


Austrian Capital Financing

Strategies for capital financing by entrepreneurial journey stage.

	Startup	Expansion	Growth	Maturity
Cash Flows				
Operating	Highly negative. Sales near zero, and losses rule the day.	Negative. Sales rise, but losses are still around.	Sales grow fast, and profits start to show up (working capital needs still high).	Highly positive. Sales level off, and profits reach peak levels.
Financing	Huge	Very high	Still positive	Turning point
Investing	Highly negative	Highly negative	Still negative	Returns
Need for Entrepreneurial Flexibility	Very high. Firm has almost no assets and plans change frequently.	High. Reshuffling of plans pervasive and hard to monitor.	Slightly lower. Plan still demands constant adaptations.	Declining. Combinations are well known, changes not frequent.
Debt vs. Equity	Equity rules.	Mainly equity.	Debt's benefits start to rise.	Debt is very attractive.
Private Placement vs. Public Offering	Thin base of potential investors.			Broadest base of potential investors.
Financial Focus	To not create blocks to the venture.	To not create blocks to the venture.	To block the blocks, and some cost of capital.	Mainly cost of capital with some "block the blocks".