

# SME Transfer Solution<sup>™</sup>



## The answer to a successful succession

It's a well-known fact that seven out of ten business owners plan to hand over the reins in the coming years. While this prospect may appear worrisome at first glance, the fact is that it offers entrepreneurs an opportunity to purchase an established business.



To help buyers achieve their ambitions while at the same time coaching owners on the most strategic way to pass the mantle, the Solidarity Fund QFL network has developed the **SME Transfer Solution**, a wide range of financial products and professional services designed to make it easier to buy and sell a business. This solution is also just one more way the Fund shows its commitment to Québec entrepreneurs.

With years of experience in business transfer, the Solidarity Fund QFL network has a solid grasp of the issues and needs involved. As such, the **SME Transfer Solution** offers financial tools with unmatched flexibility and the services of professionals who put their ingenuity to work to help with the succession process, business financing and taxation issues, as well as to provide buyers with strategic support.

**The SME Transfer Solution  
is available to enterprises  
in any sector of the  
economy provided they are  
financially solid and have  
a long-term growth plan.**

## SME Transfer Solution

Using a personalized approach based on a relationship of trust, the **SME Transfer Solution** offers three broad types of services tailored to the needs of both buyers and sellers.

### A prestigious partnership

Because handing over the reins is a sensitive matter, the Solidarity Fund QFL has teamed up with the Chair of SME development and succession at HEC Montréal to create a Web site geared to business people looking to buy or sell a business.

Called *FromSuccessToSuccession*, this site offers a framework of reflection and action applicable to all types of situations involving a business transfer. Visit [www.FromSuccessToSuccession.com](http://www.FromSuccessToSuccession.com)



FromSuccessToSuccession.com  
A SITE OF THE CHAIR OF SME DEVELOPMENT AND SUCCESSION

## 1. Financing

Our professionals work with buyers and sellers to set up an optimal, simple transaction that mutually benefits both parties.

### For the buyer:

- Access to the Fund's **Flexi-Loan**, under which repayments are made from the company's free cash flow;
  - The **Flexi-Loan** requires no collateral or personal guarantee. This loan can also include an additional amount for a future growth project;
  - Flexible repayment terms;
  - Principal repayment holiday as of the first year;
  - Early repayment option;
- An equity stake by the Fund through the purchase of the company's common or preferred shares;
- Other financial institutions may participate in the financing.

### For the seller:

- Cash in up to 100% of the proceeds of the sale in some cases, including frozen shares;
- The possibility of remaining a shareholder in the company if so provided in the ownership transfer plan;
- The seller's remaining shares are redeemed gradually.

## 2. Tax planning

Thanks to the flexibility of the **SME Transfer Solution**, sellers can enjoy significant, tangible benefits.

- After the first meeting, a draft transaction is presented with an outline of the financial, legal and tax aspects of the sale;
- Tax tools are used to maximize cash inflow for the seller;
- The Fund's experts work with both the buyer's and the seller's advisors;
- Sellers may qualify for the \$750,000 capital gains exemption.

## 3. Strategic coaching

With its strong internal and external network of professionals, the **SME Transfer Solution** optimizes the growth of the business changing hands, and by extension, the success of the transfer.

- Access to a bank of seasoned business transfer professionals;
- Strategic decision-making support;
- Coaching on business development during and after the handover;
- Help finding business opportunities;
- Help preparing and executing the succession plan;
- Implementation of a mentoring program, if necessary.

For more information on the **SME Transfer Solution**, contact

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