How to finance your project - some examples

Once you've made your budget and got an idea of the initial capital to invest, it's important to think about where and how to find the funding.

The *How to finance a start up* video can help you reflect on the topic.

The readings present under Resources, will help you to identify what is the type of financing most appropriate to your start-up.

Article 1: 10 more creatives ways to finance your startup

Article 2: The basics of startup financing

On the website www.fondounimpresa.ch you can find interesting chapters on the topic of financing.

As an entrepreneur, you can finance your business through two solutions:

1. Own capital (internal sources)
    a. Owner's contributions from
        i. Current or savings accounts
        ii. Titles
        iii. Life insurance policies
        iv. Assignment of assets to the company (confer private property to your company)
        v. Luxury goods
    b. Loans without interest from relatives and friends the so-called "love money"

2. Capital of third parties (external sources)

   Foreword: in case capital is not sufficient to finance the company, it is possible to resort to funding from third-party funds called foreign capital. There are three types:

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a. **Short-term** third-party capital which finances the company's activity in terms of purchasing raw materials, merchandise and operating costs. This type of capital must consist of cash readily available. N.B: this capital represents the company commitments that must be fulfilled within a year.
b. Third-party capital at **medium** and ...
c. ... **long term** (as well as internal capital) are instead the capital that finances fixed assets (furniture, vehicles, etc.)

To request this type of capital there are several possibilities:

- Through banks: each region has its own rules regarding bank loans and financing
- Suppliers and customers: purchase of goods and services payable in a postponed or installment manner or request advances to future customers
- Leasing: rental of an item with a monthly payment for a specified period of time
- Factoring: form of financing for sale
- Other banks

3. Crowdfunding

   It is an online fundraising tool that asks registered users of the platform to financially support their project.

   Some examples of crowdfunding platforms are present in "Resources".

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