



Asking for money is never an easy task. And when it comes to finding financing for your business, it can be even more difficult. There are several steps you can take to improve your chances of acquiring funding and making the process a smooth one.

First, be prepared to explain to your potential lender why you need a loan or line of credit for your business. Come prepared with complete, accurate and up-to-date financial records. You should have the basics with you: profit-and-loss statement, balance sheet, and projected cash flow. Reference letters from previous lenders, current suppliers and any strategic partners may not be required but can help to impress financiers. Secondary documents you should have prepared for your lender include: a current business plan, a client list and appraisals of assets that may serve as loan collateral.

Be sure that your and your business partners' credit history is clean and in good standing. Be prepared to explain any irregularities or problems. Loans are serious business. Your lender thinks so and so should you. Review the terms, payment, interest and fine print of any loan agreement. If you can, consider having your attorney and accountant review the terms. Request the documents in advance so there is time to review them.

Finally, don't just settle for the first bank that says yes or the one bank you usually do business with. Shop around and consider the terms and interest. This will improve your chances of getting the best terms and finding a lender. Every bank has its own criteria and requirements for lending to businesses. It's important to pick a program that best suits your business and your needs. Take the time now to

prepare and establish your business credit line so your business can grow responsibly and dynamically.

For more information on financing your business, or for assistance implementing these ideas, contact Richard McGrath on 07 4128 2066 or richard@clm.net.au



The Profit Builder column is brought to you by Richard McGrath, a member of the Principa Alliance.