

Rethinking your end-to-end valuations process through technology

Say goodbye to spreadsheets and
level up your valuation quality



Valuation Insights

A PwC Product

Faster and more efficient valuation is often more than a necessity; it's a highly sought-after capability. Internal and external stakeholders—like your valuation committee, investors, auditors and regulators—often want to understand value quickly and confidently. However, preparing valuations can be a time-consuming and potentially an error-prone task, especially when many companies rely heavily on manual efforts like spreadsheets.

According to PwC's Asset & Wealth Management Benchmarking Insights, as many as 84% of private equity firms still use spreadsheets as their main tool for valuation calculations. On average, more than half of these firms take three weeks or longer to finalize valuations when using spreadsheets.

But with shifting markets, evolving regulations and the growing demand for more flexible reporting, many companies are seeking new solutions to help improve the speed and efficiency of their valuations so they can better meet today's needs.

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How automation and data centralization are reshaping the valuation process

Numerous firms are streamlining their end-to-end valuation process through emerging technology that can integrate with their existing templates. For decades, companies have grappled with fragmented systems and the burden of manual data collection from disparate sources. Now they can enable seamless integration with existing systems and data sources, providing a new level of efficiency and sophistication in data gathering and utilization.

Through automated capabilities, firms can help enhance the quality of their valuations and create a consistent way to develop and update their models. And with their data in one place, they can facilitate single-click reporting and see data visualizations to help gain greater insights into their portfolios.



Solving the top three challenges of valuations through technology

Here is how the right technology can help solve some of the biggest challenges and risks of a spreadsheet-driven valuation process:

Scalability

The industry is experiencing substantial growth as investors continue to allocate more capital to investing in private capital. Their portfolios expand and numerous firms strive to keep pace with this growth while adhering to their existing reporting timeframes. Additionally, many are venturing into listed retail funds which require faster and more frequent reporting. Valuation leaders are challenged with how to scale up their valuation process and reporting capabilities in a way that can help meet stakeholders' needs—without adding significant costs.

Solution: Get an end-to-end solution that can give you the ability to scale without adding additional resources. Through a consistent and automated workflow, you can do more, more efficiently with more investments. It is also likely that you won't need to recreate the process for every valuation period as valuations can be rolled forward to future periods or refreshed for changes in market data at the click of a button.





Transparency

In recent years, there has been an increased focus from regulators on whether management has an adequate level of support for the inputs and assumptions used in its valuation models. That's why it is often critical to have a standardized and formally documented process with clear documentation summarizing the investment valuation approaches applied along with commentary on selected key assumptions. However, spreadsheet-based valuation processes have made it historically difficult to provide sufficient transparency into how valuations were derived.

Solution: Leverage a platform with an audit trail designed to help direct the preparer's attention to the more critical and subjective elements of the valuation process, which are the focal points for auditors, regulators and other stakeholders. An audit trail also can help document past decisions and change history. Whether you're preparing valuation reports for internal or external review, you can have supportable, defensible inputs and assumptions and also can help increase transparency for your stakeholders.





Greater efficiency

Valuations built on manual data entry can open the door for many potential mistakes. A single missed key or simple error can compromise an important calculation and impact value significantly. Spreadsheets often lack the proper guardrails to prevent inputting incorrect formulas, references or data. Additionally, version control challenges and the potential for accidental data manipulation can also present significant risks.

Solution: Utilize automated technology embedded with market-accepted calculations and methodologies to create a consistent, standardized approach. This can help limit human error and save significant time so that your team can repurpose that time to do more strategic work.



Get a digital platform you can trust for faster, more transparent valuations

PwC has created an innovative solution that can help solve these key valuation challenges. [Valuation Insights](#), a PwC product, utilizes automation to help you create scalable, end-to-end valuation. Built on decades of audit and valuation experience, Valuation Insights can put PwC's valuation capabilities at your fingertips. Combine the art and science of valuation for better outcomes. Analyze different scenarios and add inputs without rework. Layer the nuance, intuition and perspective of your team with data, calculations and analytics.

You can capture key data inputs and provide consistent reporting through digital workflows helping to prevent items from getting lost in spreadsheets or email communication—now it can be easily accessible within the platform.



How Valuation Insights has helped transform valuations

Whether your organization manages a portfolio with dozens or hundreds of investments, here are a couple of real-world examples of how Valuation Insights has helped create a simpler, faster and smarter approach to valuations:



An asset manager was entering a new investment strategy where financial reporting requirements were increasing from quarterly to monthly. To achieve faster reporting and scalability, they needed to automate their valuation process. Their existing approach lacked centralization and standardization, with over 200 portfolio company investments overseen by over 60 deal professionals. Valuation Insights enabled them to easily refresh market data across their portfolio to see how changes in market conditions affected their investments. With accelerated reporting capabilities, the deal teams saved several days of execution on financial reporting, allowing them to redirect more time for deal activity.



Valuation Insights also helped an insurer that needed to automate their quarterly valuation process for 45 investments. The insurer had previously relied upon disaggregated data sources and manual preparation of its valuation in spreadsheets. Through the implementation of automated data, calculations and reporting, the insurer was able to automate its quarterly valuation process with the platform's roll forward capabilities, streamlining the reporting timeline for the valuation committee and investor reporting across their portfolio.

It's time to level up your valuation process with an end-to-end solution

With shifting markets, evolving regulations and growing portfolios, there is often increasing pressure to seamlessly integrate quality and transparency into your valuations. Relying solely on spreadsheets can impede efficiency, compromise effectiveness and potentially harm credibility.

A centralized and automated solution can help reduce the risks and time-consuming aspects of manual effort in your valuation process, freeing up more time to focus on strategic decision-making and growth opportunities.





Get faster, more transparent valuation reporting to help transform and grow your business

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