

Financial resources for women in business

Written by Shaun Coard Business Banking manager, Wells Fargo
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There's one topic we hear about most often when we talk to women who are building their own businesses: Obtaining financing can feel like a daunting task. We also talk with too many business owners who are unaware of the many resources available to help them access capital.

We want to change that and make more women aware of their options. Today there's a growing list of government, non-profit and private organizations that provide resources for women in business. Here are a few to consider:

Financial service providers that have a special focus on women-owned businesses: More financial institutions are recognizing the importance and growth of the segment – nearly 30 percent of businesses are owned by women today. As a result, more financial institutions are adding services and programs specially geared toward helping women learn about financing options and how to obtain a small business loan. At Wells Fargo, for example, we recently committed to lend a cumulative total of \$55 billion to women-owned businesses by 2020, in addition to offering numerous resources for small businesses.

U.S. Small Business Administration (SBA): The SBA operates Women's Business Centers across the country – a network of educational centers designed to assist women in starting and growing small businesses. When a business owner is ready for a loan, she may want to consider an SBA loan, which is offered through banks and other lending institutions. SBA loan products, such as SBA 7(a) and 504 loans, can be good options for some creditworthy small business owners who may not be able to obtain conventional loans or loan terms that meet their business needs.

National Association of Women Business Owners (NAWBO): With more than 5,000 members

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and 60 chapters, NAWBO is a valuable resource helping to propel women business owners into greater economic, social and political spheres of power worldwide.

Once you're ready to apply for a loan, there are a few questions any lender will ask: How much do you need? What will you do with the financing? How will you pay it back? Your success in securing a loan will depend on your answers. To help maximize your chances, before you approach a lender, make sure to do your homework in each of these key areas.

How much do you need?

This the most fundamental question. Having a precise answer is the first step in proving that you're prepared. If you aren't sure how much to ask for, revisit your business plan and business financials first. Look at what you have available, and what you project you will need to reach your goals, then do the math.

Why do you need it?

This is really a two-part question. Lenders are interested in knowing whether you're seeking financing to solve a problem, or to seize an opportunity.

You should maintain an up-to-date business plan that you revise regularly as your business grows. If you're just getting started, you can find plenty of guidance online, such as this step-by-step guide available at Wells Fargo's Business Insight Resource Center: <https://wellsfargobusinessinsights.com/business-stages/startup/writing-business-plan>

How will you repay your loan?

The last question requires the most detailed documentation. Start with your current financials to show how much cash your business generates now. Then prepare cash flow projections: your best estimates of how much you anticipate generating after you receive the loan. Include

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principal and interest payments in the forecasts, and keep the loan terms within bank policy guidelines.

If the loan is secured by collateral, be prepared to explain exactly what tangible assets you can offer as a guarantee. Examples are equipment, a house or a car. In addition to collateral, how much cash will you personally put into the business? When outlining your debts and assets, consider including your personal financial information as well. This will help the lender get a sense of your personal financial stability.

Once you've prepared your proposal and collected the necessary information and documents to back it up, you're ready to talk to potential lenders. Be sure that you can explain clearly what you intend to do with the loan and why you expect the venture to succeed.

Finally, be prepared to discuss your own business qualifications. Because the success of a small business largely depends on leadership, your skills and knowledge are an important part of your company's profile.

When you've done your research, have all your documents in order, and can credibly answer your lender's questions, you've greatly improved your chances of securing capital and launching your business. Make sure to take advantage of the resources available to women business owners. The more you know about your options, the better chance of success.

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