

Workshop Breakout Session: How To Gain Access to Capital

Access To Capital: Most Important Factors

- **Cash Flow** – demonstration of 2-years positive cash flow, business income generation and proposed monthly debt service coverage (1.25x coverage)
- **Profitability** – demonstration of 2-years profitability, while adding back interest, depreciation and amortization
- **Financial Leverage** – analysis to determine overall business assets and debts
- **Credit** – 680 and above credit score for guarantors (710 for SBA guaranteed loans)
- **Collateral** – seek 1:1 coverage for traditional financing. Most businesses utilize business assets which include real estate, A/R Aging, equipment, or inventory (excluding contracts)
- **Time In Business** – Startups (2-yrs or less) require business plan and outside income review. Existing businesses (2+ yrs) require review of last 2-yrs business Tax Returns and financials (inc. stmt and bal. sheet)
- **Industry** – must operate in acceptable industry

Small Business Administration (SBA) Lending

- The SBA is a **US Government Agency** established in 1953 by Congress to aid, counsel, assist and protect small business
- **SBA guarantees** a portion of loan amount, while partnering with bank for financing
- **Good candidates include:** emerging/newer businesses (seeking cash flow or collateral support), good personal credit score, and a need for lower down payments and extended terms

Other Ideas To Consider...

- **Merchant Services** – speed-up your client's accounts receivable by accepting credit cards
- **Corporate Liability Card Program** - manage everyday expenses by utilizing a corporate-liability card (as opposed to *personal* liability)
 - Extend payables time while earning rewards for business purchases
 - Track and manage employee spending through online accounting allocation and reporting.

Brandon M. Sanchez
Vice President

Chase Business Banking, Relationship Manager

Phone: 312.732.5546 | Brandon.M.Sanchez@JPMChase.com

21 S. Clark | Mail Code IL1-0299 | Chicago, IL 60603

