How do I pick the most robust approach for valuations of private companies

Scenario: Valuations

I am part of the valuations team at an investment bank. We have facilitated multiple transactions involving private companies and have created a database of best practices/ guidelines for carrying out valuations.

However, over the years, some methods have been more helpful than others. Is there a way I can pick the most robust approach to follow for the future?

How Process Mining Can Help

One of the objectives of process mining is to help organisations leverage their vast knowledge of processes that have been refined over decades to identify the most relevant ones.

In a valuations context, this means, you can see which of your existing processes have worked well in which business environment. Each process can be assessed on the success parameters considered to identify the most robust one. So while process A might work for banking sector valuations, process B might work better for promoter owned companies. If speed is of essence, then Process C may work across industries. If accuracy is of essence, then a comparison between the extent of deviation and corresponding outcomes can be studied.

Process mining allows organisations to create an ideal path for a particular business process at varied level of granularity. All activities and events related to each activity can be configured. The IT architecture of process mining allows you to ingest any type and number of data source through a custom process allowing you to analyse process parameters from multiple sources.