



Funding activity

Explore ways to fund your business.

Instructions

- Download the PDF activity from your coaching kit session, then open the file.
- You can complete the activity by printing it out, or filling in and saving a copy.
- This activity has two parts - 'Understanding funding needs' and 'Funding options'
- Research funding options online, speak to your funder for a better deal or consider other potential funders.
- Document your research in the table provided and compile a list of questions.
- After completing this activity you may like to discuss your questions and answers with your advisor.

** This PDF can be edited. Click and type into the fields and questions. Don't forget to save regularly.*

Understanding funding needs - Explore your current funding requirements, including purpose, need and ensuring the right terms.

1. Identify your funding needs - Answer the questions to determine your funding status and needs.

Purpose of funding - What will the funding be used for?

For example, to start your business, to support your working capital commitments, purchase an asset, to help get through a challenging trading time, to help your business expand?

Is funding needed for short-term cash flow issues or long-term asset purchases?

Having enough funding - Can you secure enough funding for your needs?

For example, for funding to purchase machinery, consider whether the costs of transport and set up of the machinery in your location can be met through business cash flow or whether funding is required to cover these costs.

Right terms - Do you have enough cash flow to meet repayments or will the terms of your funding constrain ongoing operations?

Do you have flexibility in the agreed terms and can you negotiate these with your funder if required?

Can you leverage your good relationship with your funder to give you better terms? This can be important during challenging trading times to ensure funding will continue to be supported.

Are you paying down debt too quickly? Could you use this cash more effectively for an alternative purpose?

Funding options - Explore different funding opportunities, including advantages and disadvantages. Rank based on the requirements you set on the previous page.

2. Identify your funding needs - Research options to complete the table.

Types of funding - What are the different funding opportunities and types available for your business? There are many different options such as government grants, banks loans or crowdfunding. A useful resource is the Department of Industry, Innovation and Science's article on reasons for seeking finance .	Advantages - What are the advantages of different funding options? For example: <ul style="list-style-type: none"> flexible funding (for example, an overdraft which you can draw on when needed) quick access faster repayment comes with other support (for example, sometimes grant funding comes with business advisory support) you have a good relationship with the funder 	Disadvantages - What are the disadvantages? For example: <ul style="list-style-type: none"> you are required to give up some control in the business (for example equity funding, venture capitalist funding) poor repayment terms that could significantly impact on business operations long delays in accessing funding (for example, some grants are over) 	Rank - Select the funding option which most suits your needs.
Option 1			
Option 2			
Option 3			

What next

- Discuss with your advisor.
- Remember, debt is not necessarily a bad thing. It can help start or grow your business. However, make sure that you are able to meet repayment terms without significantly impacting on the operations of your business.