

# Small Business News & Notes

## Getting Banks To Show You The Money

(NAPSA)—Although it's not easy for entrepreneurs to get loans these days, they remain a driving force in the U.S. economy. According to the U.S. Small Business Administration (SBA), there are approximately 24 million small businesses in this country and they create 65 percent of new jobs.

Fortunately, financing is still available, even during these challenging economic times. Here are a few tips for small business owners seeking loans to expand their companies.

**1. Manage your credit.** For most companies with revenue under \$50 million, the owner's personal credit score is the company's credit score. That score is weighed heavily when banks evaluate loan applications, so manage your personal credit wisely.

**2. Update your business plan.** A detailed business plan that explains how you expect your business to grow, including realistic projections for revenues, expenses and cash flow, is critical. You must also be ready to explain how the loan would be used to expand your business.

**3. Pay off small debts.** Banks will examine your outstanding obligations. It's important to present a strong balance sheet. Pay off as many small debts as possible so your business doesn't appear overextended and your cash flow is maximized.

**4. Go to the right bank.** Different banks have different specialties. For instance, Bank of the West works closely with the SBA to make money available for small businesses, including loans for commercial real estate, construction and equipment. Banks with an expertise in the type of loan you need can go the extra mile to get the deal done.



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**Getting banks to say “yes” to your business loan requires proper planning.**

**5. Address the issue of risk.** There is no business without risk. If you are not prepared to discuss this issue, bankers will assume you haven't thought about it. Lenders want to know you have planned for a variety of major risks.

Debra Sears Bergeson runs Skyline Displays with her husband Roger. Their company designs tradeshow exhibits and they recently approached Bank of the West about financing an expansion. “We needed more space,” she explained. “We were seeking a conventional loan, but the bank took time to understand our business and showed us the advantages of an SBA loan, including a smaller down payment, a longer term and great rates. Before long, we were moving to a bigger space!”

Sooner or later, many small businesses need loans. To increase your chances of securing a loan, put yourself on the other side of the desk for a moment. If a business owner asked you for a loan, what would you want to know? If you start there and follow a few simple tips, you may soon find your small business doing big things!

When your company is ready to expand, visit [www.bankofthewest.com/small-business.html](http://www.bankofthewest.com/small-business.html) for financing information you'll need.