis for a “marketability discount” applicable to controlling interests.

Nevertheless, I have heard the results of informal surveys of appraisers taken at various conferences on webinars that suggest that many appraisers still use this nebulous, unspecified discount in their practices. Does this topic present an opportunity for you?

There are many theoretical issues that are worthy of treatment in BVR articles. To write such articles, however, authors must be willing to take public positions on important valuation issues. With that article “out there” since 1994, I can't, for example, quietly take a “marketability discount” on a controlling interest without justification. The rationale for valuing a controlling interest must lie, at least for me, in a thorough
analysis of the expected cash flows (and their expected growth) and in the risks associated with the expected receipt of those cash flows in the future.

**Basic Things to Do or to Avoid**

I served on the Editorial Review Board of the *Business Valuation Review* for many years, and I have served on the review boards of other publications, as well. Let me offer a few suggestions of things to do and to avoid.

*Edit your article.* Well-written and sharply edited articles, assuming appropriate subject matter, have the best chances for acceptance. A surprising number of article submissions are internally inconsistent, promise to treat a topic that is omitted, or just do not flow from thesis to conclusion.

Never submit the first draft of an article for publication. It is a good idea to have one of your fellow professionals, either at your firm or at another firm, read the article and provide significant editorial suggestions. Take the time to consider their comments and incorporate those most relevant for additions, deletions, or clarifications. It takes many hours to write a good article. The steps along the way include conceptualizing, researching, drafting, redrafting and redrafting. It is always a good idea to sit on a draft for a few days (or weeks) and then to review it again (and again). You will catch most of the remaining issues and can fix them yourself.

*Proof read your article.* I am making a distinction between editing, which addresses subject matter, logic, consistency and content, and proof reading. It is frustrating to review a submission that is full of typographical errors, illogical sentence structures, and the like.

*Cite all appropriate sources.* This suggestion flows from the above discussion of types of articles. If you are writing on a topic, it is appropriate for you to do thorough research to find out what has been written on your topic. We don’t write in a vacuum.

*Avoid personal attacks.* Do not make personal attacks on others in the guise of writing about their previous writings. It is unprofessional and lowers, rather than elevates, our profession.

Let me provide a concrete example of how to avoid personal attacks. I am frequently a review appraiser of the reports of other appraisers. When I review the report of Mr. Jones, for example, I consistently refer to the individual aspects of “the Jones Report” rather than referring directly to the opinions of Mr. Jones. The Jones Report speaks for itself.

Since Roger Grabowski has given me this forum, I’ll make a broader comment. It is distressing to me to see disrespect and personal attacks in public comments in the various forums on LinkedIn and elsewhere. I have ceased to participate there because of such disrespectful and personal attacks on me and on others. Just don’t do it. We grow as a profession by building up rather than tearing down. And know this, if you can’t win an argument with respect, you will absolutely lose it by showing disrespect.

*Write with a coauthor.* Writing can be a lonely thing. If you find a colleague with a kindred intellectual spirit, work with him or her to develop a topic and write an article. You may have a senior in your firm who is knowledgeable but does not have a great deal of time. Discuss coauthoring an article with him or her. You may find that by working together, you can develop good content more quickly.

I got my start in professional writing in 1976 when the CEO of First Tennessee National Corporation received a letter asking him to write a chapter for a banking book. The letter ended up on my desk somehow. I went to him and asked if he would allow me to write a chapter and be his coauthor. He agreed, subject to his being able to review it and make suggestions. I wrote the chapter, he reviewed it and made some good suggestions, and I finished it. I’ve been writing ever since, and often with coauthors.

There is little or no difference in the resume value of a coauthored article and one that you wrote yourself.
Conclusion

This article has provided some thoughts and insights into what might constitute an appropriate article for the BVR and what constitutes an article worthy of publication in a journal designed to educate fellow professionals.

In conclusion, Roger Grabowski asked me to write this article to help encourage the BVR readership, especially younger professionals, to develop and submit articles that are of educational and/or training value to valuation professionals. There are enormous benefits to those who take the time to sharpen their skills and refine their thinking on a subject in the form of an article.

The benefits to the business appraisal profession should be apparent. Reputations are built and enhanced by those who contribute to our collective professional education. In addition, authors tackling controversial or topical issues are often asked to speak at the national and regional conferences of the ASA, the IBA, AICPA, NACVA, and other professional groups. One of the prerequisites of being asked to speak is being perceived as having something worthwhile to say.

Substantive articles in the BVR are one way to develop that perception for younger appraisers. For some of us who have been around a bit longer, sharing our knowledge falls into the category of professional responsibility.

The editorial policy for submissions is found online at http://www.appraisers.org/bvhome/bvrlibrary/bvreviews_submission.aspx.

Your contributions are encouraged and will be welcomed.

—Z. Christopher Mercer, ASA, CFA, ABAR, Chief Executive Officer, Mercer Capital