

Luxembourg, 07-11 March 2016

SME FINANCING: FROM BUSINESS PLAN TO EXTERNAL FUNDING

Multinational seminar

ORGANISATION SHEET

Objective

Many very small and medium sized enterprises are often obliged to finance their current activity and development by internal funding, coming from their owners or by retained earnings. For the business cycle financing, external funding is mainly provided by their suppliers.

For many reasons, the intervention of external capital providers is difficult. Between VSME and financial institutions, experience shows indeed it is not easy to understand each other. If the relations are relatively easy when it concerns the financing of a well-defined short term need, they become rapidly difficult when the demand is related to a business project comprising investment and working capital.

Entrepreneurs, especially small ones and those who are developing a new project, generally blame the bankers for their chilliness, lack of understanding, and their desire to get the maximum guarantees. As for financial institutions, they often blame contractors to submit projects that are insufficiently documented, or unrealistic in terms of financial planning.

Given the crucial role of these enterprises, corresponding to the concept of "mesofinance", in economic development, and the importance of this market for the growth of the banking industry, the objectives of the seminar are:

- to improve the technical and commercial expertise of the participants in their relations with SMEs applying for a loan to finance the development of their activities;
- to improve the understanding of what is a "bankable" credit demand on the basis of a business project and a business plan;
- to improve the understanding of the key words in SME financing: "Information" – "Treatment of information" – "Use of information";
- to focus on recent non-banking development, like crowdfunding, business angels and private equity funds.

Methodology

Cash Flow Based Lending will be the main focus, through comprehensive case studies, exercises and exchange of experience.

In this context, three specific issues will be addressed from the point of view of the banker:

- How to analyze, critically, a business project through the business plan and the financing plan?
- How to differentiate the scoring/rating approach according the size of the SME?
- How to efficiently manage the relation at the different stages of the credit process?

Among others, managers from a Luxembourg bank, local financial supervisors and local companies' Directors will share their experience with the participants during the seminar.

Target group

Middle managers and high potentials from commercial & central banks, financial institutions and supervisory bodies, with a minimum of 3 year experience in SME financing.

More specifically for participants active in commercial banks:

- Loan officers in charge of commercial relations with SME prospects and clients
- Credit risk analysts
- Staff in charge of middle and back office activities

Knowledge Assessment

A knowledge assessment will be organised at the end of the programme, under the control of ATTF and the coordinator.

This assessment will consist in open questions (maximum 80 points). The level of active participation will be evaluated on a maximum of 20 points.

To be successful, a participant has to have a global mark of at least 50 out of 100.

Language

A good command of English is required

Participants

Maximum 20 participants from ATTF partner countries



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HOUSE OF TRAINING

Experts

Main expert & coordinator: André Taymans

- Chairman of the Board of Directors of Belgian Bankers Academy (BBA)
- Official Senior Expert ATTF
- Former Head of Credit Department, Crédit Agricole Belgium
- International Consultant - Experience in more than 35 countries

Senior experts from Luxembourg based banks, Belgian Bankers Academy, supervisors dealing with SME and heads of SME.

Date

March 7-11, 2016 (5 days)

Arrival date: Saturday, March 05

Departure date: Saturday, March 12

PROGRAMME ORGANISED IN COLLABORATION WITH:



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CONTENT

Evening before day 1

- Welcome address and presentation of ATTF and BBA
- Presentation and objectives of the programme
- Presentation of participants
- Welcome dinner

DAY 1:

Morning

- Some practical information
- SME Financing: main sources of external funding
- SME Market for banks: Challenges – Risks – Opportunities – Perspectives

Afternoon:

- Key concepts in SME banking: Information – Treatment of information – Use of information
- Business projects & business plans
- From Business plans to pro forma financial statements
- Financial analysis

DAY 2:

Morning

- Financial analysis: continued
- Valuation of investment projects and business

Afternoon:

- Scoring & Rating as analysis and decision tools
- Scoring & Rating : some recent experiences

DAY 3:

Visit of Raiffeisen Bank

- Presentation & Positioning in SME market
- Front Office activities
- Middle Office activities
- Back Office activities

Back to the hotel, free (preparation of the case study)

DAY 4:



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HOUSE OF TRAINING

Morning

- Debriefing Day 3
- Correction & Exchanges on the case study
- Testimonial (SME financial manager)

Afternoon:

BBA (Belgian Bankers Academy)

- Alternative external financing: recent developments
- Business angels – Private equity funds
- Crowdfunding
- Tax shelter tool

CSSF (Supervisory Authority of the Luxembourg Financial Sector)

- Impact of Basel requirements on SME financing

DAY 5:

Morning

- Debriefing Day 4
- Best practices in internal organization
- "7P" Approach
- Risk protection in loan documentation
- SMEs sources of failures & Warnings signs

Afternoon:

- Knowledge assessment
- Final debriefing & Conclusions

Closing cocktail