



Open for Business 2020: Financing and Transactions Forge Ahead

While many things have changed over the past few months, the need for business capital has remained strong. Likewise, capital is still available from traditional and non-traditional sources—you just need to know where to look. Glenn Bowman discusses the new approach many businesses are taking to obtain the capital they need.

There's a saying: "the more things change, the more they stay the same." While many aspects of life and work have changed these past few months—with a number of businesses needing to get creative to stay afloat—one thing hasn't changed: the need for and availability of capital.

Despite the turbulence of current market conditions, capital remains available. Businesses simply need the savvy to know where to look.

Uncovering funding opportunities

While accessing capital during difficult times takes creativity, it is by no means impossible. Despite the challenges of the past six months, both traditional and non-traditional lenders continue to finance businesses in a range of industries. Similarly, mergers and acquisitions continue apace, especially among buyers looking for opportunities to expand or consolidate. For their part, many private equity firms are actively seeking transactions.

Thanks to this dynamic environment, businesses capable of concisely expressing the benefits of a transaction in language that lenders, buyers and investors understand may be better placed than they realize to attract the financing they need.

Admittedly, additional skillsets must be brought to bear. Whether you're looking for access to capital or alternative debt sources, you need the capacity to identify the organizations most likely to be interested in your deal. Non-traditional

lenders and private equity firms tend to advance funds only to companies that meet their criteria. The size and nature of your transaction, the security you have available, your cash flow and your industry will all come into play in these cases.

Last, but not least, it's important to know how to close a deal in even the toughest transactional environment. In a market characterized by uncertainty, lenders, buyers and investors may require different disclosures, different levels of due diligence and different assurances than they would otherwise expect during "normal" times.

The proof is in the pudding

Although many companies believe they don't qualify for financing or they will need to wait until COVID-19 has run its course, there is ample evidence that capital markets remain open to new business, even now.

One of our manufacturing clients, for instance, was heavily reliant on China for the import of a key component in their manufacturing process. When the global pandemic began to spread, they quickly ran into supply chain issues. Working in close collaboration, we helped them close an onshoring transaction that gave them the manufacturing capacity to produce this regulated product in North America.

Another client was in the process of restoring a heritage building with environmental issues that they planned to occupy as tenants. To resolve these issues, the company needed immediate access to financing, even though the markets had already begun to flounder. Acting as an extension of their team, we helped them identify strategies to address this risk and then spoke with their lenders to discuss their plans. The upshot? They gained access to the funding they required to complete their renovations and move into their new home.

Notably, these aren't isolated incidents. Since March alone, the B. Riley Farber Corporate Finance team has helped numerous companies access debt financing and refinance existing loans with current lenders. We have also closed multiple transactions, including those for [Ucore](#), [Raw Design](#) and many others.

Facing forward

Attracting financing amid current market realities can seem daunting, but we're here to help. At Farber, we have extensive experience communicating with lenders and investors in terms they understand. With a database of financing sources, we can help you determine what type of funding you qualify for and get your transaction in front of the right people.

If you'd like to explore the financing options available to you, give our team a call.

Managing Difficulty Amid Distress

When a Southern Ontario manufacturer and distributor of consumer products found itself in a precarious situation, an asset-based bridge loan was the answer [Learn more](#)

Our Contributors

Glenn Bowman is a Senior Managing Director and leader of the Corporate Finance practice of B. Riley Farber. His practice focuses on advising clients on acquisitions and divestitures—covering a broad array of industries from owner-managed businesses to multinational corporations—private debt and equity financings, financial restructurings, business and securities valuations, and fairness opinions. Glenn can be reached at gbowman@brileyfin.com or at 647.283.1355
