

# **SMALL BUSINESS FINANCING ESSENTIALS FOR YOUR COMMUNITY**

**Introduction:** Economic developers require knowledge in a variety of disciplines in order to assist their business clients. One specific area of need for many businesses is access to capital. As a result, economic developers need to understand the capital requirements that businesses face, the ways in which these businesses can access capital from lenders, and the methods that these lenders utilize in qualifying loan requests.

*Small Business Financing Essentials for your Community* is a one-day training program that will provide vital information to individuals whose clients and prospects need financing for their businesses. After attending this program, participants will be able to identify the types of information that bankers and other lenders require before committing financial resources to a business project. Attendees will also learn how to interpret basic financial information and to identify what questions need to be asked of business owners. The objective of this program is to provide the tools that can be used to assist healthy businesses with their financing requirements. Growing businesses provide economic opportunities not only for business owners, but also for employees and communities.

## **PROGRAM OUTLINE**

9:30 - Registration

10:00 - What Economic Developers Need to Know about Businesses and their financing needs

- The basics/ asking the right questions
- Financial Issues/Balance Sheet and Profit and Loss Statement Questions
- Business Plans/Their importance
- Startup Businesses
- Sources of Funds: Equity, Private Lenders and the Public Sector

10:45 - Financial Statements, Tax Returns, and Other Financial Information

- Balance Sheets
- Income Statements
- Tax Returns
- Personal Financial Statements
- The Operating Cycle and Its Importance

12:00 - Lunch

1:00 - How Bankers and Other Lenders Make Credit Decisions/ How do loans get repaid?

- Repaymentability from Cashflow
- Collateral
- Personal Financial Strength and personal guarantees

2:30 - Break

3:00 - Loan Proposals/ What They Include, What To Look For

- The Sources and Uses of Funds Statement
- Testing The Numbers/ Debt Coverage Ratio, Loan To Value Ratio, and other important financial calculations
- Examining the Five C's of Credit

4:30 - End of Program

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At the conclusion of this program, participants will be able to better assist business clients who require financing for their startup and expansion needs. Through the use of lecture, case studies and group exercises, the program participants will become more knowledgeable in business financing issues and be able to provide additional services to their business clients.

**Please Note:** The pace of this course will be rigorous. Attendees will work in groups throughout the day, should dress casually, and bring pencils, pads of paper, and calculators. Manuals and case study materials will be provided the day of the training.

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