THE ENTERPRENEUR CAN FINANCE HIS BUSINESS THROUGH:

THIRD PART EQUITY – EXTERNAL SOURCE

Equal to €……….or 50%

Entry of new partners

Cost: dividend and taxes
Participation in business risk: **Yes**
Participation in the goverance: **Yes**
Equal to €……….or % external source

Credit providers

Equal to €……….or … % external source
Cost: profit margin from deferred payment

Interest free loan which is remunerated as a percentage of the profit accrued

Equal to €……….or … % external source
Cost: variable depending on the percentage of profit
Participation in the *goverance*: **No**
Participation in risk of loss: **No**
Provision of financial capital and/or third part equity injection shall be pleasing to the banks for a line of credit and/or to the providers
Collateral: the pledge and the mortage
Control: through *financial covenants*

Mini bond

Product similar to bank credit
Advantage: saving in interest

Subsidised funding EU

Disadvantage: long time, reduced amounts,
bureaucracy, creditworthiness
Advantage: saving in interest

Bank Credit

Traditional products
Cost: fixed interest
Participation in the goverance: **No**
Participation in business risk: **No**
Basic requirements: collateral, profitability
and typical parametres from the bank both
formal and substantive (CR, Crif, etc.)

CAPITAL INTERNAL SOURCE

Equal to €……….or 50%

Share capital and shareholder loan

Equal to €……….or … %

Asset disposal

Equal to €……….or … %

Self-financing through retained profits

Cost: taxes
Equal to €……….or … %