VALUATION

A Case for the Cards: Using Value Inference Indicators as a Scorecard for MLB Executive Organizations

By *Tony Wayne, CVA, CIRA, CFF, FCPA, CPA*

Defining the subject entity and its business model is crucial to the process of developing any valuation, at any level of formality. Nowhere is this more dynamic and challenging than with Major League Baseball franchises and their closely related business operations. The "what business are we in" question is fascinating to ponder and essential to explore in understanding how to evaluate the relative worth of the 30 MLB franchises

Over the past 17 years, *Forbes Magazine* has undertaken an estimation of the enterprise values of the MLB franchises. More recently, *Bloomberg* has also joined the party and published their own valuation findings. Among other things, the findings of these two high-profile publishers of business information demonstrate the dramatic differences in value outcomes between bygone days and today. They vividly illustrate the effects on value of the rapidly changing world of sports entertainment via its delivery systems and technologies, major demographical shifts, and other changes in the marketplace that are profoundly shaping the future landscape of sports broadcasting.

But, how do *Forbes* and *Bloomberg* see and understand the MLB franchise business model and how does that affect their valuations of these franchises? What do these results tell us about analyzing and valuing executive organization performance? And, how might this affect the use by appraisers of their valuation estimates?

To answer such questions and offer some insights into this shifting landscape, we will critically examining the foundational assumptions of the *Forbes* "Business of Baseball" articles published March 26, 2014. We will discuss a stunning case example of the problem at hand—the St. Louis Cardinals (the Cards), the top-managed organization in professional sports, yet a virtual steal at $805-830 million as estimated by *Forbes.* We will then conclude with several takeaways for us as appraisers.

OUR RESEARCH PROCESS

In order to fully understand the *Forbes* and *Bloomberg* value estimates, we developed a comprehensive scorecard of various data, analytics, business performance indicators, fan demand metrics, and financial information.

We did not have access to comprehensive and detailed historical financial and operational information for the MLB teams, and thus had no opportunity to independently analyze critical financial, operating, and value-driver indicators. We simply worked with the value estimations developed by *Forbes* and the underlying detail provided in the various information sources. Our goal was to assess whether, on the surface, the *Forbes* assumptions and value inference estimations made sense and appeared consistent across the 30 teams.

In addition, we spoke with Michael Ozanian, executive editor of *Forbes* who co-authored "The Business of Baseball" articles. Mike's passion is taking lots and lots of numbers and turning them into proprietary concepts and multi-platform content. Three of his longstanding publishing creations include the valuations of sports teams, ranking actors, and movie studios on bang for the buck (usually referred to as return on investment—ROI) and the *Forbes* Fab 40 (the most valuable sports brands). As an executive editor at *Forbes,* he also serves as co-host and managing editor of the three-time New York Emmy award-winning *Forbes SportsMoney* on the YES Network.

We attempted to analyze everything from relative ticket prices, attendance vs. attendance potential, relative market population, number of television households per the Nielsen organization, 2011-2013 TV ratings summaries by market (where available), and annual television rights earnings. We also compared MLB averages for several of these metrics with NFL football—a vastly different, more "forgiving" business model that encourages parity through revenue sharing, salary caps, the annual draft, and scheduling processes that encourage year by year competitiveness. Lastly we examined numerous other articles, position papers, and writings that are summarized and available at http://www.nacva.com/examiner/14-SO-Charts.asp.

From this process, we were able to extract considerable data that shed light on the value inferences estimated by *Forbes* as well as performance of the executive organizations on and off the field:

- *Forbes* value inference estimates for "sport," "stadium," "market," and "brand" values
- 2013 average ticket prices
- 2013 attendance vs. attendance "potential" based on seating capacities
- Annual ticket revenues
- Where available, 2013 and 2012 Nielsen local market television ratings and number of "TV households" per Nielsen
- Metro area population figures
- 2013 "sport" revenue as reported by *Forbes* along with operating profit
- Bloomberg-reported estimated enterprise asset values as of October 2013
- Annual television rights revenues, contract expiration dates, and regional sports network (RSN) equity stakes
- As of August 2013, NFL *Forbes* valuation estimates, debt to value ratios, sport revenues, and operating income data by team
- 1995-2013 post season results

THE ROLE OF ON-FIELD PERFORMANCE IN VALUE

At some level and to some degree, on-field performance for most teams correlates with and contributes to the four "asset" valuation estimates derived by *Forbes*. Perhaps this correlation and contribution might have been stronger in the days before cable television and the recent explosion in extraordinary cable deals. In particular, the correlation is likely most strongly seen with franchises in the post-expansion era and those in small markets.

Whatever the case, the profound changes brought upon by free agency [1], substantial expansion, cable television and the absence of revenue sharing arrangements, salary cap structures, scheduling, the draft and other NFL business-model attributes with parity as the over-riding goal, have muddied the critical importance of consistent on-field performance to enterprise value and created the problem of what the actual MLB franchise business model really is.

However, it still holds that consistency of performance is still important to the equation of enterprise value. As such, we developed a very simple "success metric" for the teams based on post-season results for the period 1995-2013 as follows:

- One point for a playoff appearance
- Two points for participating in the league championship series
- Three points for winning a league pennant
- Four points for winning the World Series

Looking at actual data regarding on-field performance and resulting fan interest, we believe this success metric provides a reasonable indicator.

OUR SCORECARD DATA ANALYSIS APPROACH

"Balanced scorecards" have been all the rage for the past fifteen years or so. With gigabytes of information at our fingertips, complete with metrics of all kinds, and the need to filter out the really relevant from the not so exciting, scorecards have the potential to filter out the clutter while pinpointing the critical drivers that may indeed provide insights to business performance. So, our intent was to develop a scorecard that would allow us to analyze the data we had compiled. We had to answer these questions:

1. Can we develop a simple, easy-to-understand success metric to evaluate and compare the business, operations, and financial performance of the teams to the recent historical results on the field?
2. If so, what other critical analytics might we closely examine with this success metric as indicators of sustainable brand, market, stadium, and sport value to visualize and project what the future might look like some two or three decades down the road?

We took the data we had plus the data we could find and we built our scorecard with selected comparatives which appears at http://www.nacva.com/examiner/14-SO-Charts.asp.

[1] *Curt Flood v. Bowie Kuhn*, 407 U.S. 258 (1972)

TABLE 2: MLB EXECUTIVE GRADE REPORT

WGTS	0.8	1	1.2	1.4	1	1	1					
											FORBES	
	TV	TIC	ATT	ATT/	SPORT	OC %	SUCCESS	WTD	ADJ	MGT	EQUITY	MGT-EQ
						REV			FOR			
	RIGHTS	PRICE	POT	POP	REV	% MED	MULT	TOT	POP	RANK	RANK	RANK
St. Louis	23	6	2	2	5	2	3	39.6	33.66	1	14	(13)
Boston	8	1	3	14	2	11	2	45.6	45.6	2	3	(1)
San Fran	19	9	1	9	3	3	5	49	49	3	4	(1)
Detroit	14	14	4	10	8	14	9	75	75	4	17	(13)
Chicago Cubs	10	3	10	13	6	9	24	80.2	80.2	5	6	(1)
N.Y. Yankees	5	2	9	25	1	22	1	75.8	87.17	6	1	5
Minnesota	21	8	12	11	14	7	21	96.6	96.6	7	26	(19)
Milwaukee	26	17	13	1	23	13	26	116.8	99.28	8	15	(7)
San Diego	9	30	21	12	19	4	17	119.2	101.32	9	25	(16)
Philly	16	4	5	16	7	28	10	90.2	103.73	10	5	5
Pittsburgh	29	19	16	4	20	8	28	123	104.55	11	19	(8)
Cincy	18	23	14	3	18	26	25	127.4	108.29	12	13	(1)
Colorado	24	28	15	5	22	12	22	128.2	108.97	13	16	(3)
Baltimore	20	18	20	7	21	17	23	128.8	109.48	14	20	(6)
Cleveland	13	26	29	8	24	19	6	131.4	111.69	15	18	(3)
L.A. Angels	2	13	7	29	10	16	8	97.6	112.24	16	7	9
Texas	3	20	8	20	9	21	12	102	117.3	17	11	6
Atlanta	30	27	19	21	11	5	4	123.2	123.2	18	8	10
Seattle	4	12	30	17	16	15	19	125	125	19	9	10
Washington	22	5	11	22	12	10	27	115.6	132.94	20	27	(7)
Chi White Sox	11	15	26	18	17	20	16	133.2	133.2	21	10	11
L.A. Dodgers	1	21	6	30	4	30	13	118	135.7	22	2	20
Tampa Bay	27	24	24	15	30	29	7	161.4	137.19	23	28	(5)
Oakland	12	22	17	24	26	6	20	137.6	137.6	24	24	0
Royals	25	25	23	6	29	24	30	164	139.4	25	23	2
Houston	6	10	28	28	27	1	14	129.6	149.04	26	30	(4)
N.Y. Mets	7	16	22	27	13	18	15	131.8	151.57	27	21	6
Arizona	17	29	25	19	25	23	11	158.2	158.2	28	22	6
Toronto	15	7	18	23	15	27	29	143.8	165.37	29	12	17
Miami	28	11	27	26	28	25	18	173.2	199.18	30	29	1

EXECUTIVE GRADE CARD

Once we had compiled our data in the scorecard (shown on Table 2), we asked ourselves, "Is it possible to use the data we compiled to assess executive performance? If so, might this provide some possible indicators of over-/under-performing organizations, or perhaps over-valued and under-valued executive organizations as well? To what extent did *Forbes* consider this performance in their enterprise valuation estimates?"

To answer these questions, we undertook the following analysis:

- We selected, then ranked the following executive performance attributes:
    - Annual television revenue rights
    - Average ticket prices
    - Actual attendance as percentage of annual attendance potential
    - Actual attendance as a percentage of primary local market population base
    - Sport revenue as measured by *Forbes*
    - Operations profitability as reported by *Forbes*
    - On-field success multiple as defined/discussed above
- We compiled the various attribute rankings, weighting them as follows:
    - Television rights = .8
    - Attendance potential = 1.2
    - Attendance as a percentage of local base population = 1.4
    - All other attributes = 1.0

We then penalized the top ten population markets by .15, and added a .15 premium to the ten smallest markets. Our rationale was that the mega market teams have a significant advantage in sheer numbers and the ability to leverage them compared to the smallest markets.

Chart 1 shows that the results had some interesting trends. Looking at these results, we decided to dig deeper and focus on the Cards as an example of a possible misalignment of performance and value and potentially flawed analysis by *Forbes*.

CHART 1: MLB TOP PERFORMERS vs. MOST-AND LEAST-VALUED TEAMS

Top Five in Performance	Bottom Five in Performance	Most Under-Valued	Most Over-Valued
Cardinals	Astros	Twins	Braves
Boston	Mets	Padres	Mariners
Giants	Diamondbacks	Cardinals	White Sox
Tigers	Blue Jays	Tigers	Blue Jays
Cubs	Marlins	Pirates	Dodgers

ST. LOUIS CARDINALS CASE STUDY

In looking at the data we compiled and analyzed, we found the mega market teams' enterprise value is largely tied to television counts, as demonstrated on Chart 2.

Using the executive grade metric we described above, since 1994 the Cardinals have scored thirty-nine points, exceeded only by New York (seventy-nine points) and Boston (forty-nine points).

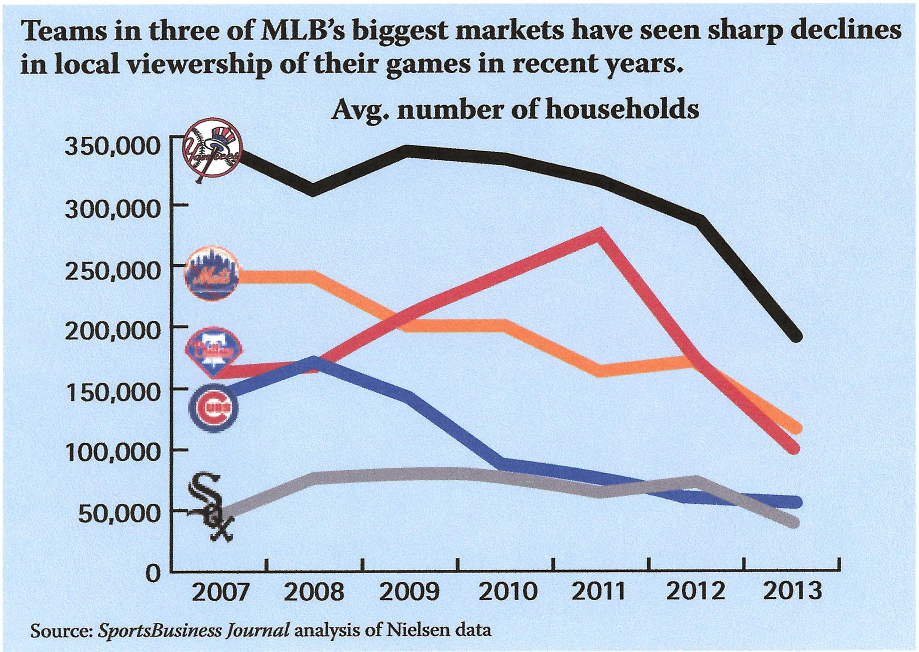
CHART 2: MLB FANS AND POPULATION vs. REVENUE AND PROFITABILITY

# of Fans (millions)		Population of Metro Area (millions)		Sport Revenue ($millions)		Profitability ($millions)	
Cards	Others	Cards	Others	Cards	Others	Cards	Others
3.4	Dodgers = 3.7	2.8	N.Y. = 20	283	N.Y. = 461	65	L.A. = – 81
			L.A. = 13		BOS = 357		PHIL = – 21
			CHI = 9.5		SF = 316		N.Y. = – 9
			DALLAS = 6.8		L.A. = 293		DALLAS = – 4.9
			PHIL = 6.0				
			BOS = 4.6				
			SF = 4.5				

CHART 3: SMALLEST MLB MARKETS SHOW RATINGS BOOST

Team	RSN	VG. RATING (CHANGE)
▲ TOP 5		
Detroit Tigers	FS Detriot	9.60 (+5.1%)
St. Louis Cardinals	FS Midwest	8.72 (+13.8%)
Pittsburgh Pirates	Root Sports Pittsburgh	7.99 (+22.5%)
Cincinnati Reds	FS Ohio	7.70 (.10.8%)
Boston Red Sox	NESN	7.30 (+14.2%)
▼ BOTTOM 5		
Miami Marlins	FS Florida	1.31 (.35.1%)
Oakland A's	CSN California	1.25 (.31%)
Los Angeles Angels	FS West	1.15 (+0.9%)
Chicago White Sox	CSN Chicago	1.14 (-45.2%)
Houston Astros	CSN Houston	0.40 (-59.6%)

CHART 3A: RATINGS DROP IN MLB'S BIGGEST MARKETS



Source: *SportsBusiness Journal* analysis of Nielsen data

Source: John Ourand, "Smallest MLB Markets Show Ratings Boost," *SportsBusiness Journal*; September 30, 2013.

In contrast:

- Dodgers—thirteen points
- Rangers—fifteen points
- Cubs—six points
- Philly—seventeen points
- White Sox—twelve points
- Royals—zero points

Since it would appear that the mega market teams' enterprise value is largely tied to television counts, should we not then examine who is and is not tuning into the games? This examination provides further surprising results.

Chart 3 and 3A, reprinted from the September 30, 2013, John Ouran article in *SportsBusiness Journal*, demonstrate how the smallest MLB markets have the highest ratings boost.

We were struck by the Yankee Nielsen sharply downward trend line in relationship to the $1.3 billion market value estimation by *Forbes*, which is almost *four times* their estimate for St. Louis. A substantially greater market value makes sense, given the tremendous disparity in population base. Yet, given the local market size differential, the Cardinals drew more in attendance than the Yankees did in 2013, and their local Nielsen ratings were *3.4 times higher than the Yankees.*

At some point, population size and TV counts have to translate into revenues and cash flow, either on an annual basis or in the form of a terminal/exit payment. When we examine the following comparatives in Chart 3, we find further anomalies in the *Forbes* analysis:

CHART 4: COMPARISON OF MEDIA vs. STADIUM ATTENDANCE

2013 Estimated Regular Season, Local Market, Tuned-In Television Sets (thousands)		Annual Attendance as a % Of Primary Market Area Population	
Cards	Others	Cards	Others
110	N.Y. = 195	120%	BOS = 60%
	BOS = 178		Rangers = 60%
	Dodgers = 155		Yankees = 25%
	Rangers = 165		Dodgers = 20%

Yet, when we examine relative "stadium" value between the Dodgers and the Cards, we see that *Forbes* valued L.A. ($490 million) some *2.3 times higher* than they did the Cardinals. This is with roughly only ten percent greater attendance (+ 300k) and an average ticket price that is some *fifty percent lower* than the Cardinals ticket price. This fails the sniff test.

Moreover, when we consider the size and reach of the Cardinals' popularity across at least six states, in addition to their local market, and the fact that the Cardinal brand is one of the most iconic in sports history, this also calls into question a purported Dodger brand value of $280 million, some *2.2 times higher* than their Cardinal brand value estimate.

Finally, how can *Forbes* assert that the Royals have close to $100 million *more* in additional "sport" value over and above the Cardinals and place St. Louis near the bottom of the list for this component value given their long and consistent on-field and financial success over multiple decades? And, how can they indicate that the Yankees brand value is in excess of four times greater the brand value of the Cardinals, even though St. Louis outdrew them in attendance while generating an average of close to 110,000 TV viewers versus the Yankees viewership of around 195,000?

It is our conclusion that, across the entire spectrum of our balanced scorecard, the Cards rank as the most stable, predictable, and best-run team of MLB. If so, we also conclude the Cardinals are substantially undervalued. In fact, we suggest their enterprise valuation estimate should be closer to $1.2–$ 1.3 billion. We don't argue against the Yankee and Red Sox historical data. They're real; they have been demonstrated and validated. But, the demonstrated on-field and financial success of St. Louis reveals a very low-risk profile and an extraordinarily strong blue-sky value on the balance sheet. The strategic value component of the Cardinals is demonstrated, real, and substantial. And, in our opinion, it is a direct reflection of the top-performing executive organization in all of professional sports.

WHAT ABOUT *FORBES*?

According to *Forbes*, the top seven teams account for fifty percent of the total combined market equity value capitalization for all thirty teams combined. The Yankees, Dodgers, and Red Sox are close to one-third of this aggregate total. If indeed this is real, the implications are profound for MLB:

- This inherent inequity and disproportionate economic leverage poses a potentially serious, if not devastating, threat to the lower one-third of teams, in particular the small market ones. It raises the question of whether many are endangered species.
- Apparently, according to *Forbes* valuations, operating profits don't matter. As a multiple of revenues, the sport values are all over the map, and the extreme variance and dispersion of these multiples/values calls into question the underlying assumptions supporting them. In short, they make no sense.
- Why would anyone pay a multiple of 1.4 times sport revenues for the Royals who lost $7 million in 2013, but only .55 on the dollar for the Cardinals sport revenue stream that generated $65 million in operating profits? The short answer is no one would. These values fail the sniff test and reflect an apparent failure to sanity check the numbers amongst the teams.
- Moreover, the Dodgers bled operating cash at a rather alarming rate and the market rewards that performance with a sport value multiple in excess of two times that of the Cardinals? Absent compelling evidence to the contrary, we would suggest the

market doesn't value this stream at that rate. Perhaps this valuation is an effort to justify the $2.0 billion price paid by their investors rather than call into question the deal as an outlier, especially if the Dodgers continue to attract no more than 150,000 viewers per televised game.

SOME CAVEATS TO CONSIDER

There is a lot about the *Forbes* data that does not stand up under scrutiny for reasonableness. It appears to us the Dodger enterprise value estimate may be more of an exercise to rationalize and justify the $2 billion acquisition price than perform a thorough analysis of the underlying component value drivers. On the other hand, if the *Forbes* valuation is real and reasonably supported, it calls into question the valuation of the Cardinals, given our data gathering and analysis summarized above.

TELEVISED BASEBALL: IMPACT ON ESTIMATING FRANCHISE VALUE

To create value, people must watch the games, but the economics today are in opposition to this notion. We have pointed out the dangerous concentration of both revenues as well as market capitalization amongst the mega-market elite clubs. This concentration has dramatically accelerated over the past eight to ten years with the rapid growth in power held by RSNs, the introduction of franchise ownership stakes in their own networks (YES), the explosively controversial "Dodger-type" deals, and the power of ESPN and other programing sources to exert leverage on cable operators via exorbitant affiliate fees (which are passed on to the cable consumer at large through bundled-package programming). These bundled package fees have skyrocketed and may not be viable over the long-run, considering new and alternative entertainment delivery technologies.

Absent bundled programming to absorb and disperse these fees across non-sports programing, an a la carte, cafeteria programming and pricing structure would be cost-prohibitive and likely accelerate the steady decline in local MLB viewership trends.

Oddly, in the immediate-term, ESPN and others have been able to experience strong revenue growth from *declining* MLB local TV ratings and sharply declining ratings on national MLB programming. Fox's nationally televised "Game of the Week" saw their audiences shrink by 33 percent between 2004 and 2012. Across all national stations that broadcast MLB, ratings have been falling. In contrast to the explosion in revenues flowing from the cable consumer through the cable companies to the sports networks and the teams, baseball viewership on television has been in very steady decline. Ironically, several of the teams with the most current lucrative cable deals (Angels, Astros, White Sox, and A's) are at the very bottom in local ratings (see Chart 4):

CHART 4: CABLE DEALS FOR TEAMS WITH THE LOWEST RATINGS

Team	RSN	Record	Local TV Homes	Average Rating	Average Household Viewership
Miami Marlins	FS Florida	62–100	1,621,130	1.31	21,237
Oakland A's	CSN California	96–66	2,502,030	1.25	31,275
Los Angeles Angels	FW West	78–84	5,613,460	1.15	64,556
Chicago White Sox	CSN Chicago	63–99	3,484,300	1.14	39,721
Houston Astros	CSN Houston	51–111	2,215,650	.040	8,863

And cable TV overall? In the third quarter of 2012, the nation's fourth largest cable operator, Time Warner Cable, lost 306,000 TV subscribers. In 2013, we experienced the first ever annual decline in pay TV subscribers: 588,000. (Source: 2014 Strategy Analytics). With streaming services becoming more varied and more content available online, there are real alternatives to television. Please remember that this is the same TWC that guaranteed the Dodgers a base annual revenue stream of around $300 million, with huge guaranteed escalator provisions through 2038. As noted by Eric Bleeker in "How the Golden Age of Television and Baseball Ends:"[1]

While cable's reign might seem a given today, entrenched industries can fall fast to rapid external change. While it might be easy to look back and know newspapers died the day the web was born, in reality, the rapid decline of print advertising didn't begin in earnest until late 2006, and within three years, the industry was half its size. Give consumers a "good enough" alternative, and the speed at which they'll adopt it has surprised many once-thriving industries.

In addition to declining viewership on television, baseball's core demographic is aging and will soon be approaching the age when discretionary entertainment dollars feel the severe squeeze of fixed retirement incomes, spiraling healthcare costs, assisted living necessities and sadly, increased death rates. The baby boomer generation won't have the cash to subscribe and their kids appear to have other passions:

THE FLAVOR OF LOVE—HOW OUR QUEST BEGAN

By Tony Wayne, CVA, CIRA, CFF, FCPA, CPA

My dad gave me a very precious gift that would last a lifetime—a passionate love for our national sport. These were Dad's guys and he loved nothing more than a cold beverage in hand while relaxing on his screened-in porch and listening to Monte Moore's play-by-play accounts of his beloved Kansas City Athletics at venerable Municipal Stadium. Municipal Stadium was home to many a future legend and Hall of Famer—Buck O'Neill, Satchel Paige, Jackie Robinson, Ernie Banks, Elston Howard, Mickey Mantle, Phil Rizzuto, Roger Maris, and many others, including "Mr. October" himself, Reggie Jackson.

We even got to see Hank Bauer play and this World War II Marine hero made his home in Prairie Village and operated a small retail liquor store but just a few short blocks from my home. Hank adorned his walls with classic images of Billy, Mickey, Whitey, and himself. Hank was a tough, grizzled, but very soft-hearted giant who wore his high and tight proudly and was an institution in the village for years. Cardinals legends Tony La Russa and Whitey Herzog were ours as well back in the grand old early days of MLB in K.C.

Municipal Stadium and its surrounding area was also home to the greatest culinary delights the world has ever known. Gates' short-ends, Bryant's burnt ends, even Hayward got his start by the old ballpark. I can still smell the heavenly smoke as we would park our cars in front yards, back yards, side yards and made our way through the neighborhoods and into a place so grand, so beautiful and awesome that I can still feel the thrill of walking through those old turnstiles.

On the other side of the state, St. Louis is an old, old city initially discovered by the French, who rather than fight the Native Americans, decided to befriend and do business with them. European exploration of the area was actually recorded as far back as 1673, when French explorers Louis Jolliet and Jacques Marquette traveled through the Mississippi River valley. Five years later, La Salle claimed the region for France as part of La Louisiane. St. Louis was transferred to the Republic of France in 1800 and then sold to the United States in 1803 as part of the Louisiana Purchase.

Sometime very shortly thereafter, Harry Caray stepped up, grabbed the mic, popped the top on an ice cold Bud and the Cardinals radio network became the envy of all of professional sports with an astounding reach east, west as well as south from St. Louis.

[1] Eric Bleeker. "How the Golden Age of Television and Baseball Ends," The Motley Fool, www.fool.com/author/1689/index.aspx.

- A recent ESPN.com poll showed that Major League Soccer is equally as popular with twelve to seventeen year-olds as MLB is. According to the poll, eighteen percent are "avid" MLS fans—the same figure as those claiming to be avid MLB fans.
- There are several highly popular soccer video games, but only one officially licensed alternative for baseball—"MLB: The Show."
- Other data points to declining baseball popularity amongst young people. The National Sporting Goods Association reported that in 2004, 15.9 million were playing baseball. By the end of 2009, that figure had fallen to 11.5 million. Other studies confirm this trend as well. Since the mid-1990s, Little League participation has fallen by almost twenty-five percent.
- The average World Series viewer is now almost fifty-five years old, up from 49.9 in 2009, according to Nielsen. The company's latest Year in Sports Media Report reveals that less than a quarter of all baseball fans are below the age of thirty-four, and a whopping fifty percent are at least fifty-five.

It is our opinion that considerations like these should be taken seriously when utilizing valuation data such as that provided by *Forbes*. If valuation is prospective, then the future of the MLB's most material revenue streams must be examined and adjusted for changing technologies and demographics.

WRAPPING UP

What business model is MLB pursuing currently? How do we adjust our franchise valuations to properly reflect this and other major changes taking place in America's favorite pastime? What about the future? Can we really depend on *Forbes* for reasonable, defensible valuation market data? We have provided our responses to these questions. And we have suggested a different and comprehensive approach to assembling and analyzing value inference indicators—all of which lead to what we believe to be a more grounded estimate of value. Our challenge to the reader is to try this approach out yourself. See if it fits the real world and yields solid conclusions. We rest our case for the Cards. VE

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