



## Notes on financing

### The "Big Myth"

Looking for some grant money to assist you with your entrepreneurial endeavor?

Unfortunately, and contrary to popular belief, there are very few grants available. The grants that are available are generally focused on business plan assistance or workforce training. We're not saying that there is absolutely no grant funding available, but the grants that are available tend to be very specialized and may not be a standard program that is available to everyone.

Rather than spend your valuable time and money on the various (and sometimes fraudulent) opportunities advertised, we suggest you take a look at [www.grants.gov](http://www.grants.gov) or [http://wenportal.org/grant\\_applications](http://wenportal.org/grant_applications) for opportunities that may be available to you.

### The 5 C's of Credit Analysis

1. Capacity — ability to repay
2. Capital — your money at risk
3. Collateral — other security provided
4. Conditions — loan use
5. Character — impression you make

### Financial Projections

Your financial projections (sometimes known as pro forma) is the most important

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|---|--|
| <input type="checkbox"/> Sources and uses of funds chart    | <input type="checkbox"/> Break even analysis           |
| <input type="checkbox"/> Profit and loss (budget) statement | <input type="checkbox"/> Personal financial statements |
| <input type="checkbox"/> Cash flow statement                | <input type="checkbox"/> Statement of assumptions used |
| <input type="checkbox"/> End-of-year balance sheet          |  |

### Quick Tips

- Don't short-change yourself...plan for plenty of working capital from the start
- Don't discount "friends, family, and fools" as sources for self-funding
- Develop a lender relationship early in the process
- Financing a project is like a puzzle...you will likely need to identify several sources
- Be persistent