

IMPACT

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Smart Growth



Finding Funding

Landing a Lender Can be Tricky

By Joy Corland

While economists rejoice with the good news of the recovering economy, business owners still find themselves a bit stuck when it comes to funding.

For those fortunate businesses with three years of positive cash flow that fit the traditional lending box, loans or lines of credit are easier to come by. For everyone else, the list of potential funding sources should expand and include venture capital lending, factoring, equipment leasing and friends and family.

Factoring is lending based on the strength of a company's accounts receivable. Similar to a line of credit, factoring can free up money within 24-hours of approval.

But Robyn Barrett, founder and managing member of Factors Southwest, said factoring isn't for everyone. Research any lender, traditional or non-traditional, to determine their legitimacy.

"Business owners today need to make sure their financial statements and accounting are in order," Barrett says. "Then don't just Google a lender, use your professional relationships to find a lender suited to your needs. Once you secure the funding, stay in communication."

In this relationship, less is not more.

"Sometimes people are afraid of their lender and don't want to let the lender know what's happening," Barrett advises. "But if the lender finds out later what is going on, it builds distrust. Even if it is bad news, talk to your lender, they want to help you."

Get Connected

Factors Southwest
www.factors-southwest.com

Finding Funding

- Be sure all accounting and financial statements are in order
- Ask for referrals from bankers, CPAs, friends and fellow businesses
- Research the lender you're working with, ask for a list of past and present clients
- Consult the Arizona Small Business Administration (www.asba.com)