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FINANCIAL POISE WEBINAR ONE SHEET
BORROWER OR LENDER BE

ABOUT THIS SERIES

Many companies, and most of any size, use borrowed funds as part of their capital structure. Depending on the nature of the business, its size, time in business, whether it has adequate collateral, and other factors, a business has myriad options when borrowing funds.

This webinar series provides a guided tour of the various borrowing options available to businesses, from both a business and legal perspective. Learn the advantages and disadvantages of different types of loans, how to select the right loan for your business, how to negotiate terms, and what happens in the event the loan is defaulted upon.

As with every Financial Poise Webinar, each episode is delivered in Plain English understandable to investors, business owners, and executives without much background in these areas, yet is also valuable to attorneys, accountants, and other seasoned professionals. And, as with every Financial Poise Webinar, each episode brings you into engaging, sometimes humorous, conversations designed to entertain as it teaches. Each episode in the series is designed to be viewed independently of the other episodes, so that participants will enhance their knowledge of this area whether they attend one, some, or all episodes.

About Episode #1

What Kind of Loan?

January 24, 2019 at 3:00 PM CST

In a broad sense, most loans can be divided into two basics types: an asset-based loan (ABL) and a cash flow loan.

An ABL is made by a lender who underwrites the loan primarily by valuing the company's assets, such as accounts receivable (A/R) and inventory. An ABL lender underwrites a loan based on the ability to liquidate its collateral should it need to. A "cash flow" lender, in contrast, while also secured against the borrower's assets, underwrites the loan primarily based on the cash flow and general credit-worthiness of the borrower.

The distinction between these types of loans is only the beginning of understanding the many types of loans available to a business, because within each of the two types there are many sub-types.

This webinar takes the audience through a guided tour of the various borrowing options available to businesses, from both a business and legal perspective, to paint the overall landscape of the different types of lenders that exist and to provide a framework for understanding what type of lender and loan may make sense for any particular borrower.

This webinar is delivered in Plain English, understandable to you even if you do not have a background in the subject. It brings you into an engaging, even sometimes humorous, conversation designed to entertain as it teaches. And, it is specifically designed to be viewed as a stand-alone webinar, meaning that you do not have to view the other webinars in the series to get a lot out of it.

About Episode #2

Basics Concepts Applicable to All Borrowers & Lenders

February 21, 2019 at 3:00 PM CST

A business borrows when it purchases goods or services on credit. And a small business may only "borrow" money in this fashion. At the other extreme is a large business with multiple lending facilities, with multiple lenders. Regardless, and regardless of the *type* of loan (i.e. cash flow, asset-based, etc.), many of the concepts are the same. This webinar arms the attendee with the basic vocabulary necessary to negotiate any type of loan.

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About Episode #3

Alternative Structures- PO Financing, Factoring & MCA

March 21, 2019 at 3:00 PM CST

Purchase-order financing (P/O financing) is a *type* of asset-based loan designed to extend credit to a company that needs cash quickly, to fill a customer order. A company may operate with such a small amount of working capital that it cannot afford to pay the for the cost of producing a customer's order. P/O financing enables such company to not turn away business, by borrowing from a lender using the purchase order itself as collateral to support a loan.

Factoring is one of the oldest forms of business *financing*. Note that the term is "financing" rather than "loan" because factoring is not actually a loan. In a typical factoring arrangement, the company needing financing makes a sale, delivers the product or service and generates an invoice. The factor (the funding source) then purchases the right to collect on that invoice by agreeing to pay the company in need of financing the amount of the invoice minus a discount.

MCA lending is, in summary, an advance on a company's sales. Financing through a merchant cash advance (MCA) is used mostly by companies that accepted credit and debit cards for most of their sales, typically retailers and restaurants. The concept is this: funder purchases a portion of the company's future credit card receivables for a discounted lump sum. The MCA funder receives the purchased credit card receivables as they are generated either by taking a percentage of the company's daily credit card proceeds or by debiting a certain amount of funds from the company's bank account. Depending on the risk profile of the company, it can be a more expensive form of financing for a business compared to other types of financing.

What these three things have in common is that they are each a type of "alternative lending." Alternative to *what*? To the type of loan a company can get from a "regulated" commercial bank. This webinar explains these types of financing arrangements, what to consider before entering into them, and provides some tips on how to negotiate them.

About Episode #4

Dealing With Defaults

April 18, 2019 at 3:00 PM CST

Some borrowers default. One type of default is a payment default- the loan is not paid when due or a particular payment is missed. The other type of default is a *covenant* default. This webinar explains both and discusses what happens when one happens.

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