



Start:ME

Accessing Capital

Session Six

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Weekly business updates (sharing AM's)

- What happened in your business this week?
- Weekly updates are a good time to share:

Milestones

Goal Updates

Challenges

All In Mentality Moments



- Stickers will be a-flying



Your three assignments due

1 Draft financials in Excel or Google Sheets

2 Read Kauffman Accessing Capital article

3 Watch accessing capital video
(link to be sent out)



Start:ME session objectives

- 1 Discuss business banking and lending with Banker Panel
- 2 Introduce sources of capital available to different stages of businesses
- 3 Outline peer-selected loan process
- 4 Draft capital needs and loan requests



A reminder of where funding fits in

1

**Who are you?
(Company Description/Qualifications)**

2

**What do you sell/provide?
(Products/Services)**

3

**To whom do you sell?
(Your Customer/Market)**

4

**What is your financial status today and future?
(Sales Forecast, Profit/Loss)**

**How much capital are you seeking?
(Funding Request)**



And that “green” box as well

1

Who We Are

Why does your business exist (purpose/mission)?

What makes you uniquely qualified to run your business?

2

What We Sell/Why It's Needed

What do/will you sell?

What challenge/problem/unmet need does it solve for your customer?

3

Who We Sell To

Who does/will buy what you sell? Who are there – where do they live, what age range, what do they look like?

How do customers learn about your business?

4

How Much Money (\$)

How much (in \$) do you project to sell by the end of this year?

How much money do you need to start/grow your business?



Two Basic Sources

All funding will come from two sources:

1

EQUITY

- Entrepreneur contributions
- Private investors
- Earnings retained in business
- Initial Public Offerings (IPOs)

2

DEBT

- Loans from entrepreneur
- Loans from friends / family
- Bank financing
 - Short term
 - Long term
 - Lines of credit
- SBA-backed loans



It's not only about getting the money

But also knowing the price you have to pay

Fees

Interest rates

Terms

Percent of business you have to give up

Control / decision making impact

Consequences

Funding is give and take.

You get the \$. The funder expects something in return.

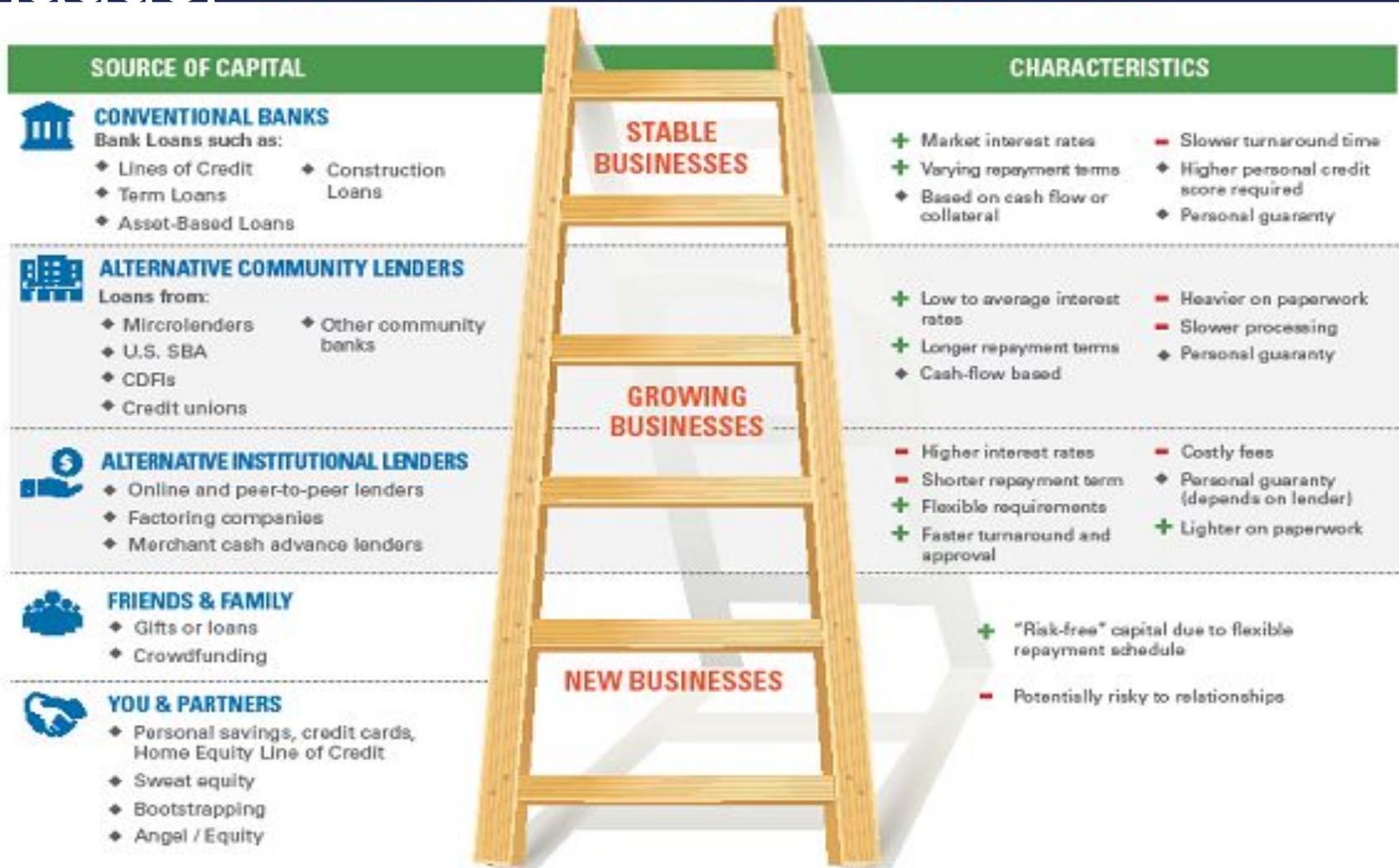


What lenders are looking for – 4 C's

- **Funding is give and take** – you get money, investors expects a return
- **Character** – you and your business
- **Capacity (or Cash Flow)** – your ability/how you will repay
- **Capital** – financial resources of the business and owner(s)
- **Conditions** – external factors



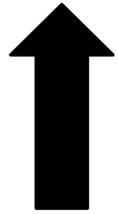
Sources to consider as you climb the “ladder”



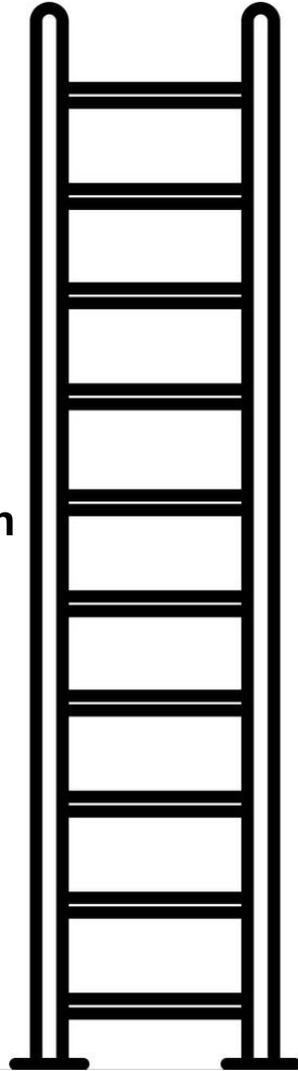
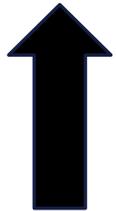
The Capital Continuum, New York Business Development Corporation



The capital ladder



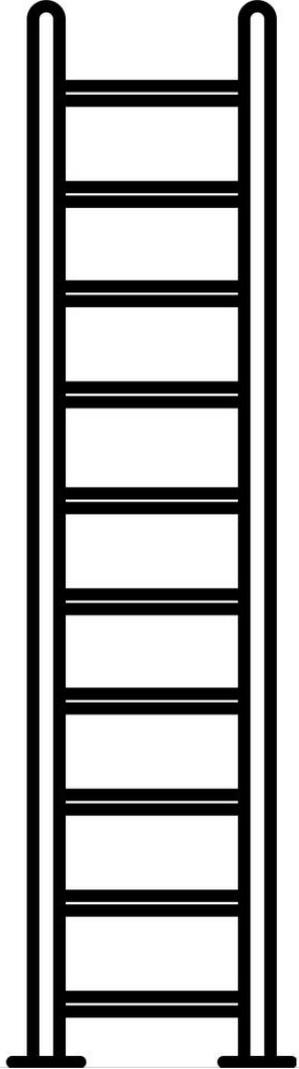
Sales
Time
Documentation
Brand



- **Stable Business**
 - Conventional lenders (banks)
- **Growing Business**
 - Community lenders (SBA, CDFIs)
 - Online financing
- **New Business**
 - Stakeholders
 - Friends, family, and fools
 - You



When you're getting started



You

- Earnings
- Savings
- Home equity loan
- Retirement savings - 401(k)
- Credit cards

Friends & Family

- Gifts
- Loans
- Equity

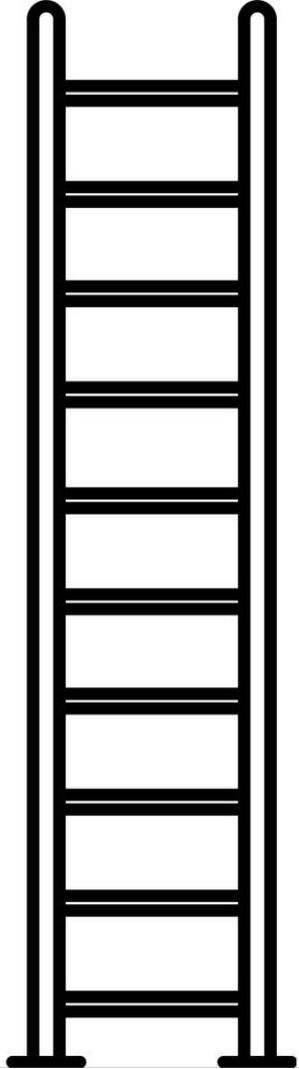
Stakeholders

- Future customers
- Suppliers
- Crowdfunding
- Microlenders
- Angel investors
- Advance sales/ membership

New Business



You have to sell more than a dream



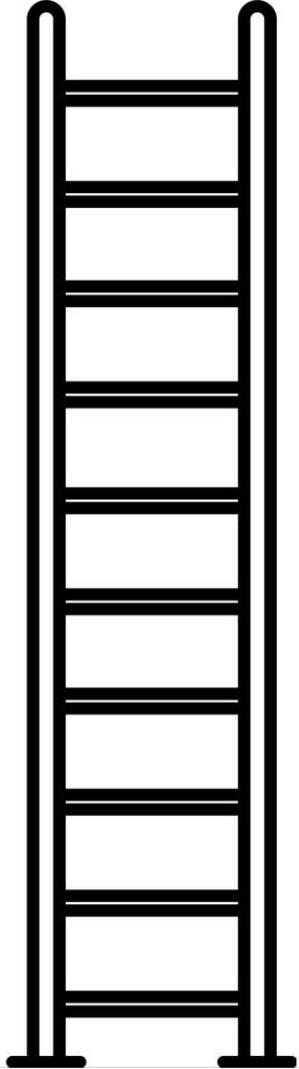
To make an ask, you'll need:

- Character
- Dedication
- Business plan with forecasts
- Clear story
- Understanding of risk
- Start-up costs and timeline
- Formal documentation

New Business



Your options increase with your track record



Your Business

- Reinvesting profits
- Factoring

Community Lenders

- Community Works
- SC Community Loan Fund
- Carolina Foothills Credit Union

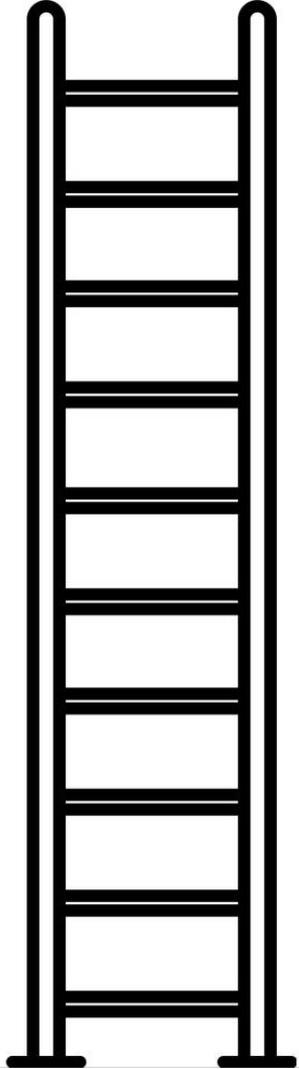
Alternative Financing

- Online lenders
- Merchant cash advances
- Additional equity

Growing Business



The next step up on the ladder



Stable Business

Conventional Lenders

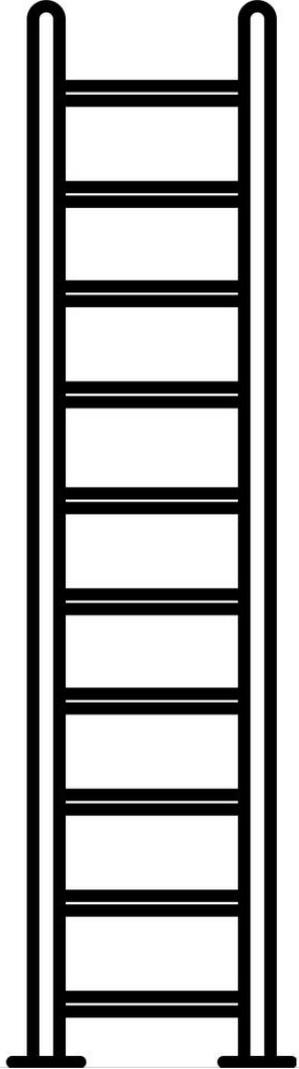
- Big name banks
- Lines of credit
- Business loans (short term and long term)
- Secured vs. unsecured

Other Options

- Equity investment
 - Venture capital
 - Initial public offering
- Joint venture/partnerships



Requirements evolve as you grow



Stable Business

You may need:

- Detailed business plan with projections
- Strong financial statements
- Strong ratios
- Credit
- Tax returns
- Clear pitch
- Specific investment request



So where should you start?

- Build credit
- Assess your capital needs
- Do your research
- Work your business

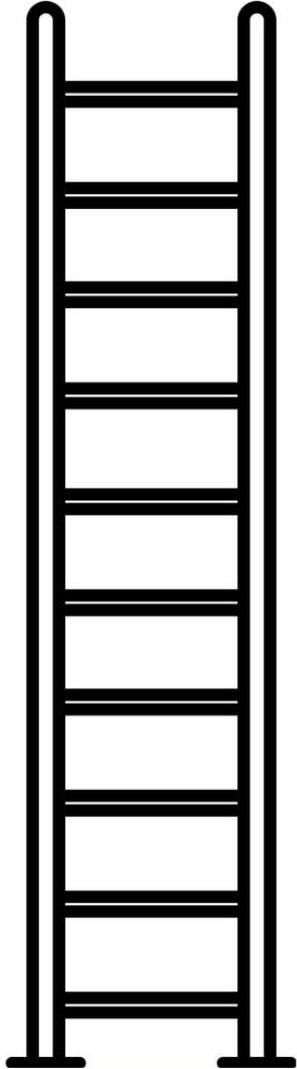


Start:ME Capital Loan Pool

	Start:ME Spartanburg
Amount	\$15,000 Total Pool (Maximum loan of \$5,000)
Terms	Low interest rate charged.
Funds Use	Loans are for clearly identified business expenditure(s), which include equipment or other business expenses such as web site development, professional certification, etc.
Application	Peer Selected Loan Application Due Week 13
Selection	Peer and Mentor Rating (Week 14) (Most Promising)
Decision Date	Showcase
Disbursement Details	After completion of prep meetings with Community Works. (Usually October)



Table Time: Define Your Status and Path



1. Where are you currently on the ladder?
1. What are your estimated top funding needs in the next 12 months?
1. If you were selected for a \$5,000 loan from Start:ME, how would you specifically deploy those funds to build your business?



Your three assignments this week

- 1 Draft and share Business Plan with mentors
- 2 Complete financials in Google Sheets or Excel
- 3 Submit 2 legal questions by Monday.

