

## How to Finance and Cash Flow a Small Business.



### WEEK 5 COACH STEVE'S ENTREPRENEUR'S BOOT CAMP 2021 Spring Entrepreneurs Academy

" Starting and growing a new small business in 2021"

**Video Introduction** <https://youtu.be/Z7ZIDCSTTw8>  
**30 - DRILL – SKILLS**

**Video 1-6** <https://youtu.be/msUp4oRK1Qk>

1. A great business plan will help you avoid unexpected pitfalls and expenses and tell you..... *What's Left!*
2. A great marketing plan will provide you “the golden egg – sell” and golden goose when you know ..... *What's Next!*
3. Three types of marketable profit centers are
  - a. *new customers/daily.*
  - b. *traffic builders, repeat continuous business at higher margins.*
  - c. *big ticket / grouped product-service sells.*
4. RFC is Raving Fan Customer
5. NDCP is No Demand Change Plan
6. ABCD is Always be Connecting Dots

**Video 7-12** <https://youtu.be/W6mkUYWdg5c>

7. By the Way is password to UP-SALES and CROSS-SALES and Stacking Profits.
8. 3 important rules for catching fish are 1, 2, and 3. Keep fresh bait in the water. Catch customers: Keeps sending continuous promotions.
9. The best way to find customers is \_\_\_\_\_. Help them find you.
10. Our business cannot be all things for all people. However, it must be EVERYTHING to some people. \_
11. Do not plan to pay off long term debts with short term cash flow. Why? You'll go broke very quickly.
12. What is the difference in marketing and advertising?  
Marketing: Long term, Big picture. Advertising: Targeted, short term.

**Video 13-16**<https://youtu.be/kvktpapvR6w>

13. Who is your toughest, meanest, strongest competitor? You and your Distractions.
14. What skill is needed to fight that competitor? Setting and achieving PRIORTIES.
15. Define Fair Market Value. The price in terms of money that a property will bring if exposed on the open market, between a willing seller and a willing buyer, neither under any pressure and both of whom are fully informed of all the uses, advantages and disadvantages of the property.
16. What is L and H advertising? The Look and the Hook.  
Ads must look great and included a "Call to Action" hook.

**Video 17 -20**[https://youtu.be/\\_IF9-qN4tQo](https://youtu.be/_IF9-qN4tQo)

17. Define: Positive Cash Flow? When a potential buyer enters your space with readily available money to spend.  
  
Define: Negative Cash Flow? When that same potential buyer leaves your space without spending money with you.
18. Explain the "Take It or Leave It." Merchandising messaging mistake.  
When your merchandising pricing does not encourage negotiating or any options for the shopper.
19. Explain: The THREE TIMES RULE when pricing products and services?  
Start pricing considerations at three times your cost. Then compare to current Market. Then adjust as needed.
20. Explain: the 27 TIMES RULE when planning a targeted advertising campaign.  
A shopper needs to see your marketing presentations 9 times before they'll consider you as "Credible" and consider awarding 'big ticket' business to you.  
Shoppers will miss seeing your best placed ads 2 out of 3 times.  
 $9 \times 3 = 27$ . Therefore, when planning an ad campaign, make sure you have peppered The target region/area/group with more than 27 small "introductory" marketing efforts.

**Video 21 - 26**<https://youtu.be/z8jIwGH8NEQ>

21. "YES, if – NO, but" Negotiating. Keeps the shopper talking until you can close.
22. Our # 1 most important web page is: MOBILE PAGE made for cell phone screens
23. Our # 2 most important web page is: Pages that SELL! The landing pages.
24. Why do customers come back? 40%: Customer Service & 60 % Hospitality.
25. When closing a sell, do your best to SEND & Read: Non-Verbal Communications.
26. Who motivates others? An Assertive Person

**Video 27- 30**<https://youtu.be/7oGSNPVVWSc>

27. Which is a "good thing?" Tax avoidance or tax evasion?
28. It's not how many times you are knocked down that counts.  
It's how well you get back up that really matters.  
Be determined to Win the Race.
29. Will your legacy be that of a "Taker or a Giver?"
30. Be the best person you can be. Help others.  
Let your "candle light" shine.

**Do You Need a Helping Hand?**

Where can you get expert small business counselling and access to a treasure chest of resources and open doors to networking opportunities?

**Right here!      The Small Business Center**  
**Make an appointment today.**

***Where can I find the money to start a business?*****The Facts**

**Grants:** Free money that does not have to be paid back - are almost never found for any "for profit" business.

**Special Loan Considerations** are available for **promising** new business startups.

**Define Promising:**

**Credit worthiness** of the borrowers.

**Down payment.** How much "skin" / cash does the owner have in the game?

**Collateral to secure the loan.** 2 or 3 times the loan proceeds.

The borrowers "**wide vision**" grasp of all the issues related to a business loan."

The **borrower's preparations** of the loan application and its initial presentation to "advance" lending officials. "Selling you."

A concise, easy to read, navigate and understand:

**Business Plan:**

Complete with comprehensive marketing details, profit center models, Expense/income projections and cash flow predictions.

Describe cash/credit reserves or credit lines to manage cash flow stress events. It must satisfy the lender that you have the way and means to pay back the loan with interest/fees without becoming past due or in default.

## **Incorporated or Not: You will be on the line:**

### **PERSONALLY.**

All lenders require the small business owner and their spouse to sign a Personal Guaranty Document in addition to other business loan documents.

The **Personal Guaranty** places a "blanket lien" on virtually everything the borrower and their spouse has now and/or acquires in the future.

**The risk:** The loan repayment, loss of investment and borrowed funds, all that time, dreams, the personal guaranty that jeopardizes all your personal property and savings.

### **List your risk management tools:**

### **List your business skills:**

**Develop a comprehensive business / marketing plan.  
Planning to make it work. Step by Step.**

**How much MORE capital will be needed?**

**Is all the money needed in the bank now?**

**Is it "liquid"? Are there strings attached?**

**Who and where are the sources for funding?**

**The lender's and their radar system designed primarily to "CYA".**

## **Where's the cash?**

**FIRST-> SEE YOUR SBC DIRECTOR**

**Do the "Need Start- Up Money Blues" Got You Down?**

Break the Piggy Bank, Raid the Freezer. Dig up money jars in the yard.  
Sell the boat. Sell the ATV and Motorcycle.

**Fund raising coaching tips: It's about Staying out of debt.**

Keep good records of the fund raiser ... Start to finish.

You'll be able to use the records to help plan the next fund-raising event.

Determine to overall expenses required stage the event and then set aside / save enough of the profits earned to fund the next one.

### **Delegate:**

As soon as possible name an overall project chairperson (not you in any of the following roles) and with the chair's input recruit/name.

## ***Look'n for a Dozen" Doers".***

Individual task chairs. Not you!

1. Project Manager - Chair

2. Ticket sales chair: print and distribute plate ticket printing and sales.

Offer sales incentive prizes for ticket sales leaders, all folks that sell over 20, 50, 100 tickets.

Encourage large group plate sales for staffs at businesses, nursing and rest homes, football or tailgate groups, remote location or "large orders" direct deliveries.

3. Finance chair (10000% solid trustworthy). Receive and account, deposit incoming sales revenues, list producers. List, account pay bills (require two signatures for all checks) related to the fund raiser. Your signature plus the chair's.

4. Public relations chair. PSA, news release, photos, radio station remote broadcast, etc.

Set up, yard signs - display signs and placement chair.

5. Food - Supplies chair:

6. Room set up and takes down chair:

7. Silent auction/ door prizes/ cake walk chair (mini fundraisers at the event)

8. Cooking - Food Prep chair.

9. Servers chair:

10. Delivery chair:

11. Cleanliness - Sanitation chair

12. Hospitality chair. Greeters, "special needs" caretakers

# PROMISSORY NOTE DATED \_\_, \_\_, 2020 ( page 1 of 2)

\$ \_\_\_\_\_ (AMOUNT) \_\_\_\_\_ (DATE)

**FOR VALUE RECEIVED**, the undersigned, (the "Maker"), hereby promises to pay to the order of \_\_\_\_\_ (LENDER NAME) ("Payee"), the principal sum of \$ \_\_\_\_\_ pursuant to the terms and conditions set forth herein.

**PAYMENT OF PRINCIPAL.** The principal amount of this Promissory Note (the "Note") and any accrued but unpaid interest shall be due and payable in \_\_\_\_\_ (NUMBER OF PAYMENTS) (CIRCLE ONE: equal monthly installments / equal quarterly installments / payments as described below) beginning \_\_\_\_\_ (DATE OF FIRST PAYMENT). All payments under this Note shall be applied first to accrued but unpaid interest, and next to outstanding principal. If not sooner paid, the entire remaining indebtedness (including accrued interest) shall be due and payable on \_\_\_\_\_ (DATE OF FINAL PAYMENT).

**INTEREST.** This Note shall bear interest, compounded annually, at \_\_\_\_\_ (ANNUAL INTEREST RATE) percent.

**PREPAYMENT.** The Maker shall have the right at any time and from time to time to prepay this Note in whole or in part without premium or penalty.

**REMEDIES.** No delay or omission on part of the holder of this Note in exercising any right hereunder shall operate as a waiver of any such right or of any other right of such holder, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion. The rights and remedies of the Payee shall be cumulative and may be pursued singly, successively, or together, in the sole discretion of the Payee.

**EVENTS OF ACCELERATION.** The occurrence of any of the following shall constitute an "Event of Acceleration" by Maker under this Note:

(a) Maker's failure to pay any part of the principal or interest as and when due under this Note; or

(b) Maker's becoming insolvent or not paying its debts as they become due.

**PROMISSORY NOTE - DATED \_\_\_\_\_, \_\_\_\_\_, 2020 ( page 2 of 2)**

**ACCELERATION.** Upon the occurrence of an Event of Acceleration under this Note, and in addition to any other rights and remedies that Payee may have, Payee shall have the right, at its sole and exclusive option, to declare this Note immediately due and payable.

**SUBORDINATION.** The Maker's obligations under this Promissory Note are subordinated to all indebtedness, if any, of Maker, to any unrelated third party lender to the extent such indebtedness is outstanding on the date of this Note and such subordination is required under the loan documents providing for such indebtedness.

**WAIVERS BY MAKER.** All parties to this Note including Maker and any sureties, endorsers, and guarantors hereby waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to continue to remain bound for the payment of principal, interest and all other sums due under this Note notwithstanding any change or changes by way of release, surrender, exchange, modification or substitution of any security for this Note or by way of any extension or extensions of time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them.

**EXPENSES.** In the event any payment under this Note is not paid when due, the Maker agrees to pay, in addition to the principal and interest hereunder, reasonable attorneys' fees not exceeding a sum equal to 15% of the then outstanding balance owing on the Note, plus all other reasonable expenses incurred by Payee in exercising any of its rights and remedies upon default.

**GOVERNING LAW.** This Note shall be governed by, and construed in accordance with, the laws of the State of \_\_\_\_\_ (STATE NAME).

**SUCCESSORS.** All of the foregoing is the promise of Maker and shall bind Maker and Maker's successors, heirs and assigns; provided, however, that Maker may not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the holder of this Note.

**IN WITNESS WHEREOF,** Maker has executed this Promissory Note as of the day and year first above written.

**Maker:** \_\_\_\_\_ (BORROWER SIGNATURE)

\_\_\_\_\_ (BORROWER NAME)

**REPAYMENT SCHEDULE**

<b>Date</b>	<b>Amount due</b>	<b>Amount paid</b>
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### **Family, friends and (not) fools.**

Funding from friends and family is a very popular and effective way to secure limited amounts of initial cash for the business in the short term and not long term.

They are more likely than others to believe in your vision and your ability to make that vision or dream come true.

Even though it may cost some fees, all parties should get sound legal advice. It could potentially help you save lots of money and stress later.

Borrow only enough to launch the business, build a web site and to develop marketing material to get started.

### **To avoid friends and family feeling like “fools”**

Consider structuring these type transactions as a high interest, one-year promissory notes secured with adequate collateral that has been professionally appraised and properly-legally secured with lien documents and perfected filings.

Even though it may cost some fees, all parties should get sound legal advice; it could potentially help you save lots of money and stress later.

Borrow only enough to launch the business, build a web site and to develop marketing material to get started.

**The Promissory Note: See the last 2 pages of handout.**

### **Making it “more legal”.**

Witnesses of signatures.

Notarize signatures.

### **“Perfecting the Lien” to establish priority.**

1. Title search: Make sure there is a “clear title.”
2. Public recording:
  - Recording it with the Register of Deeds.

**Big Caution: You must remember;** because someone lent you money to launch your business, it does not make them the right financial partner forever in business.

You are risking negative terminations of special and important personal relationships if the business fails and / or your agreements documents were not structured properly.

### **Small business traditional loans.**

Community based banks.	Large Commercial Banks	Credit unions
Government Agencies	Private organizations	

**Angel investors.** After the “friends and family” routes have proven successful for short term loans, angel Investors are more likely to be the next step. Lots of trust was built by giving your early stage investors their money back on time plus the agreed interest. This was all documented and serves as an excellent “track record” for the next set of investors to see and enhance your odds with them.

### **Keep in mind that they will own a piece of the business.**

You will have a fiduciary responsibility to act in the best interests of the business and its shareholders.

### **Attracting angel investors is a tricky business,**

No matter how exciting and positive the initial conversations may be,

**The devil is always in the details.**

### **Do you want a business run by committee? Investors vs. Partners.**

Know your business plan, be transparent, back up your valuation with real projections and build a relationship based on trust.

Keep a close eye and well documented arrangement where all parties understand the difference in investors vs. partners.

### **Remember: 51%**

**Funding by Vendors.** Buying large ticket items using the vendor vehicle and equipment installment purchase and lease to own options.

### **Cash Flowing – Funding Planning to make it work. Step by Step.**

Start recording daily business data including number and types of sells, customer's contact info. Energize survey tools.

Start as early as possible with advance marketing and "pre-sells" to assure meaningful operating cash flow as soon as the "doors open".

### **After you are open.**

#### **Daily cash flowing.**

#### **Adding profit centers.**

#### **Growing the business.**

#### **Fighting Cash Flow Crisis.**

### **Management's structure is the answer to improving tail end cash flow**

**problems.** Start when the customer pays. Invoice immediately with teeth and terms and penalties clearly explained. Weekly status updates.

### **Need cash now? 7 honest paths.**

**1. Eliminate structured cash flow bottlenecks.** Forecast better. Remember "Inventory Turns". Then negotiate wiser to gain better and longer terms for inventory delivery dates and at lower wholesale pricing. Collect past due accounts with great haste and energy. Plug the holes in your charge-open account policies.

**2. Surgically eliminate oblivious waste, non-productive staff.**

**3. Stretch dollars by cutting cost.**

**4 Magic Act. Turn old assets into new dollars. Creative Re-Financing.**

**5 Add profit centers. New revenue sources that can built more UP SALES.**

**6. Reach out to your Raving Fan Customers with timely promotions.**

**7. Use credit lines or borrow from banks or other institutions.**

Talk with the President, Vice President, or a member of the Board of Directors Of a local owned bank about bank loan options. Before seeing the loan officer.

**Primary Borrowing Tip. Do not pay long term debt with short term cash flow.**

## THANK YOU

### Anthony Steven Carver.. "Coach Steve", President

Fast Forward Services, Inc. DBA 360 Business Training and Consulting.

[www.fastforwardservices.net/](http://www.fastforwardservices.net/) Training Events Calendar, Testimonials

[www.CarverEquipment.Com](http://www.CarverEquipment.Com) Nationwide Equipment Sales, Since 1959

www. [journeyforalifetime.com](http://journeyforalifetime.com) Business books and Steve's Bio

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#### Disclaimer.... Summarized Free Advice

The information offered here is **general in nature**, based on years of small business experiences and observations and interactions with many thousand entrepreneurs when presenting over eight hundred seminars and helping hundreds to start new businesses over a fifty-year period of time.

Seminar and Webinars presentations do not take into account the specific and private circumstances of attendees and/or participants and **should not be acted on** without full understanding of each individual current situation, future goals and objectives by a fully qualified certified and licensed advisor. In doing so you risk making commitment to a product and/or strategy that may not be suitable to your needs.

Respectfully submitted with Best Wishes,

Anthony Steven Carver

#### Steve's Calendar

Feb 22	Monday.....	Start a Home Based Business
Mar 08	Monday.....	Start Internet Selling Business-Basics
Mar 10	Wednesday	Start Trucking Business
Mar. 18	Thursday ....	Improve your credit score
Mar. 22	Monday.....	Start Lawn Maintenance Landscape Business
April 08	Thursday...	Start a salon or barber shop business
May 05	Wednesday	Forecasting and Negotiating Skills
May 11	Tuesday...	What's the business worth? Buy-Sell
July 15	Thursday...	Start a Home-Based Business
July 20	Tuesday.....	Marketing with DBS. Doing Business As.