

**THE
DECISION-MAKER'S
GUIDE TO
LONG-TERM
FINANCING**

**The Essential Handbook
on Securing Financing
Terms with Confidence**

Kathrin Ohle

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twig energy inc.

The Decision-Maker's Guide to Long-Term Financing
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To Jean

who lovingly supports me in every endeavour
I choose to shine my light on.



*Our deepest fear is not that we are inadequate.
Our deepest fear is that we are powerful beyond measure.
It is our light, not our darkness that most frightens us.
We ask ourselves, Who am I to be brilliant,
gorgeous, talented, fabulous?
Actually, who are you not to be? You are a child of God.
Your playing small does not serve the world.
There is nothing enlightened about shrinking so that
other people won't feel insecure around you.
We are all meant to shine, as children do.
We were born to make manifest
the glory of God that is within us.
It's not just in some of us; it's in everyone.
And as we let our own light shine,
we unconsciously give other people permission
to do the same.
As we are liberated from our own fear, our presence
automatically liberates others.*

— Marianne Williamson

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Introduction

During my more than 20 years of investing and lending, I have spoken with countless entrepreneurs and businesspeople within small and medium-sized enterprises who regularly make financing decisions without having a financing background. Because of this experience, and because every business decision is essentially a financing decision, I felt compelled to create a practical, comprehensive textbook that addresses the typical financing topics such decision-makers are frequently exposed to.

This book is for all entrepreneurs and businesspeople in small to medium-sized companies who are part of the company's management team and who, correspondingly, make or influence company decisions. The information in this book will help save your company time and money, and it will help you secure the most beneficial and suitable terms and conditions for your long-term financing transactions.

Who Should Read This Book?

This book is written for the decision-makers in any type of business, especially those who do not have an extensive financing background. As all business decisions are essentially financing decisions, this book targets anyone on the management team. Investors and lenders will investigate all parts of a business — management, sales and marketing, operations, purchasing and personnel. They will also review the expertise of all people on the management team. Consequently, any major decision in any part of the business has an impact on the company's ability to attract financing.

I am passionate about helping you make well-informed decisions, be successful and grow your company and, as a result, have a positive impact on the economy, other people and the planet. Based on my experience, I know this book will help you achieve success. As I wrote, I put myself in your shoes, anticipating what type of questions you might have and what information you might need. Consequently, I am confident that you will find answers to your most pressing financing questions here.

There are thousands of books on financing available worldwide, but to my knowledge, none of them outlines in a concise and informative way all the relevant long-term financing decisions a businessperson faces on a regular basis.

This book focuses on conveying a solid base knowledge of long-term financing via equity, debt and subordinate financing — the forms of long-term financing that entrepreneurs or the management teams of small to medium-sized companies will typically seek out at some point during their start-up and growth phases. It also runs through the mechanics of a financing transaction, to help your company achieve its financing goals. It does not dissect structures like working capital financing or letter of credit financing, nor does it address cross-border financing, government financing through avenues such as grant programs, loan guarantees or tax and other incentives, or the types of financing that are only available for amounts greater than \$50 million to \$100 million, like bond financings or securitizations. It also does not cover emerging types of financing, such as crowdfunding or community bonds. Those topics are for another book.

While offering definitions of the terms used, the book also brings them to life by putting them in the context of examples from real-world situations I come across frequently. Given that my financial advisory firm focuses on the clean technology and alternative energy sectors, many of the examples I use are taken from those areas. However, the information provided applies across most industries, and the examples are intended to show potential solutions to problems your company may be encountering.

How you use this book is up to you: you can read it from cover to cover, or you can use the comprehensive table of contents and expansive index to locate specific sections that are of interest to you at a given time.

Wishing you much success!

*With warmth,
Kathrin Ohle*