

SYNOPSIS OF FINANCE WORKSHOP AND NETWORKING EVENT ON 13th/14th May 2012

Sourcing External Funding

Outlined below are the key messages from each speaker, to access slides of their presentations please visit the EI corporate website at www.enterprise-ireland.com/financeforgrowth

1. Cormac Mohan, Managing Partner at FM Accountants & Business Advisers, explored the various sources of funding available to companies at the different stages of their lifecycle and the key considerations when seeking any investment. Some key messages included:
 - o Raising finance should be planned well in advance as it a time consuming process and it leaves you in a stronger position in negotiations
 - o Understand what any potential investor from Venture capitalists to banks focused on and present to them with this in mind
 - o Any information provided should be detailed and credible – the minimum amount of information when seeking investment should be
 - o Detailed Business Plan
 - o Minimum 3 years audited accounts with detailed income statement schedule
 - o Management accounts – Gross & Net Margin %
 - o Key Performance Indicators Analysis – an explanation provided for any significant divergence in the figures
 - o Cash Flow Projections - QTR on QTR 2yrs
 - o Debtor and creditor listing – commentary
 - o What are you asking for – detail how you will spend the money
 - o EBITDA is a key metric for any investor
 - o Free Cash Flow and Debt Service cover are essential ratios for any bank
 - o When trying to determine a value for your business do not focus on a specific number – instead you should have a range
 - o When negotiating the purchase / sale of a business leave the solicitors to the end, concentrate on the commercial aspects before bringing them in
 - o Key considerations for any investor will be
 - o Growth prospects
 - o Quality of management team
 - o Profitability
 - o Competition
 - o Confidence in the business & team that has delivered on its business plan in the period up to finance will attract lenders

2. EI Client Presentations

ÉireComposites - Kevin McPartlan and Rainmaker Business Technologies – Declan O’Boyle shared their experience on seeking funding – some key messages included:

- o Be prepared well in advance – ensure the information is accurate and up to date. This should have the added benefit of minimising the impact of due diligence on the business
- o Keep record & copy of all documents sent
- o Seeking funding is time consuming so plan to minimise impact on day to day operations
- o It will take longer than you expect

3. EI offer – Tom Early / Donnchadh Cullinan

- o Outlined the EI strategy to developing the overall funding access to EI clients ensuring that they are able to access funds to accelerate growth
- o Outlined the EI supports both financial and non financial to assist clients in accessing finance

4. Topics discussed at the CFO forum by the attendees

- o Focused on access to finance
- o Discussed how to capitalise R&D