

CHECKLIST: Planning Your Approach To Lenders

Before presenting your pitch to a lender, it is important to understand exactly what you will be requesting money for, and why. The following checklist should help you organize your thoughts and present them effectively to a lender.

- **What kind of financing do you need?**

___ Property finance

___ Working capital finance

___ Plant and equipment finance

___ Other: _____

- **What kind of financial products will you need?**

Short-term examples

___ Overdraft

___ Bridging finance

___ Letter of credit

___ Other: _____

Medium- to long-term examples

___ Commercial loan

___ Commercial property loan

___ Development loan

___ Debt factoring

_____ Home equity loan

_____ Other: _____

_____ **Find out which lenders offer the products you need on the best terms.**

- **Develop your loan proposal, which will contain much of the same information as your business plan.** You should make certain that it includes:

_____ Purpose of the loan

_____ Amount and term of loan required

_____ What the funding is required for

_____ Who the loan will be paid to at settlement

_____ How the loan is to be repaid

_____ What security you can offer, including real estate, plant and equipment, and other assets

_____ What the valuation of the security is

_____ Whether there is an independent valuation of the security

_____ The name and address of the borrowing entity

_____ The legal description of the borrowing entity

_____ Whether there will be personal guarantors, and provide names and addresses

_____ The owners' and managers' details

_____ The contact information for your accountant and attorney

_____ The business's management team

_____ Your products and services

_____ The history of the business

_____ Details of the market you operate in

- ___ Resources and location of your business
- ___ What plant and equipment and other resources your business currently owns
- ___ Your competitors
- ___ Where your business fits in the market in relation to your competitors
- ___ Your key suppliers
- ___ Your key customers
- ___ Key staff and their roles within the business.
- ___ Include legal and other documents that are required to support the proposal, including articles of incorporation, financial statements, cash flow projections, current loans and other financing, and personal assets and liabilities

- **Consider taking advantage of the lender's other services, including:**

- ___ Investment advice
- ___ Credit card
- ___ On-line banking
- ___ Other _____

___ **Plan your pitch to the lender.** You should be brief and well-organized, and sound knowledgeable and confident.

___ **Discuss your application with the lender.** Make sure there is enough time allotted. Dress professionally, and be positive, honest, and courteous. Ask for a decision date.