

Steps to Securing Funding for Your Small Business

Personal Preparation

Before you approach a lending institution, it is important to be aware of the personal elements lenders consider:

- Credit – do you have a successful financial track record, or are you working to improve?
- Collateral – do you have assets to secure your loan?
- Character – do you display professionalism and follow up in a timely manner?
- Cash flow – can you demonstrate your ability to repay the loan?

Resources

There are a number of organizations available to help explain these elements or assist you in preparing or analyzing these documents. These organizations include:

- City and county Offices of Economic Development throughout Colorado
- Small Business Development Centers (statewide)
- SCORE (Colorado chapters in Denver, Longmont, Pueblo, CO Springs)
- SBA Women's Business centers (MiCasa in Denver and Pueblo)
- Small Business Chamber of Commerce
- Other local chambers of commerce
- Rocky Mountain Micro Finance Institute (RMMFI)
- Others

Planning your business

Once you are comfortable with where you are at personally, it is important you have the following elements in place for your business:

- Business Plan (clearly describing your company, analyzing the market, explaining products and services, explaining how you intend to operate and your research that supports these conclusions.)
- Financial documents including personal financial statement, balance sheet and P&L statement
- Financial projections that realistically demonstrate your business income and expense and your ability to repay the funds borrowed
- Clear definition of the primary and secondary forms of repayment

Also, check out a number of banks to determine which are best positioned to meet your specific needs

Visit the banks that best fit your needs

Financing request APPROVED

Congratulations! Time to grow your business.

Financing request not approved

Don't lose hope! First, **ask your banker why you were turned down.** There are still a number of options available for funding your small business (including contacting other relevant banks). Ask your banker about these public and nonprofit lending options.

- CDFIs and micro lenders (see lending grid)
- Guaranty programs (SBA 504 and 7A loans)
- Business loan funds (available for rural areas)
- USDA loans (available for rural areas)
- State/city/county programs (see if your state/city/county has a small business lending program)
- Farm Credit Associations (available for agricultural areas)

Financing request APPROVED

Congratulations! Time to grow your business.

Financing request not approved

Again, ask your banker/micro lender why these options are not a fit for your small business. It may be time to reassess your business plan. Access information from the small business support organizations designed to give you the best chance for business success

Reworked your plan? Your local bank or micro lender would welcome you back to explore your options.