



A VILLAGE GATHERING

Traditional Bank Funding Resources

April 23, 2019

Traditional funding from Banks is a route that many early stage or growing businesses don't believe is a viable option. We have heard it all; Banks don't like to help you if you don't have two years in business, Banks don't like it if you don't have collateral, Banks don't like to rely on projected cash flow, Banks don't do small loans, etc., etc.. This is a myth and tonight we will discuss which options are available depending on the stage of your company

FIRST: WHAT IS THE SBA?

The SBA (Small Business Administration) is a Federal Agency that has several focuses – one being providing guarantees to bank and non-bank lenders that help us take on more risk than we would normally be willing to accept on our own. **What does this do though?**



COLLATERAL

TIME IN BUSINESS

PROJECTION BASED CF

START UP'S (0-2 YEARS)

- Experience/Transferrable skills
- Outside Income
- Reasonable Projections with assumptions
- Well-developed plan
- Equity contribution – how much?
- Where is the break even and how realistic is it?
- Guarantor/Personal
- Assets to support request?

EARLY STAGE GROWTH (2-5 YEARS)

- Actuals show adequate DSC
- Balance Sheet/Owner Equity growth
- Depending on request – may still need SBA
- Guarantor support“
- Credit Elsewhere” becomes bigger focus

ESTABLISHED/SCALING (5+ YEARS)

- Where is DSC since inception?
- Profitable yet?
- Trends Projections vs. Actual
- How are you executing on original plan?
- Outside income and Guarantor support

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