

## PROJECT/EQUITY FUNDING

Many CEOs are looking for funding in order to finance either a specific project (industrial or commercial) or for the overall development strategy of their Company. A realistic search for financing requires:

- The project to be coherent with the firm's know-how and reasonably sized,
- The enterprise to be already profitable, and able to finance by itself a significant part of the project. (Otherwise a restructuring operation is necessary before the project is launched),
- The project to meet **reliable market demand**.

Our approach encompasses 3 phases:

### *a) Project(s) validation*

- Validation of **commercial forecasts** (products, markets and resources):
  - a market survey will lead to define high and low hypothesis for sales forecast,
  - sales forecast will also be confirmed by actual orders and future commitments from potential clients,
  - diagnostic of current commercial organisation (resources, network, staff, work methods, etc.), in order to check if the Company is in a position to reach sales targets.
- Validation of **technical feasibility**:
  - confirmation of the technical feasibility of contemplated industrial process, and of Company's ability to meet potential clients' requirements (quality, flexibility, selling price, ..),
  - definition of the detailed investment programme (equipment, training, etc.),
- Validation of the **economical forecasts**: this analyse will focus on studying and defining:
  - future manufacturing cost break down, including external factors (energy, raw material, labour cost, etc.),
  - P&L and forecast cash flows (maximum, minimum and sensitivity test),

### *b) Up-dating of Company's business plan (after investment) : including*

- marketing plan, which justifies project launching,
- detailed implementation programmes,
- detailed evaluation of investments and working capital requirements,
- yearly financial requirements and Company's pay back capacity.

### *c) Elaboration of the "application file"*

- demonstrate project technical feasibility,
- confirm the existence of a healthy market and commitments from major clients,
- present a complete and reliable project to financial institutions or private investors,
- search the most adapted financing means.

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| <p><u>Objectives</u></p> <ul style="list-style-type: none"><li>• To get loans or equity funding needed for project implementation or for Company's development.</li></ul> <p><u>Necessary preceding steps :</u></p> <ul style="list-style-type: none"><li>• Rapid diagnosis "Quick Scan" (compulsory).</li></ul> <p><u>Possible following steps :</u></p> <ul style="list-style-type: none"><li>• Development of trade activity and commercial networks.</li><li>• Implementation assistance</li></ul> | <p><u>Duration</u></p> <p>1 month to<br/>3 months<br/>(1)</p> | <p><u>Eligible Companies:</u></p> <ul style="list-style-type: none"><li>• Private Companies.</li></ul> <p><u>Prerequisite :</u></p> <ul style="list-style-type: none"><li>• Profitable and viable company, able to finance part of the project.</li><li>• Adapted legal framework.</li></ul> <p><u>Deliverables :</u></p> <ul style="list-style-type: none"><li>• Company's comprehensive business plan;</li><li>• Application file(s) for loans.</li></ul> |
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(1) Does not include financial arrangements and negotiation period (+3 to 6 months).

*For further detailed information on this subject, you may want to look at: « Accompagnement des projets d'investissement » (available in French only).*