

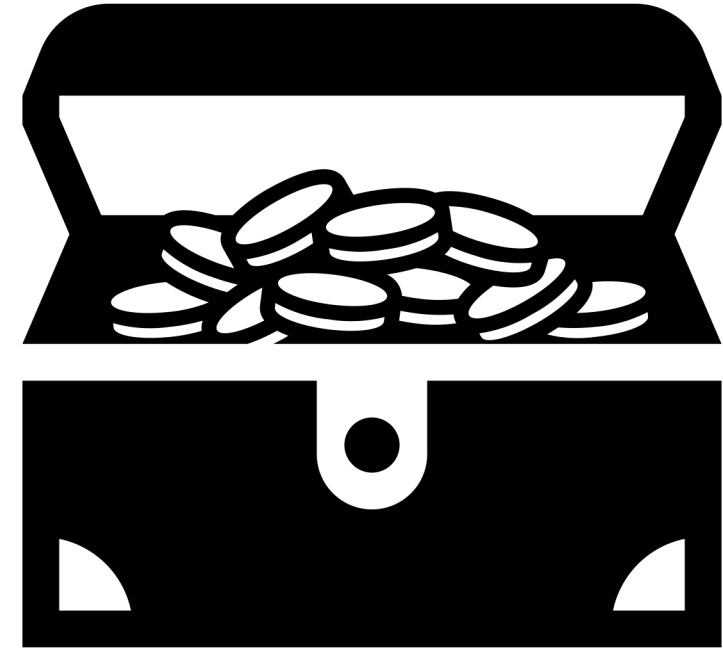


## SSFPA WOMEN'S INITIATIVE

Overcoming Business  
Barriers Facing Women  
Food Processors

# Finding the Money

If you are in business,  
you need to  
understand money-  
how to get it and  
how to manage it!



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# What is your relationship with money like?

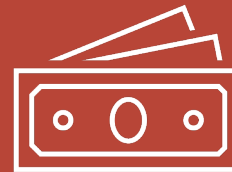
People have always  
traded with each  
other



Money is now the  
dominant 'medium of  
exchange'



What is your  
experience with  
money?



How do you manage  
money?



# There are several ways to get the money you need for your business

- Each approach has **COSTS** and **BENEFITS**
- One way or another, you will have to manage how you work with money
- Plan to spend as much time at the beginning on your money/business plan as you spend on developing your product or service—this will save you money and it will save you grief



# Sweat Equity: the time you put into research, planning and dreaming before you have any money

## **Benefits:**

- You are in charge

## **Costs:**

- You can wear yourself out
- Move quickly through the business side on sweat and go after the money you will need

# Love Money- family and friends who want to support your business

## **Benefits:**

- Can be quick and easy and everybody can feel good about it...

## **Costs:**

- This may be a way for family and friends to use power over you
- Mitigate this with a full legal agreement

# Using existing credit from a credit card or mortgage

## **Benefits:**

- You don't have to show up and pitch your business (not a good idea, even if you are timid)
- Quick

## **Costs:**

- Credit cards require very high interest rates
- You will probably not have enough credit and end up undercapitalized
- You can jeopardize your entire financial life

# Advance Sales

Advance Sales: show your product to key people and offer for them to 'buy' a package of a few units **before you produce it in commercial volumes**

## **Costs:**

- You must be very careful to calculate the cost of starting production, or you could sell more in advance than you can really produce

## **Benefits:**

- If you have worked it out in detail, this can be a useful strategy if the cost of doing your business is low at start up
- This could create examples that you can show to other funders

# Crowd Funding: partly love money and partly appealing to future customers

Managing crowd funding is now controlled through regulations...

There are some crowd funding platforms that are worth exploring but the experience is not as easy as it might seem— some do not pay out if you don't reach an agreed upon goal...

# Grants

Watch the SSFPA list serve- when grants are available, they will be posted

## Benefits:

- Free money

## Costs:

- There is always competition for grants
- Grants may not be available when you need money
- Many grants do not cover the whole cost
- You have to fill in forms — some of them are very complicated —you must pay **ATTENTION** to what the grant will support

# Peer Lending Circles

**Getting comfortable  
with borrowing— a  
good idea if there is a  
program available as  
they mostly come with  
coaching and support**

# Loans from banks and credit unions

## **Benefits:**

- **Credibility:** when you get a loan that shows that someone who has looked deeply into your business thinks you and your business is worth the risk
- Improved credit rating
- The money you clearly need

## **Costs:**

- You must start paying back quickly
- Start -ups get dinged with a high rate of interest



# Investment: when people or investment organizations front money for a share of the business

## Costs:

- You provide shares in your business — as long as you keep 51% you maintain control
- You need a lawyer to ensure your deal is going to be good for you
- Many investors look for huge payouts

## Benefits:

- You don't have to pay the money back until you reach a mutual goal- 'the exit'
- This makes it much easier to operate and reduces cost of doing business at the beginning
- You show that your business has been vetted and supported but someone who is important in the business community — give you personal credibility

The Government of BC has a tax credit investment program—if your business qualifies, you can provide investors with a tax credit. To benefit from this program, you need to consider the following:

- This does not benefit businesses in the Capital Regional District or communities in the Metro Vancouver Regional District
- You need to set up an 'Eligible Business Corporation'
- This is a very formal process and requires legal assistance

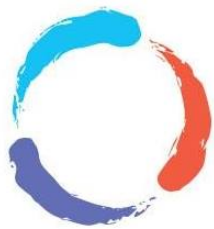
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# Specialized lending for agricultural businesses



Canada Agricultural Loans Act  
provides 95% loan loss  
guarantee for your bank or  
credit union for a farming or  
food processing business

# SSFPA Partner Spotlight: Women's Enterprise Center



**WOMEN'S  
ENTERPRISE  
CENTRE**

The Women's Enterprise Centre provides support, mentoring, coaching and business planning advice. Connect with them at <https://www.womensenterpriserise.ca> The WEC is a partner with the SSFPA and gives extra assistance to small scale food processors.

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# SSFPA Partner Spotlight: Vancity Unity



## Start-up:

- (for women-owned businesses operating for at least 6 months)
- Variable rate line of credit
- Access up to \$20,000
- Get a lending rate of prime + 3%<sup>1</sup>
- Simplified approval process
- Complimentary support and advice through Women's Enterprise Centre

## Growth:

- (for women-owned businesses operating for at least 12 months)
- Variable rate term loan
- Access up to \$100,000<sup>2</sup>
- Get a lending rate of prime + 1.5%<sup>3</sup>
- Maximum term of 60 months
- Interest-free for first 6 months
- Complimentary support and advice through Women's Enterprise Centre

# The major reason small business fail is **undercapitalization**



Prepare yourself to be  
investment ready



Ensure you have a very strong  
business plan that aligns with  
your personal and financial goals



Research options



Ask questions of other  
members of the SSFPA



Watch for new SSFPA  
programs



GOOD LUCK