The most important objective of your plan, however, is ensuring that your company always has sufficient cash or operating lines of credit. To do this, the plan must include:

- **A cash budget** – this highlights your financing requirements over the next two or three years, so you can determine the timing and amount of your cash expenditures.
- **A capital budget** – this is a longer-term cost-benefit assessment of your export objectives. It provides an overview of the funds you'll need to complete your export project and provides an operating plan against which you can measure actual expenditures and revenues. It also tells you when the project will start generating positive cash flows.

With respect to cash, you'll need to know the timing of both inflows and outflows. Cash flow planning can help you defend against such problems as:

- exchange rate fluctuations;
- transmission delays;
- exchange controls;
- political events; and
- slow collection of accounts receivable.

These segments of your financial plan relate mainly to your company's current financial situation, and accurate details are important to the overall effectiveness of your export plan.

TIP

Remember that international trade payments usually take longer to arrive than domestic ones, so allow for this in your cash flow planning.

Where to get financial help

There are at several major sources of financial aid for exporters: Export Development Canada, the Business Development Bank of Canada, the Canadian Commercial Corporation and the Program for Export Market Development (PEMD).

Export Development Canada's working capital solutions

EDC's Pre-shipment Financing Program is designed to help you finance work-in-progress needs related to a product that will ultimately be exported. You may also be able to obtain additional working capital by applying for the Master Accounts Receivable Guarantee (MARG). MARG uses the security of an EDC guarantee to increase the availability of operating-line financing secured by foreign accounts receivable. If your foreign buyer needs financing, EDC may provide a direct loan for this purpose. Alternatively, EDC can arrange such financing through lines of credit or promissory note purchases.

Finally, if your buyer requires you to post a bond, EDC can help you obtain surety bonds or bank letters of guarantee, and can also insure you against the risk of wrongful call on the bond.

To find out more about these services, go to EDC's Small Business Services at **www.edc.ca/smallbusiness**. You'll also find EDC's online services useful; they're at **www.edc.ca/online**. Finally, for personalized help, you can call EDC at 1 866 260-4446.

Business Development Bank of Canada (BDC)

BDC can help you meet your working capital needs through long-term financing and flexible repayment options. Call a representative at 1 877 232-2269 or visit them at **www.bdc.ca**.