

THE FINANCING TOOLKIT for Small and Medium Businesses



Taking the next step with confidence

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***THE FINANCIAL EXECUTIVES
INSTITUTE CONFERENCE***

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GARY A. FITCHETT CA

- Gary A. Fitchett, CA has been a chartered accountant for over 40 years. Gary has practised with specialization in financial consulting, 11 years as a partner of a national accounting firm and most recently as managing partner of Management Synergistics.
- He and his associates have helped hundreds of small- and medium-sized businesses solve their financing problems — from as low as \$10,000 to as high as \$65,000,000 — and from bank issues to factoring to venture capital – and from the east coast to the west coast. Gary's particular areas of focus are entrepreneurship, new business formation and expansion, technology development, financing, mergers and acquisitions, and strategic planning.
- Gary is well known across Canada for his lively, anecdotal seminar presentations on a broad range of finance topics in which he translates theory into practical application. His case studies illustrate how the seemingly impossible financing deals are successfully accomplished.
- He has been Chairman of the Business Financing Congress presented in Montreal, Vancouver and Toronto and co-sponsored by The Canadian Institute of Chartered Accountants and the Society of Management Accountants of Canada.
- Gary is the author of The Canadian Business Financing Handbook, a 2,700 page authority on financing in Canada, and The Financing Toolkit, launched in May 2009, both published by CICA.
- In business, Gary is CEO of IBI Corporation, a TSX Venture company active in Uganda in uranium and gold exploration and mining, and currently developing a nuclear power project as a public/ private partnership with the Government of Uganda

THE CANADIAN BUSINESS FINANCING HANDBOOK

The Canadian Business Financing Handbook

Gary A. Fitchett, CA
with
John D. Alton, MBA, CA

Management Synergistics Financial Services



The Canadian Institute
of Chartered Accountants

L'Institut Canadien
des Comptables Agréés

- * Professional reference service
- * Published by CICA in 1992
- * Updated half-yearly
- * 2,700 pages

FINANCING

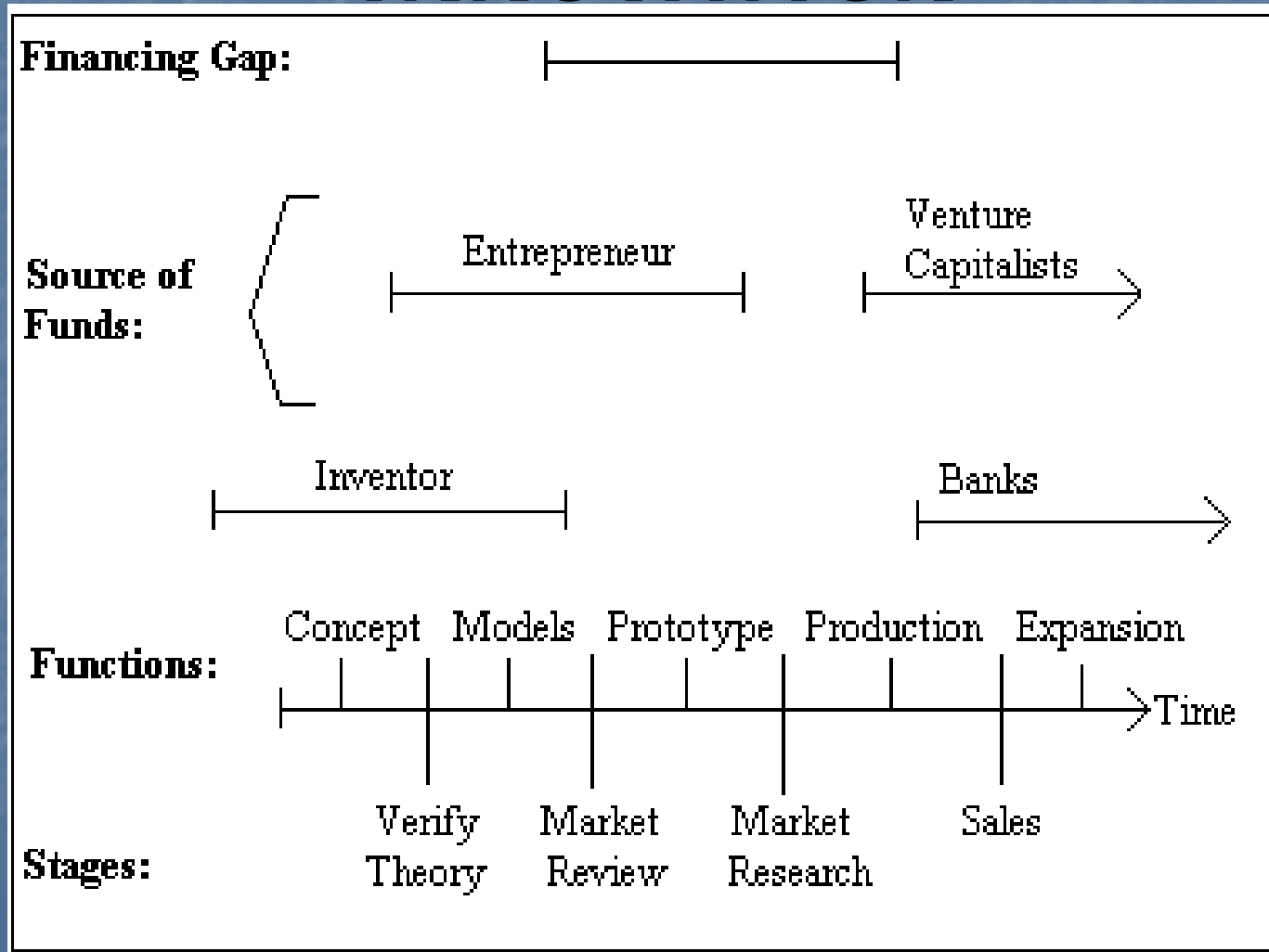
How to arrange financing:

- *Where to go !*
- *How to go !*

IMPACT OF GLOBAL ENVIRONMENT

- Shortage of credit
- High Uncertainty
- Interest rates
- High prices
- Recession
- Stock market crash
- Unstable currency
- Unemployment

EARLY STAGE FINANCING MODEL INNOVATION



FINANCING FIVE C's of CREDIT

Character

Capacity

Collateral

Capital

Conditions

THE BUSINESS PLAN

- Executive summary
- Business description
- Products or services
- Market analysis
- Marketing strategy
- Operations
- Management and organization
- Timing schedule
- Financial information
- Funds required

FINANCING APPLICATION FIVE IMPORTANT QUESTIONS

- How much do you want?
- How long do you want the money for ?
- What are you going to do with the money ?
- How are you going to repay the money ?
- What are the alternative sources of repayment in the event of something going wrong ?

LOOK INSIDE FIRST

- Accounts Receivable
- Inventories
- Redundant Assets
- Accounts Payable
- Operating Costs
- Restructuring (Proposals)
- Cash Flow Planning

EXTERNAL FINANCING OPTIONS

- Bank
- Term Loans
- Mezzanine Debt
- Equity
- Government Funding
- Leasing
- Factoring
- Trade Finance

TERM FUNDING BUSINESS IMPROVEMENT LOAN

- Canada Small Business Financing Act
- For every business, up to \$5 million in sales
- Maximum loan \$250,000
- Government guarantee – 90%
- High ratio capital – 90% of cost of fixed assets
- Limited personal guarantees
- Restore working capital

BUSINESS DEVELOPMENT BANK

- One-stop shop
- Working capital
- Conventional term loan
- Mezzanine debt
- Guarantees
- Venture capital
- Consulting
- Support innovation

GOVERNMENT SUPPORT

- Assistance vs. Incentive
- Every tough deal
- Focus on jobs
- Emphasis on innovation
- National Research Council

EQUITY

- * Key foundation for business
- * Reflects personal commitment
- * People Power:



TAPPING PEOPLE POWER

- Royalty Units for leasehold alterations
- Preferred shares for ladies wear shop
- Angels invest profit sharing bonuses
- Royalty units for art production

OTHER KEY SOURCES

- Employees (ESOPs)
- Customers
- Suppliers

QUESTIONS

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