



# Multi-discipline Engagements

Best practices for leading & managing multi-discipline valuation teams

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# Speaker Biography



## **Robert Tinnell** **Managing Partner**

Robert has over fourteen years of valuation and financial advisory experience between his time with a Big 4 firm and Tall Oaks Partners.

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Robert advises public and private clients on a myriad of financial and technical matters across multiple industries, with a focus on the energy, materials, consumer, and industrials sectors.

Specific industries and segments he serves include oil and gas, commercial and professional services, information technology, consumer products and services, and engineering and construction. His assignments include business valuation studies, the valuation of debt and equity instruments, discount and premium studies, as well as board advisory and financial modeling.

Robert is a Chartered Financial Analyst (CFA) and holds a Master of Business Administration degree from Rice University in Houston, TX and a Bachelor of Business Administration degree from the University of Texas at Austin.

Robert is also a Board member of the non-profit Family Houston and is active within his community. Outside of work he enjoys spending time with his wife and three daughters and can often be found at the volleyball gym watching his daughters compete.

# Agenda

- Define terminology
- Scoping and planning for a multi-discipline engagement
- Project management skills and considerations
- Using subcontractors
- Lessons learned

# The Fine Print

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The information and examples within are presented as instructional material. The reader is advised to use caution if extrapolating general comments to apply to issues with specific facts and circumstances.

# Who's in the Room?

In what discipline(s) do you primarily work?

How many years of experience do you have?

Have you ever worked on a multi-discipline engagement before?

# Define Terminology

## Multi-discipline appraisal

An appraisal involving differing types of assets, potentially located in multiple locations, requiring asset specific valuation skills.

## Scoping document

Defines the business need and the expected outcome of the project, as well as the boundaries of the project and constraints that may limit a project team's procedures. Lists assumptions regarding the scope and assets. Identifies stakeholders with which the project team will interface.<sup>1</sup>

## Project plan

Defines project goals and objectives, specifies tasks and how goals will be achieved, identifies what resources will be needed and associated budgets and timelines for completion. A project plan defines all work in a project and identifies who will do it.<sup>2</sup>

(1) Based on information from [www.northeastern.edu/graduate/blog/develop-project-scope-statement](http://www.northeastern.edu/graduate/blog/develop-project-scope-statement) accessed on March 31, 2022.

(2) Based on information from [www.uplandsoftware.com/psa/resources/glossary/project-plan](http://www.uplandsoftware.com/psa/resources/glossary/project-plan) accessed on April 1, 2022.

# Multi-Discipline Appraisal Example

## *Scenario:*

US conglomerate acquires a privately-owned manufacturing company with locations in multiple countries for \$500 million with a \$50 million earn-out/contingent consideration.

### **What assets were acquired? Liabilities assumed?**

- Working capital
- Land & buildings
- Machinery & equipment
- Intangible assets
- Debt
- Earn-out

### **Are there any specialty items to consider?**

- Private jet
- Paintings by famous artists

### **How is the transaction/company structured?**

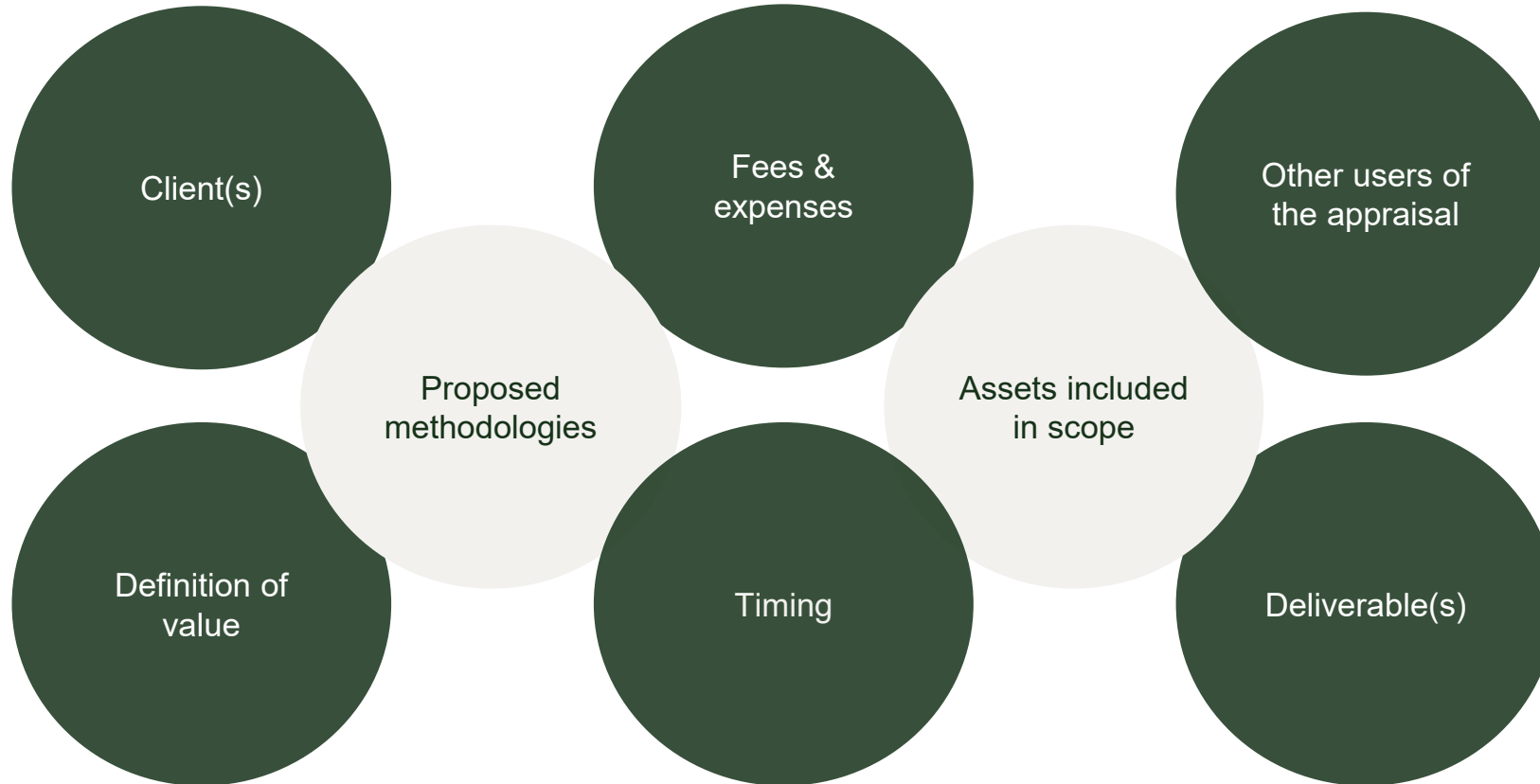
- Business combination for financial reporting and tax purposes
- Multiple reporting units organized by geography

# Typical Assignment





# Preparing the Scope and Engagement Letter



# Planning the Engagement



## *Key Point*

The skills required to manage a multi-discipline engagement are quite different than those required to do a credible appraisal!

# Using Subcontractors

## Reasons to Use Subcontractors

- Overflow or scaling-up
- Specialty assets or skills
- Outside Expertise
  - Economist
  - Industry Specialist
- Geographic considerations
  - Tax jurisdictions
  - Licensing and local data requirements
  - Logistics

## When using a subcontractor

- Same terms apply to subcontractors as the engaging valuation provider
- Preferably an existing relationship or vested interest in successful engagement
- Establish primary points of contact subcontractors
- Define deliverables and templates for efficiency and consistency

What do you think the most important skills are for managing a multi-discipline engagement?

# Project Management Skills & Traits



**What are some of the biggest pitfalls of a multi-discipline engagement?**

# Managing a Project

## Clearly define the scope

- Scoping document
- Assumptions and limitations
- Approaches and methodologies

## Define deliverables

- Schedules followed by narrative report
- Consolidated deliverable or separate
- Consistent structure/level of detail

## Write a project plan

- Refer to defined terms

## Client communications

- Prepare internal and external status reports/checkpoints
- Centralize/coordinate client communications

## Develop a timeline

- Gantt Chart/flow diagram
- Milestones & delivery dates
- Manager/auditor reviews

## Staff management

- Accountability
- Staff oversight and communication protocols
- Frequent communication

The larger the project, the greater the need to document your plan and approach for management of the project.

# Lessons Learned

- Scope, scope, and more scope
- Importance of communication
- Know who you're working with....the good and the bad
- Prioritize the client experience
- Be ready for the unexpected



# Questions

# RFT Notes to Address

- Make sure they know industry and have experience with that type of analysis/purpose
- Consistent deliverable, same form/template and level of detail. Synthesize deliverable.
- Sole proprietors - Scaling up
- One project and multiple RE due to geography or licensing. Or BV due to geography.
- What should subcontractor agreement include? That is legal advice.
- Wish I had known - Communication and know your people. Make sure they're happy with fee so they will see it through.