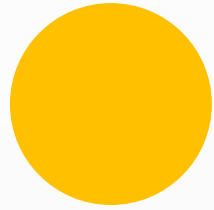
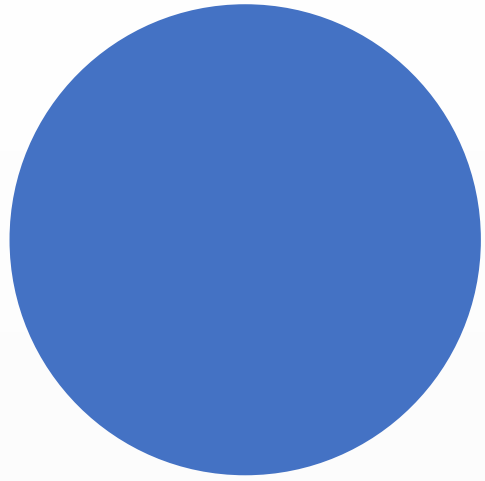

FINANCING & TRENDS for SMALL BUSINESSES



WELCOME

- TODAY'S
PANELISTS:
- JOSE BRAVO - RABOBANK
 - PATTY HESS – 3CORE
 - TAMMY LAIZURE – USDA
RURAL DEVELOPMENT



Financing Types

- Transactional
- Relationship

FINANCING TYPES

- TRANSACTIONAL:
- CROWDFUNDING
 - ON-LINE PLATFORMS
 - ANGEL INVESTORS

HOPING TO WIN BIG!

FINANCING TYPES

RELATIONSHIP:

- BANKS
- NON-BANK LENDERS
 - 3CORE
 - USDA
- FAMILY & FRIENDS

FUNDING TYPES

WHAT'S THE
MONEY FOR?

- START-UP
- BUSINESS PURCHASE
- FRANCHISE PURCHASE
- REAL ESTATE PURCHASE
- BUSINESS EXPANSION
- MACHINERY, EQUIPMENT,
LEASEHOLD IMPROVEMENTS
- WORKING CAPITAL

SOMETIMES DEBT IS GOOD!

WHAT'S
REQUIRED
TO APPLY
FOR A
LOAN?

DOCUMENTATION

**FINANCIAL
BENCHMARKS**

DOCUMENTATION

- BUSINESS PLAN THAT TELLS YOUR LENDER:
 - WHO YOU ARE
 - WHAT YOUR EXPERIENCE IS
 - WHAT YOU CAN BRING TO THE PROJECT
- FINANCIAL STATEMENTS FOR THE BUSINESS AND THE PRINCIPALS
- TAX RETURNS – PERSONAL AND BUSINESS

BE HONEST ABOUT CHALLENGES AND SHARE YOUR SUCCESSES

FINANCIAL BENCHMARKS

WHAT WILL A LENDER BE LOOKING AT TO DETERMINE IF A BUSINESS CAN AFFORD TO RE-PAY A LOAN?

- HISTORICAL AND/OR PROJECTED INCOME
- AVAILABLE CASH FLOW
- KEY LIQUIDITY RATIOS
 - ✓ EXISTING EQUITY
 - ✓ DEBT TO EQUITY
 - ✓ INVENTORY TURN CYCLE
 - ✓ DAYS ACCOUNTS RECEIVABLE
 - ✓ DAYS ACCOUNTS PAYABLE
 - ✓ CURRENT AND QUICK RATIOS
- WHY IS THIS INFORMATION IMPORTANT TO ME, NOT JUST THE LENDER?

NEXT STEPS

- **HOW DO I START?**

- ✓ CHOOSE A LENDER WHO IS RELATIONAL AND NOT TRANSACTIONAL

- **BE PREPARED**

- ✓ HAVE A PLAN AND BE ABLE TO EXPLAIN TO YOUR LENDER YOUR FINANCIAL STATEMENTS AND BUSINESS TRENDS

- **TIMING**

- ✓ ASK YOUR LENDER THE PROCESS AND EXPECTED TIMELINE

QUESTIONS



CONTACT INFORMATION

- JOSE BRAVO, RABOBANK - jose.bravo@rabobank.com
- PATTY HESS, 3CORE – phess@3coreedc.org
- TAMMY LAIZURE, USDA RURAL DEVELOPMENT – tammy.laizure@ca.usda.gov