

# **Part 11: How to write an Information Memorandum or Business Plan to Raise Capital – ‘Finance Required’**

**By Len McDowall, Integral Capital Group Pty Ltd**

This is a continuing series of articles on how to write a Business Plan or Information Memorandum to raise capital, Part 11 discusses the business plan content specifically ‘Finance Required and it’s Application’.

## **Finance Required and it’s Application**

The preparation of detailed financial projections and sensitivity analysis thereon should enable the amount of investment required to be determined. This section of the business plan should include:-

- How much money is required now
- Whether additional finance will be needed in the future if plans are achieved and when this will be required. In some cases where all the finance is not required immediately investment can be made in stages against the achievement of pre-defined targets.
- What the finance required now and at later stages will be used for.
- What proportion of the funds is expected to be raised from debt sources rather than through equity investment.
- Details of current investment in the company, both equity and loan (including bank facilities).
- The percentage of the company that investors are being offered in return for investment.
- An indication of how the investor will realize his investment.

The content of Business Plans will be further covered in subsequent articles by Len McDowall.

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## **About Len McDowall - Managing Director, Integral Capital Group Pty Ltd**

Len McDowall was previously inaugural Chairman and Managing Partner of Bird Cameron Chartered Accountants (now known as RMS Bird Cameron), which employed 1000 people in 50 offices in Australia and Hong Kong. Len McDowall has extensive experience in all facets of financial management with a particular emphasis on structuring and negotiating joint ventures and capital raisings. Following his retirement from the accounting profession Len and his partners established the Integral Capital Group in 1990 which specialises in mergers and acquisitions, public floatation’s and capital raisings.