

A Brief History: MoneySoft *DealSense*® *Plus*

Start with the LBO days of the 1980's...

Business valuation and acquisition analysis have been elements of MoneySoft products since the company was born. For many years our flagship product was an acquisition valuation and analysis system called *Buy-Out Plan*®.

Buy-Out Plan was created in 1986 as a DOS-based system for Leveraged Buy Out analysis and planning. The program required Lotus 1-2-3 (before the arrival of Windows and Microsoft Excel's total domination of the spreadsheet market).

When MoneySoft was founded in 1991, its first order of business was to complete the acquisition of several finance-related software products including *Buy-Out Plan*. The program was converted to a standalone DOS application in 1994 and was then re-designed for release as a Microsoft Windows 16bit program in 1997.

A strategic partner enters the scene...

After ordering and reviewing a copy of *Buy-Out Plan* in 1998, the president of Practitioners Publishing Company (a Thomson company) approached MoneySoft with an intriguing proposal. Practitioners Publishing Company (PPC) provides practice guides and management tools to CPA's. One of PPC's publications is the *Guide to Business Valuations*, a three-volume reference that is edited by Shannon Pratt, Jay Fishman and other authorities in the field of business valuation.

PPC proposed that MoneySoft develop a 32bit software system that conforms to the *Guide to Business Valuations*. A deal was struck whereby MoneySoft agreed to build a system that would meet PPC's requirements and grant PPC a non-exclusive license to publish and distribute the new program to the CPA community under the PPC imprint.

An extensive collaboration between MoneySoft and PPC resulted in the release of *Corporate Valuation Pro*™ in 1999. The program was concurrently published by PPC as *Business Valuation Specialist*™.

The next step in the development process was to take the 32bit *Corporate Valuation Pro* valuation system and combine it with programmatic concepts of *Buy-Out Plan* in order to create a new product called *DealSense*. *DealSense* offered customers two products in a single system: industrial-strength valuation and acquisition analysis. This program was released in 2001.

***DealSense* gets more power...and focuses on Free Cash Flow modeling**

DealSense Plus was released in early 2005 and included a number of major enhancements to the standard edition of *DealSense*. These enhancements included the ability to:

- Include, adjust (recast) and annualize interim financial statements.
- Add descriptive notes to financial statement adjustments.

- Prepare detailed **monthly projections** for each line-item account including capital expenditures and funding activities.
- Apply control premiums as well as minority and marketability discounts selectively to individual valuation methods.
- Make adjustments to tax calculations to reflect any tax credits or non-deductible items for a more accurate estimate of taxes, after-tax income and cash flow.
- Test the adequacy of Return on Investment using free cash flows to both equity and total invested capital based upon the pre-acquisition cash flows and proposed deal terms and structure.
- Prepare an allocation of intangible assets schedule as required by FAS 141.
- Use a parent or sponsor company's stock as an acquisition currency.
- Evaluate the post-acquisition returns on equity and total invested capital using free cash flows.
- Obtain maintenance releases and updates online.

Version 2.0 was released in 2006 to increase the scope and depth of the financial analysis. The added analytics include:

- Complete, in-depth analysis of Historic Financial Statement data was added. In the prior version, detailed analysis and industry comparisons were only available for Normalized (Recast) Financial Statements. Now both Historic and Normalized Financials receive the same in-depth and improved analysis.
- Integra Five-Year Industry data was added as an option for benchmarking financial statement data against industry peers. Integra has compiled its data from 4.5 million privately held US businesses. Common-size statements along with over 60 ratios are presented for 900 industries and 13 sales revenues ranges. This data can be downloaded from the web and imports directly into version 2 (as an XML file).
- DuPont ROI/ROE Analysis has been added along with 30 new business ratios, bringing the total number to 60. Free Cash Flow calculations are now presented for both Equity and Total Invested Capital. These new metrics are based upon both Historic and Normalized financial data.
- MoneySoft's proprietary *Five-Minute Diagnostic*[™] was added to help you "connect the dots" and get a better understanding of a company's footing and the factors that are driving and dragging its performance. This diagnostic tool is oriented toward operations, as opposed to credit-worthiness. The *Five-Minute Diagnostic* eliminates the need to scroll and sift through multiple reports to get inside the numbers. This one report puts everything you need at your fingertips.

DealSense Plus version 3.0 was released in July 2007 to work with the Microsoft Windows Vista operating system.

- The underlying architecture of *DealSense Plus* has changed. While the changes may not be readily apparent, they are extensive. This project was the equivalent of lifting a house from its foundation, replacing the foundation to meet a newly imposed building code, and then properly attaching the structure to the new (Vista-ready) foundation.
- Windows Vista is the new operating system that Microsoft released earlier this year. So, when you buy a new computer, it is almost certain to be running Windows Vista. *DealSense Plus* was modified to comply with the stringent requirements of the Windows Vista operating system.

For more information about upgrading to *DealSense Plus*, call **800-966-7797** or visit MoneySoft online at **www.moneysoft.com**.