



Industry
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The Canadian entrepreneurs'
guide to securing risk capital

Steps to **Growth Capital**

*There is no shortage of
funds available to small
and medium-sized
growth-oriented firms*

BUT...

*These funds are for
businesses that are
"investor-ready."*

Are you "investor-ready"?

Canada 

Steps to Growth Capital

When it comes to risk capital, Steps to Growth Capital will enable you to:

1 *Identify Your Financial Needs*

If you're thinking of expanding your business, you'll probably be looking for extra funding. You'll have to know how much you require and how to go about borrowing from others.

2 *Know Your Financing Options*

By now, you should have a good idea of how much money you need to finance the costs of expanding your business. But where will you find the capital? You should look at three possible sources of funding: internal, conventional external and risk capital.

3 *Show Your Investment Potential*

You need to know how to demonstrate and measure your company's potential for growth. You must be able to show that your firm is a good risk, and that you know how to address the investor's "exit strategy" and "exit value."

4 *Demonstrate Your Management Capabilities*

Risk capital investors know that poor management is often the death knell for a business. You need to know how to evaluate your management strategies and your team, and consider improvements that could make your company stronger.

5 *Build an Investment Proposal*

The investment proposal is your calling card that introduces your company to potential investors who could finance your expansion. You need to know how to pull together the right information and package it into a professional document.

<http://growth.ic.gc.ca>

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6 *Identify Potential Investors*

There's no shortage of financing out there. The challenge is finding the right type of investor for your needs.

7 *Meet Potential Investors*

Somewhere out there is an investor who may be interested in a company just like yours. But how do you contact that person?

8 *Negotiate the Deal*

Some advanced thinking and effective planning can help negotiations proceed more smoothly.

9 *Close the Deal*

A few issues, such as the due diligence review, need to be resolved before you sign on the dotted line. You also may need to know how to maintain a good relationship with the investor after the deal is done.

➔ *Steps to Growth Capital also has related investor-readiness skills modules on:*

- enhancing your writing
- getting the most out of meetings
- improving your negotiation techniques
- embracing and resolving problems.

? *For other information, visit the following sites:*

Canada Community Investment Plan
<http://ccip.ic.gc.ca>

Atlantic Canada Opportunities Agency
<http://www.acoa.ca>

Canada Economic Development for Quebec Regions
<http://www.dec-ced.gc.ca>

FedNor
<http://fednor.ic.gc.ca>

Strategis
<http://strategis.gc.ca>

Western Economic Diversification Canada
<http://www.wd.gc.ca>



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