



Financing Strategies

Objectives

This course will provide participants with a comprehensive understanding on various financing methods available in the market. It will enable the participants to appraise and identify the most appropriate types of financing and loan structure based on company's operating cycle and capital investment cycle. The program will also provide some measures on how to identify which loan situations require collateral and what type of collateral should be given.

Course Contents

Financial Institutions offer a variety of credit facilities to meet the various companies borrowing needs. Some of the facilities are considered short-term and some are considered long-term.

1. **A short-term credit facility** has a maturity of one year or less. Debt is used to finance temporary or seasonal cash requirements. The repayment depends on sources that can generate cash in a single operating cycle. The better company understands its operating cycle, the easier it will be for company to identify appropriate types of financing.
2. **A long-term credit facility** has a maturity of more than one year. Long-term credit facilities are typically used to finance relatively permanent or long-term borrowing needs when repayment is not expected within single operating cycle.

To select the appropriate credit facility, it is important to consider the company's needs and the protection required by a lending institution. The general rule is to match the disbursement features to the timing of the company's need for cash and match the repayment features to the timing of the company's ability to generate cash.



Course Outlines

1. Credit Facilities: borrowing needs and common types of credit facilities.
2. Components of Asset Conversion Cycle.
3. The Operating Cycle and the Capital Investment Cycle used to assess the appropriate type of financing.
4. Financing Strategies:
 - Short Term Financing: Overdraft, Bridging Loan, Revolving Loan, Working Capital Loan, Trade and Various Domestic Financing.
 - Long Term Financing: Investment and Project Financing.
5. Types of Collateral: Land and Property, Debentures, Fixed and Floating Charge, Stocks, Shares and Goods.

Designed For

Finance and non-finance managers who need to become familiar with the financing options available in the market and identify financing needs and strategy. No previous knowledge of finance is required to gain the maximum benefit from the course.