



Capital / Fundraising

Whether it is for growth or to get through tough times, companies often find themselves in need of cash. How do you determine how much capital you need? How do you go about raising this needed capital?

Your capital planning process should be clearly defined, including the goals and objectives of your company. Capital structure needs to be analyzed, with an eye towards achieving the appropriate debt and equity levels. Too little debt may not optimize the return on investment, while too much debt can quickly lead to financial distress. Finally, the right financing partner needs to be selected and appropriate terms agreed upon. The process may seem daunting and complex at times, but with foresight can be accomplished successfully.

Experiences

- *Growth needs are often not forecasted*
- *Seasonal businesses have variable capital requirements*
- *Start-up companies often under-estimate their capital requirements*
- *Companies often do capital "planning" in a reactive mode, and the result can be paying a higher cost of capital*

Principles

- Planning should always be proactive
- Focus on return on working capital employed (ROWCE)
- Consistent communications with investors and/or lenders builds credibility

Goals

- Forecast the capital requirements using a rational and realistic process
- Understand and optimize the company's capital structure (debt-to-equity ratio)
- Formalize the communication process
- Raise the appropriate funds in the desired timeframe

Subprojects

- Capital Planning Process (including capital requirement forecasting, approval process, and financial modeling)
- Financing Alternatives
- Formalized Presentations
- Target List of Possible Investors and/or Lenders
- Due Diligence Requirements
- Reporting & Communication Schedule

Measurements

- % of capital expenditures included in capital planning process
- Number of financing sources contacted
- Number of proposals
- Closing process velocity

Deliverables

- Documented capital planning and approval process
- Qualified list of targets
- Communication schedule
- Documents required for financing and review

Jacquard's Profit Projects®

- Straightforward, proven and universally applicable
- Focused and customized to a company's unique needs
- Easily understood by all employees
- Take only 16 weeks to complete

What they do for you ...

- Improve customer delight
- Build greater market share
- Increase profitability and cash
- Strengthen leadership
- Align people with company goals