

Bank Lending Plus Lesser Known Business Finance Alternatives Deliver Financing Solutions



Looking For More In Bank Financing



& Alternative Loan Solutions ?



**OVERVIEW – Information on business finance alternatives and bank lending in
Canadian business financing**



Bank lending needs often come at a time when Canadian business owners and financial managers are not necessarily 100% in control of all the forces that might affect their business - external and otherwise. A business finance alternative might also be a solution for almost any business in any industry. Let's dig in.

Those same financing needs, as we've explained in the past come in different timelines, short, intermediate and long term. One of those external sources that many business owners forget is their vendors and suppliers.

Here collateral is not required, trade credit is MUCH easier to obtain and in many cases discounts for prompt payment may be offered and taken. Naturally stretching payables is a dangerous game, as you need suppliers and vendors on board when times are challenging - so while a/p mgmt is a key part of ' cash flow ' it's one that must be handled properly.

Bank lending comes in various forms - not all of which are understood by owners/financial mgrs in the SME commercial area. While it's true that Canadian banks do in fact offer ' unsecured' loans these are totally focused on... you guessed it... provable cash flow.



Typically these loans might be at a higher rate and more long term in nature. The bottom line - ensure you balance sheet, profits, and historical and projected cash flows are up to mustard!

Bank lines of credit provide revolving facilities up to a maximum amount based on current asset holdings such as receivables and inventory. Typically these bank credit lines come with restrictions known as covenants and ratio maintenance - it's not just about the assets.

Commercial finance companies provide alternatives to the ' traditional ' bank loan sector. These tend to be asset based, easier to obtain, but come with higher borrowing costs.

Typical alternative financing solutions include:

A/R Financing - receivables represent your next closest asset class to cash and solutions such as Confidential Receivable Financing

Inventory Finance - These loans are typically for larger retailers and mfrs -

ABL Business Credit Lines - These are non bank business credit lines that combine the best of receivables and inventory financing into one revolving facility

Equipment Leasing / Sale Leaseback strategies

Tax Credit Monetization (SR&ED refundable tax credits, film tax credits)

Bridge Loans

Working Capital Term Loans

Government Guaranteed Small Business Loans

Purchase Order Financing

If you're not sure what financing solutions works best for your firm today and in the future that consideration can more easily be addressed by seeking the service and expertise of a [trusted, credible and experienced Canadian business Financing Advisor with a track record of success](#) with a track record of success.

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