

## FVG's 3–Minute Briefing on:

# Software Company Value Enhancers

What are the characteristics of a software company that will give it greater value? Through our research of industry literature and our own experience, we have compiled a list of the characteristics most commonly considered to be software company value enhancers. Many people prefer to call them value drivers.

These characteristics are listed below (those in bold are generally considered to be the ones having the greatest influence on a company's value).

- Product oriented value enhancers
  - Research budget
  - **Documentation**
  - **Experienced R&D team**
  - Patents/copyrights
  - Technology
  - **User base**
  
- Sales and marketing oriented value enhancers
  - Pricing support
  - **Distribution channels**
  - Competition
  - Replicable sales process
  - **Growth in size of market place**
  - **Sales growth rate of company**
  - Marketing alliances
  
- Finance/economics oriented value enhancers
  - Business model
  - Record keeping
  - **Company position in market place**
  - Ownership structure
  - Accounting policies
  - Profit margins
  
- Management oriented value enhancers
  - Communicable vision
  - Experienced management team
  - Planning process implemented
  - Firm appropriately staffed

