



# CREATING PROSPERITY BY CONNECTING INVESTMENT OPPORTUNITIES TO INVESTORS

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## *INVESTORS' CORNER*

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### Be Smart About Your Financing!

“There is always space for improvement,  
no matter how long you've been in the business.”

*Oscar De La Hoya*

If you have a business, whether it's a large one or a small up-and-coming venture or if your company has been around long enough and is sitting somewhere along the spectrum of growth, I am sure sometime in the past, there has been a need to get additional financing to expand your business, or more so, to shelter your profitable company through times of cash flow constraints. Perhaps you haven't reached this stage where you need to get financing, but trust me any successful company has had the need to find additional financing! It means that you are growing, that your company is elevating beyond its current scope. This is a good thing; if you have not gotten to that stage, then you are going to want to and soon!

When you do, when you get to that crossroads of deciding how to fund your next big project, growth or strategy, it is important that you do it well. Choosing the right financing option can be either a great help in realising the project/growth or a burden in you achieving that business goal. It is therefore critical that you arm yourself with as much information so that you make a smart and well-informed decision. Gone are the days when traditional way of thinking is the norm, as business owners and managers, one has to appreciate that unconventional and innovative ideas are the new sexy! So, do your research, the good thing is, this article will help you to open your eyes to another possibility beyond the norm!

There are many different options that are out there that you can consider. Actually, the attractiveness of any option most times depend on how big a company you are. The first option that you might think of and the most traditional of them all is getting a loan from the bank. This option normally calls for a decent level of collateral that a number of small businesses may not have. However, even if you have the capacity and the collateral of getting a loan from a bank; it would prove unwise if you do not explore all the other attractive options such as what the local securities exchange, DCSX, offers.

This is what being **smart about financing** is all about. It is assessing all the options that are available to you and selecting one or a nice combination of choices, that is the most financially sound. One that will ensure that you get to your business targets faster, with less headache and with less of a cost burden.

Do you know that you can issue a bond and list it on the Securities Exchange here in Curacao? A bond is similar to a loan from a bank, in that, they both grant you a bulk inflow at the beginning to finance that project of yours; but both charge you interest on that amount over the life of the funding. The primary difference normally is that with a loan, the bank normally dishes out the cash you need, but with a bond, the money comes from the public. Usually too and most importantly, the interest rate on the bank loan maybe higher than the interest rate that the public demands on a bond. Trust me, if you can get financing at an interest rate that is even only 0.1% less than what you can get traditionally, the savings that you will realise from compounding over the years of the bond, is worth the further investigation into this new bond craze taking over Curaçao!

There is no one right way to do things, perhaps a financing option that works great for your company may not be the best option for another. Perhaps your company might be too small to issue a bond and a bank might not even look your way in which case even more non-traditional methods, like crowdfunding might be the best option for you. So, I am not saying that a bond is the end all and be all. What I am saying is a bond financing may prove way smarter than what you are traditionally used to with a bank loan. If that is the case, why don't you get in on it? But don't just take my word for it, why don't you investigate it some more, the team at DCSX have answers to your questions. Let's see where this smarter way of doing things can take you along the path of growth!

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