



**AECM**

*Association Européenne du Cautionnement Mutuel  
Associação Europeia de Cauçionamento Mútuo  
Europese Vereniging voor Onderlinge Borgstelling  
Associazione Europea di Garanzia Mutua  
Europäischer Verband der Bürgschaftsbanken  
Asociación Europea de Cauçión Mutua  
European Mutual Guarantee Association<sup>1</sup>*

**The business's curriculum vitae.**

AECM believes that every business should have a “curriculum vitae”, just like any applicant for a job looking to sell his skills to an employer.

This curriculum vitae should be

- inexpensive and simple,
- clear, objective and transparent,
- updated periodically to incorporate any new financial data for significance for the banker.

This CV should be made up of

- permanent data that is only updated from time to time.
- data that is updated periodically, showing the development of the financial details.

We suggest four models:

- 1. business in own name
  - 1.1. start-up business
  - 1.2. business already trading
  
- 2. commercial society
  - 2.1. start-up business
  - 2.2. business already trading

## **Case 1: business in own name – already trading.**

### **Permanent data.**

1. Details about the identity of the person running the business:
  - a. Last name, first name, date and place of birth, marital status, private address: *if the marital status involves a situation where there is separation or divorce, explain any financial consequences : alimony payments, sharing of assets by the couple, etc.)*
  - b. Education and business training of the person running the business: *details of anything relevant to understanding the skills within the business.*
  - c. Experience of the person running the business: *personal history of the person, jobs held in different professions, the exact role played within the business.*
  - d. Spouse: *if he/she works in the business, education and experience, his/her role in the business, remuneration. If he/she works outside the business, his/her position and remuneration.*
  - e. Reputation and good character: *mention whether the person has had any “financial accidents” in the past: when, why, to what extent, any on-going financial ramifications. If necessary, attach and certificates of good character that apply within the country.*
  
2. The business’s identity details:
  - a. Trading name of the business, registration number and date, tax file number,
  - b. Location of the business: *The premises belong to the business person, or if not, provide details of the lease allowing occupancy; for trading companies, details of visibility, accessibility, parking; if there is more than one business site, say so.*
  - c. Description of the business: *exact details of the type of business – producing ..., selling ..., services in...; product range...*
  - d. Company specialities: *type of special products / services the business offers customers; special details of patents, trademarks, etc.*
  - e. Statutory standards governing the business: *legal permits obtained by the business.*
  - f. Competition: *how the business stands out from its competitors.*
  - g. Market: *extent (local, national, export %, retail or wholesale market, subcontracting for...); number of customers (% dependency of turnover on largest customer, etc.); cash billing or, attached, the terms and conditions of sale and payment, etc., existence of factoring or insurance, etc.*
  - h. Suppliers: *type of supplies and terms of supply*
  - i. Organisation and Personnel of the business: *personnel in full-time equivalent, functions of the key people.*
  - j. Accounting and auditing: *accounting carried out in-house or outsourced, name of auditor, checks that the business person has on the business (cost price, frequency, type, etc.)*
  
3. Company strategy: *business owner intend to grow, stability of the business, the commercial objectives are...*

### **Data update periodically (at least on an annual basis – situation taken at the end of the financial year).**

1. Personal financial details of the person running the business
  - a. Personal and private property assets: *location, estimated value*
  - b. Mortgages on private assets: *amount of the guarantee taken originally by the lender; current outstanding balance; monthly repayment amounts ... paid to bank X.*
  - c. Other personal private assets
  - d. Other debts *financial (loans and financing, outstanding leases, etc.) and private (family, etc.)*
  - e. Income other than from the business.
  
2. Financial details of the business.
  - a. Business assets of the company: *real estate with its location and value, equipment with a table of write-downs, stock, receivables from customers with a note if payments on certain large debts are late, value of the work in progress, etc.*

- b. **Business liabilities:** *long and short-term bank debts (amount outstanding, monthly repayment load, date of end of credit), leases (monthly repayment and date of end), debts to suppliers with a note on any late payments due to the State (taxes, social obligations, with a note on any late payments), etc.*
- c. **Sales:** *turnover, excluding tax, for the year and sales for the financial period in progress.*
- d. **Profitability:**
  - *gross profit margin (usual method of calculation + Turnover +/- variation of stocks – purchases of supplies intended for resale);*
  - *detail of overheads, emphasising salaries, family salaries, write-downs, finance charges, provisions for charges, exceptional results for the financial year.*
  - *Final taxable profit.*
- e. **Provisional view of the current financial year:** *development and investment projects, modification to the business, launch of special production programmes – innovation - or organisation*

### **Case 2: business in own name, in the process of being launched.**

1. Identity details of the person running the business:
  - a. Same details as for case 1: *stress detailed data on education/training and experience*
  - b. Provide reasons for setting up on own behalf and support expected from immediate environment.
  
2. Identity details of the business:
  - a. Same details on the method looking forward: *stress products, competition, market and strengths of the future business.*
  
3. Strategy of the business: *clearly explain the objectives pursued: growth, stability of the business, the development of new products, etc.*
  
4. Personal financial details of the person running the business
  - a. Same details as in the previous case: *stress the possibility of self-finance within the project and any assets that can be provided as a guarantee for a loan.*
  
5. Financial details of the business.
  - a. Detail of all the investments envisaged: *the individual cost of each item and the finance to be proposed (own funds, advances from third parties, long and short-term credit, leases).*
  - b. Business plan:
    - i. *either a calculation of the breakeven point (detail of expected production costs, gross margin, hence forecast of sales turnover – then justification of the new business's ability to achieve this level)*
    - ii. *or an estimate of the possible turnover, application of a gross margin coefficient, then details of operating costs with feasibility assessment of the objectives.*
  - c. Assessment of working capital: *the level of cashflow that will enable stable and secure operating for at least the first year (with a view on the second year) for the level of business stated in the business plan.*

### **Case 3: business operating as a commercial society – already trading.**

#### **Permanent data.**

1. Identity details of the main shareholders and executive directors:
  - a. Same details as case 1: *one sheet for each person who is of importance for the shareholders or management*
  - b. Relationships: *details of the links that exist between people or other associated companies*
  
2. Identity details of the company:

- b. Same details as case 1: *add a copy of the articles of association.*
  - c. Details of the organisation and breakdown of the duties divided between shareholders.
  - d. Mention any “financial accidents”: *protests, registered difficulties that the company has had in recent years, with a clear explanation and, where necessary, supporting documents, as well as any financial consequences that continue to affect the company today.*
3. Company strategy:

**Data update periodically (at least on an annual basis – situation taken at the end of the financial year).**

1. Personal financial details about the main shareholders or executive directors: *same details as case 1 for each person who counts within the company.*
2. Financial details of the company.
  - a. Balance sheet for the past 3 years: *giving a clear explanation if there are any significant changes between the three successive balance sheets. Details of any financial debts.*
  - b. The official profit-and-loss account for the past 3 years: *a clear explanation if the details have changed significantly in recent years.*

**Case 4: business operating as a commercial society – in the start-up phase.**

1. Identity details of the future shareholders and executive directors:
  - c. Same details as case 1: *one sheet per person of significance for shareholders or management*
  - d. Relationships: *details of the links that exist between people or other associated companies.*
3. Identity details of the company:
  - a. Same details as case 1: *add a copy of the future articles of association and private capital to be put together.*
  - b. Details about the future organisation future breakdown of the duties to be divided between shareholders.
4. Business strategy: *clearly explain the objectives pursued: growth, stability of the business, the development of new products, etc. The realism of these objectives, etc.*
5. Personal financial details of the person running the business
  - a. Same details as in the previous case: *stress the possibility of self-finance within the project and any assets that can be provided as a guarantee for a loan prêt.*
6. Financial details of the business.
  - d. Detail of all the investments envisaged: *the individual cost of each item and the finance to be proposed (own funds, advances from third parties, long and short-term credit, leases).*
  - a. Business plan:
    - a. Profitability expected:
      2. *either a calculation of the breakeven point (detail of expected production costs, gross margin, hence forecast of sales turnover – then justification of the new business's ability to achieve this level)*
      3. *or an estimate of the possible turnover, application of a gross margin coefficient, then details of operating costs.*
    - b. Estimated balance sheet: *emphasise the appreciation of working capital, i.e. the level of cashflow that will enable stable and secure operating for at least the first year (with a view on the second year) for the level of business stated in the business plan.*