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Strategic Ways To Fund Growth In A Tight Capital Market

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As investors and lenders grow more selective and capital becomes more expensive, business leaders are having to make tougher decisions about how to fund expansion. Growth always carries

risk, but pushing too aggressively in an uncertain financing environment can strain operations and undermine long-term stability.

To strike the right balance, leaders are rethinking how they combine internal cash flow, debt and equity to support growth while preserving flexibility. Here, members of Forbes Business Council share how they're adjusting their capital strategies to fund expansion while protecting long-term value.

1. Make Internal Cash Flow The Growth Engine

As investors and lenders have become more selective, we have prioritized internal cash flow as the primary engine for growth. We use equity selectively for long-term strategic moves and keep debt targeted, disciplined and tied to predictable cash flows. This balance preserves flexibility, avoids over-dilution and ensures expansion is driven by fundamentals rather than easy capital. - Usman Asif, Devsinc

2. Keep Each Capital Source's Role Simple

We keep funding simple. Cash flow runs operations. Equity goes to products and people. Debt helps bridge timing between rounds. Capital efficiency now matters more than speed. The goal isn't to spend less—it's to know exactly why you're spending at all. - Volodymyr Silchenko, OMNIA AI

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3. Lead Expansion With Disciplined Cash Flow

We prioritize disciplined cash flow management and fund growth primarily through operating performance, selectively optimizing investments to enhance returns without constraining flexibility. We reserve equity for strategic moments to accelerate scale or market positioning rather than for covering inefficiencies. This balanced approach allows us to grow sustainably while protecting long-term value. - Yevhen Parokhod, Renty.ae

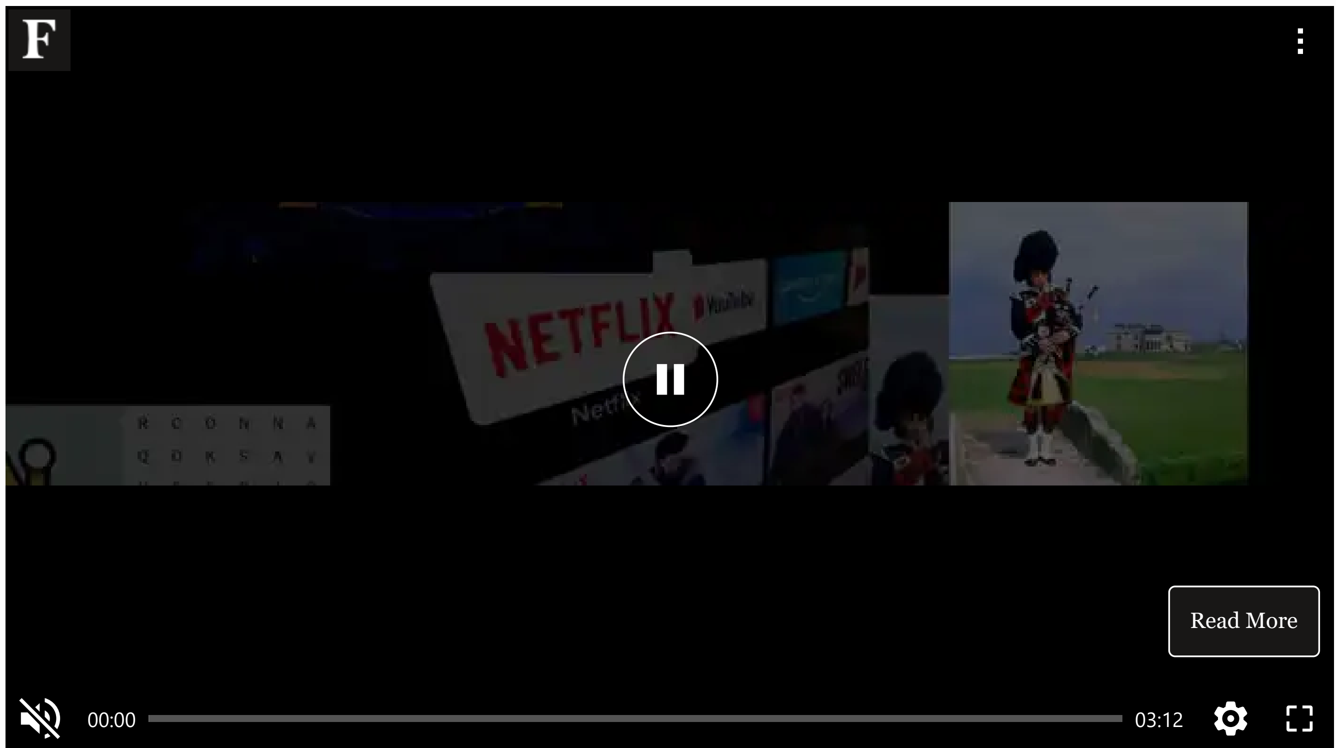
4. Stay In Control Of Your Capital Strategy

It's important to stay in control of your capital strategy rather than letting market conditions dictate your moves. In a high-interest-rate environment, that often means prioritizing internal cash flow first and maintaining discipline instead of chasing leverage. - Laura Muirhead, Brady Marine Repair Co., Inc.

5. Prioritize Cash Efficiency

We're prioritizing cash efficiency—growing through disciplined internal cash flow—while keeping debt optional and equity strategic. The goal is flexibility. This strategy enables businesses to fund

expansion without forcing dilution, preserve control and only raise capital when it clearly accelerates long-term value. - Stephen Sokoler, Journey



6. Demand A Return On Every Growth Dollar

In this environment, every growth dollar must justify its cost. We prioritize self-funded growth, use term debt only where cash flows are proven, and treat equity as a scarce currency reserved for asymmetric, long-duration opportunities. - Mark Berookim, High Rise Financial LLC

7. Stay Lean And Grow Intentionally

We're staying lean and intentional. We're not chasing growth for growth's sake; we're focused on sustainable expansion that doesn't stretch us thin or lock us into rigid commitments. We prioritize cash flow first, keep debt minimal and only bring in capital when it genuinely accelerates what we're already doing well. Flexibility matters more than speed right now. - Raquel Gomes, Stafi

8. Plan For Cap-Ex Needs Two Years Out

If you don't carefully plan your expansion, you'll end up paying way too much for capital and face restrictive terms. Instead, think about your cap-ex needs two years out. Ideally, you'll be cash-positive and won't urgently need the investment to survive. If you time things right, the cost of capital will come down, and you'll be able to launch your expansion plans affordably. - Dr. David Lenihan, Tiber Health

9. Fund Expansion In Phased Tranches

We plan expansion in tranches, not lump sums. Each phase must self-fund the next through milestones tied to cash generation. We also lean on alternatives like revenue-based or vendor

financing to avoid dilution. That sequencing preserves optionality, lowers risk and keeps long-term value in our hands. - Michael Shribman, IMM Fund

10. Prioritize Flexibility Over Leverage

As capital tightens, I prioritize flexibility over leverage. Internal cash flow funds core operations, while debt is used selectively for assets with predictable returns. Equity is reserved for strategic inflection points, not to cover execution gaps. This discipline preserves optionality and ensures expansion strengthens long-term value rather than diluting control or resilience. - Nathanaël Bondu, Woodalls

11. Borrow Carefully And Choose Equity Wisely

I focus first on growing the business using the money it already makes. I only borrow money when it truly helps us grow faster, and I'm careful with it. I only want to give up ownership to partners who bring real value. This way we can grow while staying flexible and protected over the long term. - Becca Brazil, Only 1 Media PR

12. Align Your Cap Table With Your Mission

It has never been more important for a cap table to have a mission-aligned ethos. In the healthcare space, the question is whether taking on a large amount of debt to scale sacrifices any moral compass for the business. Cashing the check feels good, but if the path forward is now controlled by a non-mission-aligned partner, was it worth it? Flexibility and long-term value depend on these answers. - Dan Bolsen, AffirmedRx, PBC

13. Adopt A 30/70 Cash-To-Debt Strategy

I follow a simple yet effective 30/70 approach where expansion is funded using 30% internal cash and 70% debt. This allows the business to leverage external capital while keeping personal resources invested, maintaining flexibility and protecting long-term value. It's a balanced strategy that supports growth without overextending the company. - Jekaterina Beljankova, WALLACE s.r.o

14. Treat Expansion Capital Like A Portfolio

We run expansion like a portfolio. Core is funded by cash flow and priced for margin. Short-term debt is used only for predictable needs with clear payback, not experiments. Equity is reserved for step-change moves like new rails, new markets and key partnerships. This mix keeps us flexible without over-diluting long-term value. - Saheer Nelliparamban, Paywint

15. Give Each Capital Source A Clear Role

I balance capital by giving each source a clear role and sticking to it. Cash flow runs the core business. Debt is used only when returns are predictable. Equity is saved for expansion that truly

grows the business, not to fix mistakes. It keeps growth intentional instead of something we chase under pressure. - Erik Pham, Bizreport

16. Leverage Public Markets And Grants

Being in the capital-intensive, disruptive tech industry, we leverage public markets and nondilutive capital heavily. Both remain underutilized by businesses, which mostly rely on private market venture capitalists, venture debt and revenue growth. We have made this strategy work for us, even as a relatively early-stage quantum company. Both public markets and grant funding come with overhead, but they are worth exploring. - Muhammad Ali Khan, SuperQ Quantum

17. Bootstrap Growth Through Client Revenue

I bootstrapped both my companies, resulting in zero debt and zero investors. Growth comes from client work, plain and simple. It's slower, but I call the shots. Stay profitable, keep cash healthy and expand when the numbers actually back it. Here's the brand part: When you're financially solid, you get to be picky about clients. Bad clients kill your brand faster than bad spending kills your bank account. - Sahil Gandhi, Blushush

18. Default To Customer Revenue First

Debt has covenants and equity has expectations, but cash from customers has neither. The companies with the most optionality in 2026 will be the ones that treated profitability as a product feature, not a future milestone. Raise when you can, not when you must, and build like you never will. - Dhruv Roongta, Slashy

19. Deepen Relationships With Existing Customers

As capital tightens, we're putting our energy back where the leverage already exists: our current customers. We focus on deepening relationships, expanding value and solving more problems for the people who already trust us. That creates immediate cash flow without dilution or rigid debt. Expansion is funded by relevance and results first, with outside capital kept optional. - Lindsay O'Neill, Wellness Eternal

20. Protect Flexibility Through Disciplined Growth

We focus on disciplined growth. That means protecting cash flow first, staying conservative with debt, and selectively using equity only when it truly accelerates long-term value. Flexibility comes from not overextending the business and making sure every growth decision strengthens the core, not just the top line. - Miriam Groom, Mindful Career

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