Seven sources of financing

To finance the transfer of ownership, the successor and the seller can agree on a financing package that brings together different sources of financing. A considered choice that takes into account the available products, the characteristics of the company and its future projects, at the same time, is an essential element to the success of a transfer. Explore all the available products. Ask about their features. Get a detailed explanation of them.

1. The successor's personal funds mean his individual savings or the capital he possesses. The successor can also personally borrow on mortgage, for example, to purchase the initial shares.
2. The funds the seller is prepared to leave in the company and that he will be progressively reimbursed following certain agreements such as credit notes, agreements for share buyback over several years, or a balance of sale.
3. A secured loan from a governmental program.
4. An asset-backed loan, against which the company's assets are put up as collateral.
5. Subordinated financing to another debt that a financial institution grants under more flexible conditions than those of a traditional loan.
6. A debenture, such as an unsecured loan that also bears flexible conditions, for example a moratorium on capital repayment for a certain number of years, a conversion clause, etc.
7. Investor funds, typically from a capital risk company, which becomes a shareholder without taking control, and whose participation can be repurchased after a certain number of years when the company's financial position allows it.