

Financing Solutions for Rapidly Growing Businesses



Banking on Canadian entrepreneurs



Your business plan



What is a business plan:

- A business plan can help you detail your goals, and serves as an operational plan for achieving them
- Everyone who is going into business and who is operating a business requires a business plan

Why a business plan?

- ✓ It describes your business
- ✓ It conveys your vision to potential investors
- ✓ It explains your business goals
- ✓ It raises potential problems and ways to solve them
- ✓ It states the amount of capital required to finance your venture



Your business plan



What it should include:

1. An executive summary
2. A description of your company
3. A description of your management team
4. Market research / Industry trends
5. An overview of your marketing plan
6. Human resources plan
7. Financial planning
8. Appendices that boost your credibility

What lenders look for:

- Proof of experience, skills, determination, and self-confidence to successfully carry out your project
- Your personal credit history – past performance can affect perception about how you will perform in the future
- Your business plan must be clear, structured, and short, but it must cover all elements of your business idea

What lenders look for:

- For new and existing companies:
 - Forecast for next 2 years
 - A cash flow analysis that describes your forecasts:
 - Shows the seasonal fluctuations in your business and prescribes the need for capital



Financing to get started



Finding initial financing:

1. Personal investment

money: Cash/collateral on your assets.

- ✓ Proof that you have a long-term commitment to your project

2. Gift capital or love money:

Money loaned by loved one and that will be repaid later.

- ✓ Bankers consider this asset as “patient capital”

3. Investments from others:

Money you raise from investors.

- ✓ Bankers regard such investment highly
- ✓ Proof that your idea is sound **but** can often diminish the degree of control you have over you own company



Financing to get started



Finding initial financing:

4. **Supplier (A/P) Financing:**

- ✓ Policy for paying suppliers based on their payment conditions (often 30 or 60 days after delivery).
- ✓ Check with each supplier, since many offer discounts for quick payment.

5. **Grants, Subsidies and Tax Credits:**

- ✓ You may have access to grants, subsidies or tax credits to help recover expenses such as salaries or equipment.



Financing to get started



Type of loans:

1. Personal Loan

- ✓ Money loaned to you, not your business
- ✓ Loan secured by your personal assets
- ✓ Many banks offer this type of loan to start-up businesses or those with few assets (land, building or equipment)

2. Operating Loan

- Also called
Line of Credit

- ✓ Short term, flexible financing that you manage yourself
- ✓ Borrowing as much as you need up to a determined amount
- ✓ Secured by your inventory and accounts receivable, and your bank can require full repayment at any time



Financing to get started



Type of loans:

3. Term Loan

- ✓ Long-term financing option for fixed assets such as equipment, land or building

4. Working capital Loan

- ✓ Long-term financing to cover projects such as Growth, Export, Marketing, e-Business, R&D, etc.
- ✓ Help provide you the cash flow to fuel your growth
- ✓ Complement your existing line of credit



Financing to get started



About BDC:

- BDC is a Crown corporation with a mission to help Canadian entrepreneurs start and grow their companies
- BDC acts as a complementary lender in the market and operates on a commercial basis (must be financially sustainable)

Building tomorrow's businesses:

- For over 60 years, BDC has provided flexible financing **and** consulting solutions that are tailored to the needs of entrepreneurs and designed to help their business prosper



Why choose BDC



BDC can provide support to entrepreneurs who:

- Are in the start-up or early growth phase (first 12 months of sales)
- Can demonstrate realistic market and sales potential
- Possess experience or expertise in their chosen field
- Demonstrate key personal characteristics of a successful entrepreneur
- Have assembled a competent management team
- Have invested reasonable financial resources in the enterprise
- Can provide personal and credit references



Why choose BDC



BDC start-up solutions at a glance:

Co-Vision (Start-up financing program)	Term Financing (Flexible long-term financing)
<ul style="list-style-type: none">✓ Customized term financing up to \$150,000✓ For new businesses demonstrating long-term viability✓ BDC can provide personalized management support✓ Can not be used for change of ownership	<ul style="list-style-type: none">✓ For a variety of commercially viable projects such as:<ul style="list-style-type: none">– expansion– plant overhauls– purchase of existing businesses– acquisition of fixed assets✓ In some cases, may be used to reconstitute working capital depleted by capital expenditures or to finance sales growth



Why choose BDC



BDC start-up solutions offer a total solution for entrepreneurs

- BDC may be able to offer:
 - Up to \$150,000 in financing
 - Up to a 6-year repayment period
 - Progressive or seasonal repayment options tailored to your business's cash flow
 - Consulting and mentoring solutions



BDC Venture Capital

- BDC is a major venture capital investor in Canada, active at every stage of the company's development cycle, from seed through expansion
- Our focus is on knowledge based industries
 - Advanced Technologies
 - Information Technology
 - Life Sciences
 - Telecommunications

Why choose BDC Venture Capital

- ✓ Fund to support your company needs before your business reaches cash flow autonomy
- ✓ A proven track record
- ✓ Expertise and local assistance with a global perspective: A team of professionals present in all key areas of Canada.
- ✓ A long-term focus

Innovation

- If your competitive advantage depends on technology or if you are experiencing rapid growth:
 - Implementing industry-standard technology planning can keep your business profitable and efficient
- BDC Consulting solutions can help you manage innovation and make the best of it

Our solutions include

- ✓ Innovation management
- ✓ Technology management
- ✓ SR&ED Tax credits

Thank you!

**To find out more about BDC
solutions, contact:**

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Canada

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