

**Currency Machines Incorporated:  
A Firm Valuation for a Succession Plan**

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**SYNOPSIS**

John Stuve was a professor who had recently moved to Charlotte, North Carolina. John met Steve Finley at a church social event. Steve asked John if he would be interested in doing a firm valuation for the family business, Currency Machines Incorporated (CMI). Steve's father, James Finley, was thinking about retiring and Steve was considering buying the business. However, the Finleys did not just want to know what the firm was worth. They needed more information as they had discussed a succession plan where Steve's father, James, was going to give Steve an amount equal to half the incremental growth of the firm that had taken place since he was hired in 2002. John Stuve was confident he could derive the value of the firm at different points in time, but he wondered if this was this really a good succession plan.

**LEARNING OBJECTIVES**

The objectives of this case are to:

1. Identify the different approaches used to value a business;
2. Compute the value of a business at different points in time;
3. Deconstruct the assumptions used to compute the value of a business; and
4. Evaluate a given succession plan for a family-owned business.

**APPLICATION**

This case is appropriate for undergraduate, introductory courses in finance and entrepreneurship.

**KEY WORDS** firm value, succession planning, entrepreneur

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