

SECURING FUNDS FOR YOUR BUSINESS

Options for financing:

- Traditional lenders
banks or **credit unions**
- Savings/owner's contribution
- Pitch contests
& other sponsored opportunities
- CFDC's
*Regional Community Futures Development Corporations
- Canada Small Business Financing Program
- Government programs
- Angel investors
- Family and friends
- BDC/Futurpreneur
- Other private lenders



What lenders/ investors need from you:

- ✓ Business plan
- ✓ Financial forecasting
*for the next **3 years**
- ✓ Loan application
- ✓ Detailed start-up costs
- ✓ Proof of owner contribution
- ✓ Birth certificate or ID
- ✓ Personal financial statement
- ✓ Proof of business registration
*and/or **incorporation documents**
- ✓ Partnership agreement
*if applicable
- ✓ Lease agreement
*if applicable
- ✓ Owners resume



What you need to know:

When speaking with a lender or financial institution, arrive prepared knowing:

- Examples of eligible start-up or expansion costs and what would not be eligible.
- Interest rate minimum/maximum, if approved.
- Terms and amortization.
- If there are penalties for early or lump sum payments.
- Your best option, i.e; term loan, line of credit, selling shares, etc.
- The turnaround time for a decision about the loan.



What you need to know:

- Whether they'll offer alternate recommendations in the case you are declined.
- What types of owner's contributions qualify for the owner's portion of the loan.
- Prepare your lawyer in advance. If approved, you'll need legal or registration documentation reviewed.
*loan agreement review, security registrations, incorporation, partnership agreements, etc.

The Business Plan stage:

A business plan describes the future path of a business. It is a concise document that gives the reader everything they need to know to **understand and assess your company**. There are many ways to write a business plan, however they all include **fundamental elements** such as:

- ✓ Business profile
*overview, history, management, structure, goals, mission/vision
- ✓ Industry and market
*research information, competition
- ✓ Your strategy
*competitive advantage, unique selling point, keys to success, strategic partnerships
- ✓ Target market
- ✓ Sales and marketing
*product/service, pricing, promotions
- ✓ Management and operations
*location, legal, insurance, human resources, policies, processes, risk assessment/contingency plan
- ✓ Financial plan
*startup budget, sales forecasts, cash flow, income statement, balance sheet if applicable
- ✓ Appendix

Pitching your business:

If you have the opportunity to pitch your business in front of investors, lenders, customers, potential partners or collaborators, you can be **impactful** and produce the results you want by incorporating these elements:

- 1. Problem**
Provide evidence that there is a problem and validate that this problem needs to be solved.
- 2. Solution**
Clearly define what the solution is and how the customer would apply your product or service to solve their problem.
- 3. Opportunity**
Explain how your business is unique, how you'll capture the market, make sales, and how the business will sustain itself. Include sales or prospects you have to date and why you are the right person or team to succeed.
- 4. The ask**
It is important that you are specific in your ask and indicate how this will move your business forward.

