

3 Reasons to Consider Using an Advisor to Source Your Business Financing Needs!

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Business owners, entrepreneurs and CFOs often ask what the benefits are of using a professional financing advisor to source their business financing needs.

Here are the three primary reasons:

1. Time

Sourcing financing can be incredibly time consuming. It's a long, complex process that involves compiling a comprehensive, concise and relevant information package with cash flows and forecasts; meeting with various lenders to discuss the financing needs; reviewing and negotiating term sheets; preparing for and going through due diligence and more.

Having an objective advisor working for you, and not the lender, can help business owners rapidly get in front of the right lender and asking the right questions.

In addition, for businesses that require a non-traditional solution such as an asset based loan, it can take time to learn and understand how lenders view collateral, determine how much financing to provide, and calculate the range of interest and related fees.

Having to learn all of this information can be very time consuming and is not the best use of the business owner's, entrepreneur's and CFO's time.

2. Knowledge

While many CFOs and some business owners and entrepreneurs have a good understanding of what is involved in sourcing financing, it is not something they do every day. Therefore, they may not be up-to-date with the various traditional and non-traditional lenders in the marketplace nor the numerous financing options available.

Additionally, financings come with their own industry jargon, including debt service coverage and covenants, margining and availability, WEPPA reserves, limited deficiency guarantees, OLV and FLV valuations to name a few.

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3. Contacts

Since many non-traditional lenders do not advertise, people are generally not aware of their existence and are often surprised to learn there are over one hundred different types of lenders across Canada. And even amongst the traditional “Big Five” banks, knowing the right department to contact regarding sourcing a loan can be a time-consuming exercise.

A financing advisor is in frequent contact with many lenders and, as such, can save someone countless hours who may call the wrong department or even the wrong bank or lender.

We are all so busy these days; for business owners, CFOs and entrepreneurs that are wearing multiple “hats”, having a professional financing advisor on your team can help you dramatically improve your odds of obtaining the right financing for your business needs.

At Isaacs Advisory, we have extensive experience in advising, structuring, and sourcing a wide range of traditional and non-traditional financing solutions for SMEs.

For more information on raising financing solutions for a start-up, early stage, growth, in-transition or business in distress, please contact Adrian Isaacs at (416) 835-4511 or aisaacs@isaacsadvisory.ca.

