

Blue Sky Bulletin

Issue 15

Welcome to Issue 15 of the Blue Sky Corporate Finance newsletter.

Blended Finance - The Perfect Recipe

Main Ingredients:

A large helping of **Venture Capital (Equity)**
An equal measure of **Bank Finance (Debt)**
A large portion of **Inventory/Asset Finance**

For the Topping:

A sprinkling of **Loans and Grants**



Historically businesses would look to their High Street banks to obtain all the finance they required to fund working capital and investment. However, since the credit crunch the banks have been less able to provide businesses with their full funding requirements. This has caused businesses to seek additional finance elsewhere, and it is not uncommon for a transaction to be funded by two/three or more providers. These may comprise of asset based lenders, the likes of invoice discounting, local funds, peer-to-peer lenders and other specialist funds.

These alternative lenders to bank borrowing have grown rapidly in recent years and now play a significant part in the list of funding ingredients. Not all of these new products are suited to all businesses and it is important that you talk to an adviser who knows the possible ingredients and which ones blend together best.

Blue Sky Corporate Finance offers un-biased advice and guidance. We will **prepare** the **mixture** of funding solutions most suited to your business requirements. **Whisk** until the **mixture** is just the way you need it to be and **cook** until you have the finished product. For the **topping**, add a **few drops** and a good **sprinkling** of alternative finance. Hey presto, the perfect recipe for Blended Finance.

Remember: From a business's perspective, the ability to acquire blended finance reduces the demands a single provider can often enforce upon them, thus avoiding the **"eggs in one basket"** scenario.

Paul Heaven, MD, Blue Sky Corporate Finance explains: *"Funding is as tough as it's ever been for small businesses. Increasingly we are finding the solution has to be a blend – a combination of solutions. For example, we recently completed a deal for a client where we secured money from three different providers."*

Veejay Lingiah, MD, Artbrand Publishing Ltd said *"We knew that we needed finance for our rapid growth but when we entered into this process, I assumed that would come from one source. Blue Sky Corporate Finance provided invaluable help and advice, introduced us to the various finance providers, assisted us through the fund raising process, led the negotiation of the investment terms and supported us all the way."*

Contact our friendly, professional and experienced team of advisers for a **FREE** no obligation discussion to see how we can help you and your business.

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