

STEP 2: Know Your Financing Options

Action Items

Checklist

	Status?	Target Date?	Responsibility?
Prepare your financing needs and financial projections so you can use them as a basis for discussion with possible investors.			
Meet with your bank and other conventional sources of financing to determine how much funding you can expect from them.			
Consult with an investment advisor and legal counsel on funding options available to you.			
Investigate if your company is eligible for government assistance through tax credits on research and development, or other sources.			
Consider your funding from a contractual and operational point of view.			
Determine desired capital structure and mix.			
How much should be funded: <ul style="list-style-type: none"> • internally? • through conventional external sources? • through risk financing? 			
How much should be funded with: <ul style="list-style-type: none"> • debt? • equity? 			



Consider the pros and cons of:

- equity participation; and
- subordinated debt investment.