



**NATIONAL
BUYER/SELLER
FORUM**

**March 25-27, 2008
SHAW CONFERENCE CENTRE**

BDC - National Financial Institution

- ✓ Long term financing to Canadian SMEs
- ✓ 10,000 loans for \$3.0 Billion Annually
- ✓ Financing for Business Growth & Business Creation
- ✓ Consulting Services
 - Operation efficiency
 - Human Resources
 - Strategic Planning

BDC - Complimentary Lender

- ✓ Take more risk than traditional lenders
- ✓ Transaction Risk
 - % of financing
 - Security shortfall/no tangible security
 - Amortizations
- ✓ Limited Guarantees
- ✓ Project Financing
 - Purchase land & building
 - Purchase equipment
 - Purchase shares of another company
 - Working capital

Issues Facing Canadian Manufacture!

- Rising Dollar “Petro Dollar”
- Foreign competition – China/India
- Slowing US Economy
- Skilled labour shortages
- Low level of investment to productivity
 - Plant & equipment
 - R & D – Innovation
- All impact on overall competitiveness

BDC

- ✓ Strong supporter of Manufacturers
- ✓ 30% of our authorizations to Manufacturing Sector
- ✓ Consulting Services
 - Globalization Strategy – supply chain management
 - Operational Efficiency – lean manufacturing
 - Human Resources
 - SRED Tax Credits
- ✓ Long term partner
 - Approval for amortization of loan
 - Non demand term loans

BDC

- ✓ Understanding your business
- ✓ Thorough due diligence
- ✓ Understanding the business model
 - Impacts of challenges
 - How are you managing → business plan

BDC - Solutions

✓ Productivity Plus Loan

- Up to 12 year amortization
- Interest only up to 24 months
- Up to 100% financing
 - » Equipment/installation, hard costs
 - » Some soft costs – training/burn-in
- No secondary security

BDC – Innovation Loan

- ✓ Used for Working Capital
- ✓ Used for R & D
- ✓ Used for Marketing Plan
- ✓ Used for Expansion to New Markets
- ✓ Unsecured (no tangible collateral)
- ✓ Amortization 8 years; 12 months interest only
- ✓ Maximum loan \$250,000

BDC – Term Loan

Plant and/or Equipment

- ✓ Higher Leverage than industry
- ✓ 75 – 100% on land & building
- ✓ 50 – 100% on equipment

BDC – Subordinate Financing

- ✓ Working Capital or Sale of Business
- ✓ > \$500,000
- ✓ No tangible security
- ✓ Interest rate and equity component (options/warrants)

Conclusions

- ✓ BDC provides much support to Manufacturers
- ✓ Bring about unique solutions for this sector
- ✓ Have good knowledge about your needs.