

CONTENTS

INTRODUCTION	1
BEFORE PREPARING A LOAN REQUEST.....	5
CHAPTER 1 - SIMPLY DEBT: CONS AND PROS.....	7
CHAPTER 2 – TRANSLATING YOUR BUSINESS GOALS INTO DEBT FINANCING TERMS	11
CHAPTER 3 – THE IMPORTANCE OF KNOWING HOW MUCH, WHY, AND HOW	15
CHAPTER 4 - HOW MUCH IS TOO MUCH?.....	19
CHAPTER 5 - DO YOU NEED A LOAN PROPOSAL?	25
CHAPTER 6 – A QUICK OVERVIEW OF FINANCIAL CONCEPTS THAT ARE USEFUL IN APPLYING FOR LOANS	29
CHAPTER 7 – LENDING TERMINOLOGY AND CONCEPTS FOR SMALL BUSINESS OWNERS.....	35
PREPARING A LOAN REQUEST (CASH FLOW FACTORS)	45
CHAPTER 8 - ANALYZING YOUR HISTORICAL FINANCIAL PERFORMANCE AND STAYING ONE STEP AHEAD OF LENDERS.....	47
CHAPTER 9 - EVALUATING YOUR CASH FLOW BASED ON HISTORICAL VERSUS PROJECTED FINANCIAL STATEMENTS	53
CHAPTER 10 – DETERMINING YOUR FINANCING NEEDS: HOW MUCH YOU NEED VERSUS HOW MUCH YOU CAN AFFORD	57
CHAPTER 11 – DOES YOUR FINANCING REQUEST MAKE SENSE?.....	63
PREPARING A LOAN REQUEST (NON-CASH FLOW FACTORS)	67
CHAPTER 12 – COLLATERAL	69
CHAPTER 13 - PERSONAL GUARANTEE.....	73
CHAPTER 14 – PERSONAL CREDIT HISTORY	79
CHAPTER 15 – QUALITY OF YOUR MANAGEMENT TEAM.....	81
CHAPTER 16 – BUSINESS CREDIT HISTORY	83
CHAPTER 17 – THE FIVE CS OF CREDIT AND WHY YOU NEED TO KNOW THEM	85
PUTTING ALL THE INFORMATION TOGETHER.....	89
CHAPTER 18 – ORGANIZING YOUR INFORMATION	91
CHAPTER 19 – MOCK INTERVIEWS AND PREPARATION FOR MEETINGS WITH LENDERS.....	95

KNOW YOUR LENDER	99
CHAPTER 20 – THE BANKING ENVIRONMENT AND HOW IT BENEFITS YOU	101
CHAPTER 21 – WHAT LENDERS EXPECT	103
CHAPTER 22 – LENDER’S PET PEEVES: SITUATIONS TO AVOID	105
CHAPTER 23 – HELP LENDERS UNDERSTAND YOUR INDUSTRY AND MAKE THEM MORE COMFORTABLE WITH YOUR LOAN REQUEST ..	109
CHAPTER 24 – LENDERS’ PERSONALITIES.....	113
CHAPTER 25 – HOW LENDERS REVIEW YOUR LOAN REQUEST AND WHAT IT MEANS TO YOU.....	117
FINDING A LENDER.....	121
CHAPTER 26 – ASSESSING YOUR CHANCES OF GETTING A LOAN.....	123
CHAPTER 27 – CHOICE OF LENDERS AND CREDIT PRODUCTS.....	129
CHAPTER 28 – LOANS FROM RELATIVES, FRIENDS, AND OTHER PRIVATE INDIVIDUALS	133
CHAPTER 29 – PRE-INTERVIEWS OF LENDERS	139
CHAPTER 30 – CHOOSING AND APPLYING	143
MORE USEFUL INFORMATION	147
CHAPTER 31 – BEING HONEST WITH LENDERS IN GOOD TIMES AND IN BAD TIMES: PROS AND CONS.....	149
CHAPTER 32 – MANAGING YOUR SATISFACTION WITH LENDERS	153
CHAPTER 33 – NEGOTIATING PRICING	155
CHAPTER 34 – OTHER VALUABLE POINTS	157
APPENDICES.....	161
APPENDIX 1 - CONVERIING YOUR BUSINESS AND PERSONAL GOALS INTO THE LANGUAGE LENDERS WILL UNDERSTAND AND APPRECIATE.....	163
APPENDIX 2 - A POSSIBLE INCOME STATEMENT FORMAT	169
APPENDIX 3 - STATEMENT OF CASH FLOWS	171
APPENDIX 4 - HISTORICAL INCOME STATEMENT OF RESTAURANT X.....	173
HISTORICAL BALANCE SHEET OF RESTAURANT X.....	174
APPENDIX 5 - AN APPROACH TO ESTIMATING YOUR BUSINESS’ ABILITY TO MAKE LOAN PAYMENTS	175