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# Miramichi firm is valuating firms in a new way

GEORGE HALIM    Telegraph-Journal  
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Brian Donovan at his office in Newcastle.  
Photo: Shannon MacLeod/Miramichi Leader

Patchell Brook Equity Analytics is a Miramichi startup that has developed software designed to provide in-depth analysis of value for companies.

"We're focused right now on publicly traded companies, but the software will work for privately held

companies as well,” said company president Brian Donovan. “We’re allowing people to actually access the data and the tools that we have to come up with what the valuations are for the companies they’re looking at.”

Donovan built a software that allows his company to delve into the question that matters to entrepreneurs: What’s your company worth?

“We’ve built tools to actually backtest, tools to forecast and tools to do valuations and they all tie together,” he said. “Valuation is not just one calculation. There are a myriad of calculations you can do, so we want to get through the process of going through each one of those types of valuations ... that goes into the website as well.”

Donovan, the former executive director of the now-defunct Enterprise Miramichi, said that after some of the enterprise agencies in New Brunswick dissolved, it forced him to make a decision on the next chapter of his life.

“Personally, what it did was it gave me an opportunity to take a look at where I was at and decide if I wanted to work for another organization or if I wanted to try the entrepreneurial route,” he said.

He chose the latter, and shortly after became one of the 16 people in the next cohort to go through the Wallace McCain Institute at the University of New Brunswick.

The cohort represents the highest-growth potential entrepreneurs in the region, according to Wallace McCain Institute executive director Nancy Mathis.

For Donovan, Patchell Brook stems from his passion for valuing companies. With a bachelor of science in forestry from UNB and an MBA from Wilfrid Laurier University under his belt, his background provides a solid foundation to build this type of company.

“I did the MBA in 1999 and I’ve been doing this type of stuff ever since at home in the evenings, weekends and so forth and so I took a hard look at what I wanted to do and where I wanted to go,” said Donovan, who highlighted his Maritime roots as the key to building his company.

“Part of what drove me was I enjoyed being in Miramichi,” he said. “It’s my home, it’s been my home since a very young age, and I wanted to stay here. All of the pieces seem to be in place to allow me to do that.”

Donovan acquired his Chartered Business Valuator (CBV) designation in February. He said that due to his previous experience, his software allows him to value companies quicker than most of the competition, giving way for Patchell Brook to focus its attention on “drilling down into what really matters to the value of a company.”

“You could be days working on a company and we’ve got that down to a short period of time,” he said. “What that allows us to do then is once you have a preliminary pass on the valuation process then you can spend all of your time asking: ‘Is this correct? Have we taken the right approach? Do we have the right cost of capital for this company? Are we making the right future predictions about this company?’”

The company is funded mainly by the angel investment community, as well as federal and provincial programs geared towards startups.

Having started up this past October, Patchell Brook has four employees and one co-op student, with the hopes of landing one or two more employees when the web-based software goes live in early 2015.

Donovan said his company is achieving its goals.

“We’re small shop and we’re in the latter stages of the proof-of-concept stage, but things have been going very well,” he said. “We’ve been able to do what we thought we could do with the software.”

The 15 others selected by the institute are Rick Allen, Quality Engineered Solutions, Fredericton; Kelsey D. Bingham, Bingham Law, Moncton; Jayne DeMerchant, The DPL Group, Rothesay; Eric Dugas, TheTankShop, Caraquet; Billy English, Kindred Home Care, St. Stephen; Brian Fitzpatrick, Jean Coutu Pharmacy, Bathurst; Colin Gillis, IPECC, Halifax; Chris Goguen, The PostMan Post Production, Moncton; Jean-Philippe Levesque, L.C.L. Excavation (2006), Charlottetown; Paris Malenfant, WigsCan, Moncton; Jason F. Mallet, Nortec Holdings, Moncton; Tim Ryan, Fundy Engineering & Consulting, Saint John; Dr. Lesley Steele, Vet Allilance, Eastern Passage; Mike White, Egg Roll Digital Studios, Miramichi; and Scott Williams, Taylor Printing Group, Fredericton.



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Good luck in your new venture Brian. Miramichi needs entrepreneurs just like yourself to survive and grow.

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