

VALUE-BUILDING EXPERTISE

# RAISING FINANCE

## INTRODUCTION


Raising finance is a critical step for business owners looking to expand operations, invest in new projects, or manage cash flow. Understanding the various options and strategies available can help businesses secure the necessary funds to achieve their goals.

When raising finance, it's important to recognize that you're entering a fiduciary relationship. Both parties have specific needs, expectations, and requirements shaped by industry norms, professional standards, regulations, and market conditions. Understanding your finance options and associated requirements given your specific needs and situation is crucial to a successful transaction.

## ABOUT RIZOLVE PARTNERS

Rizolve Partners is a strategic advisory firm that helps privately-owned businesses achieve peak value. We help businesses owners define the right path and take the right steps to realize optimal outcomes.

We guide private businesses on how to accelerate growth, drive value and position themselves for scalability, external investment and liquidity events. With the right plan, executed by the right team, it can be enjoyable and extremely rewarding.

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## PROBLEM

Raising finance is a sophisticated activity that requires significant planning, formal justification and effort. Approaching the wrong intermediary with an unsuitable request wastes time, resources, and can damage your market credibility. Selecting the right financial intermediary and type of finance tailored to the company's specific needs and situation is further complicated by the fact that many business owners face challenges when trying to raise funds, such as:

- **Limited Access to Capital:** Small and medium-sized enterprises (SMEs) often struggle to access traditional bank loans due to stringent requirements.
- **High Costs:** Interest rates and fees associated with loans and other financing options can be prohibitive.
- **Complex Processes:** Understanding and navigating the application and approval processes for different financing options can be time-consuming and complicated.
- **Risk of Debt:** Taking on debt can be risky, especially if the business's cash flow is not stable.

Proper planning to secure the right type of financing for your business given your requirements and situation can be a game changer that significantly enhances the value creation process.



## SOLUTION

Financial intermediaries often specialize in different types of facilities or "products" that serve different needs. Examples that can be explored include:

- **Equity Financing:** Selling company shares to investors, including venture capital, angel investors, or crowdfunding.
- **Debt Financing:** Securing loans from banks, credit unions, or online lenders, such as term loans, lines of credit, and invoice financing.
- **Grants and Subsidies:** Applying for government grants or subsidies to support business growth and innovation.
- **Alternative Financing:** Non-traditional options like peer-to-peer lending, merchant cash advances, or revenue-based financing.

Understanding your options and perfecting the "ask" is essential. Retain a business advisor, like Rizolve Partners or your accountant, to align the financing with your company's needs.



## BENEFITS

Raising finance can provide several benefits to business owners, such as:

- **Growth and Expansion:** Capital enables businesses to invest, expand, and enter new markets.
- **Improved Cash Flow:** Financing helps manage cash flow for short-term obligations and long-term growth.
- **Increased Competitiveness:** Financing helps manage cash flow for short-term obligations and long-term growth.
- **Risk Mitigation:** Diversifying financing reduces reliance on a single capital source.

Let's talk about how Rizolve Partners can help you understand and explore the financing options best suited to meet your needs and achieve your business goals.