.

>>> HI, EVERYONE AND WELCOME TO

THE NATIONAL SMALL BUSINESS WEEK

WORLD CONFERENCE SPONSORED BY A

SCORE AND THE FBA.

THIS IS MASTERING CONTROL OF

YOUR CASH FLOW, BROUGHT TO YOU

BY SQUARE.

I'M A CONTENT MANAGER IN SCORE

AND I WILL BE THE MODERATOR FOR

THIS WEBINAR SESSION.

WE ARE JOINED TODAY BY ED LYNN,

HEAD OF MARKETING FOR SQUARE

CAPITAL.

BEFORE TURNING THE SESSION ON

OVER TO ED, I WOULD LIKE TO GO

OVER A FEW HOUSEKEEPING ITEMS.

TODAY'S WEBINAR WILL LAST ONE

HOUR.

THE SESSION IS BEING RECORD AND

A LINK TO THE RECORDING AND

SLIDE BACK WILL BE AVAILABLE TO

ALL PARTICIPANTS.

WE SET ASIDE TIME FOR Q&A AT THE

END OF THE PRESENTATION.

IF YOU HAVE ANY QUESTIONS,

SUBMIT THEM.

WE WOULD LIKE TO BEGIN MASTERING

CONTROL OF YOUR CASH FLOW.

THANK YOU SO MUCH FOR JOINING US

TODAY.

>> THANK YOU.

HI, EVERYONE.

THANKS FOR JOINING TODAY'S

WEBINAR ABOUT MASTERING CONTROL

OF YOUR CASH FLOW.

I'M ED LYNN AND I'M THE HEAD OF

MARKETING FOR SQUARE CAPITAL.

SQUARE CAPITAL IS THE LENDING

PROGRAM CREATED BY SQUARE, THE

COMPANY THAT OFFERS BUSINESS

OWNERS PAYMENT, SOFTWARE, AND

HARDWARE TOOLS THAT HELP YOU

START, RUN, AND GROW.

AS ALL OF YOU ARE VERY MUCH

AWARE, CASH FLOW IS THE LIFE

BLOOD OF A BUSINESS.

NO MATTER IF IT'S A BUSY TIME

FOR YOUR INDUSTRY OR A SLOW

SEASON, YOUR BUSINESS MAY NEED

MORE CASH TO ENSURE IT CAN TAKE

ADVANTAGE OF NEW OPPORTUNITIES,

COVER UNEXPECTED EXPENSES OR

JUST EVERYDAY OPERATIONS.

ABOUT A THIRD OF SMALL

BUSINESSES IN THE U.S. DON'T

SURVIVE HALF THE AGE OF TWO.

THERE ARE MANY REASONS WHY

BUSINESSES FAIL, BUT TWO THAT

ARE COMMON INCLUDE ONE, POOR

MANAGEMENT INCLUDING LACK OF

EXPERIENCE AND THE AREA OF

FINANCE.

AND TWO, INSUFFICIENT FUNDS.

IN WHICH CASE, ALERTS DON'T

UNDERSTAND CASH FLOW AND HOW

MUCH MONEY THEIR BUSINESS NEEDS

TO GET STARTED SUCCESSFULLY.

Y ADDITIONALLY, 49% OF SMALL

BUSINESS OWNERS SAY CASH FLOW

CONCERNS KEEP THEM UP AT NIGHT.

PARTICULARLY DURING BUSY SEASONS

LIKE THE HOLIDAYS WHEN YOUR

SPENDING CAN RISE.

YOU WANT TO HAVE A PLAN TO AVOID

A CASH FLOW GAP AND IF YOU DO

ENCOUNTER ONE, HAVE THE TOOLS TO

GET THROUGH THEM.

YOU CAN CONTINUE TO OPERATE YOUR

BUSINESS SMOOTHLY.

WHAT EXACTLY IS A CASH FLOW GAP?

THEY OCCUR WHEN THERE IS A

MISMATCH BETWEEN MONEY COMING IN

AND MONEY GOING OUT.

SPECIFICALLY, THE MONEY COMING

IN OR INFLOWS ARE NOT ENOUGH TO

COVER THE MONEY GOING OUT, OR

OUTFLOWS.

GAPS MAY BE DUE TO A NUMBER OF

REASONS INCLUDING WHERE YOUR

BUSINESS IS INCURRING EXPENSES

WITHOUT SUFFICIENT REVENUE

GENERATION.

ALSO, A LACK OF RECORDING TO BE

ABLE TO TRACK YOUR PATHS IN AND

OUT.

WHERE CASH IS NOT COMING IN WHEN

YOU NEED TO PAY YOUR BUSINESS

EXPENSES.

NOT MAXIMIZING THE WAYS YOUR

BUSINESS CAN ACCEPT PAYMENTS FOR

YOUR GOODS OR SERVICES.

AND OPPORTUNITIES YOU DIDN'T

BUDGET FOR.

SEVERAL TACTICS YOU CAN USE TO

HELP ENSURE YOU DON'T ENCOUNTER

A GAP.

WE ARE GOING TO REVIEW 10

SUGGESTED.

FIRST, BE SMARTER ABOUT YOUR

BUSINESS'S FINANCES WITH PROPER

PLANNING.

DEVELOP A PLAN TO KEEP TRACK OF

THE MONEY COMING IN AND GOING

OUT.

HAVE A CLEAR UNDERSTANDING OF

WHAT EXPENSES ARE COMING UP AND

HOW YOU WILL COVER THEM.

YOU MAY DECIDE TO ALLOCATE A

CERTAIN AMOUNT TO EXPENSES AND A

CERTAIN PERCENT TO GROWING YOUR

BUSINESS AND A CERTAIN PERCENT

TO IMPROVING PRODUCTS AND

SERVICES.

AND A CERTAIN PERCENT FOR SAVING

FOR EMERGENCIES OR UNEXPECTED

EXPENSES.

MAKE SURE YOUR PLAN IS FLEXIBLE

AND YOUR BUSINESS CAN ADAPT

QUICKLY.

BE ABLE TO MAKE CHANGES IF AND

WHEN NECESSARY.

IT HELPS YOU PUT A PLAN TOGETHER

OR IF YOUR BUSINESS CAN'T HIRE

ONE, THERE ARE ONLINE AND

SOFTWARE ACCOUNTING OPTIONS THAT

CAN BE APPROPRIATE FOR YOUR

BUSINESS AS WELL.

NEXT, CREATE CHARTS TO MONITOR

CASH FLOW ONGOING.

THE ACCOUNTING SOFTWARE LETS YOU

CREATE CHARTS TO GIVE A DETAILED

OVERVIEW FOR REVENUE VERSUS

EXPENSES.

ACCOUNTING CAN ALSO PROVIDE THE

DATA TO YOU IF YOU HAVE ONE.

IF YOU PROCESS YOUR PAYMENTS

WITH A COMPANY LIKE SQUARE, YOU

MAY ALSO BE RECEIVING SALES DATA

IN A DID SHE BOARD THAT WILL

GIVE YOU HELPFUL DATA ON THE

REVENUE FLOWING INTO YOUR

BUSINESS.

YOU SHOULD ALWAYS BE ABLE TO

ANSWER TWO FUNDAMENTAL QUESTIONS

ABOUT YOUR BUSINESS'S POSITION

AT ANY GIVEN TIME.

THE FIRST IS, WHAT IS YOUR CASH

BALANCE RIGHT NOW?

THE SECOND IS, WHAT DO I EXPECT

MY CASH BALANCE TO BE SIX MONTHS

FROM NOW?

HERE'S AN EXAMPLE OF A SPREAD

SHEET THAT CAN SERVE AS A

TEMPLATE FOR BUILDING OUT YOUR

OWN BUSINESS'S CASH FLOW

STATEMENTS.

AT A HIGH LEVEL, THIS STATEMENT

SHOULD INCLUDE YOUR BUSINESS'S

CASH RECEIPTS OR INFLOWS, YOUR

CASH OUTFLOWS, AND OTHER

OPERATING INFORMATION LIKE

ACCOUNTS RECEIVABLE AND PAYABLE,

INVENTORY ON HAND, AND

DEPRECIATION.

ALL ON A MONTHLY BASIS.

YOU SHOULD SET THE STATEMENT UP

IN ADVANCE AND PROJECT OUT THESE

METRICS AS FAR INTO THE FUTURE

AS YOU CAN AND USE THIS

WORKSHEET TO KEEP TRACK OF YOUR

CASH IN AND OUT AS IT HAPPENS IN

REALTIME.

AND WHETHER IT MAY ENCOUNTER A

CASH FLOW GAP IF THEY CALCULATE

THE QUICK RATIO.

IT'S EQUAL TO ALL OF YOUR LIQUID

ASSETS INCLUDING CASH, CASH

EQUIVALENTS AND LIQUID

SECURITIES AND ACCOUNTS

RECEIVABLE.

ALL DIVIDED BY YOUR CURRENT

LIABILITIES.

OR OBLIGATIONS THAT WILL BE DUE

WITHIN ONE YEAR.

A HEALTHY QUICK RATIO IS GREATER

THAN OR EQUAL TO ONE.

IF YOUR QUICK RATIO IS LESS THAN

ONE, YOUR BUSINESS MAY FIND IT

MORE DIFFICULT TO PAY FINANCIAL

OBLIGATIONS OR PAY FOR ANY

UNEXPECTED EXPENSES THAT MAY

ARISE.

YOU SHOULD TRY AND KEEP AN EYE

ON YOUR QUICK RATIO AS

FREQUENTLY AS YOU CAN TO

UNDERSTAND YOUR BUSINESS'S

LIQUIDITY SITUATION AT ANY GIVEN

TIME.

SOME BUSINESSES FOCUS ON BEING

PROFITABLE INSTEAD OF CASH FLOW

POSITIVE.

WHILE IT'S AN IMPORTANT GOAL,

THE BUSINESS DOESN'T NECESSARILY

MEAN THE CASH FLOWS ARE IN

ORDER.

AND IF YOUR CASH FLOWS ARE NOT

POSITIVE AND YOU CAN'T HAVE YOUR

FLYERS OR EMPLOYEES, YOUR

BUSINESSES WON'T HAVE A CHANCE

TO BE PROFITABLE.

FOCUS ON THE CASH FLOWS AND YOUR

BUSINESS WILL HAVE A BETTER

CHANCE OF ACHIEVING

PROFITABILITY.

BILL YOUR CUSTOMERS AS QUICKLY

AS POSSIBLE AND SET PAYMENT

TERMS.

THE SOONER YOU BILL, YOU SOONER

YOU GET PAID.

A KEY FACTOR IS TO MAKE SURE THE

TERMS ARE CLEAR.

RESEARCH SHOWS THAT DEBTORS PAY

TWO WEEKS LATE ON AVERAGE.

IF YOU WANT TO GET PAID WITHIN A

MONTH, TRY MAKING THE TERMS 13

DAYS OR FEWER IF THAT'S

APPROPRIATE FOR YOUR CUSTOMERS.

YOU CAN ALSO OFFER INCENTIVES TO

YOUR CUSTOMERS WHO PAY THEIR

BILLS EARLY.

THIS CAN BE IN THE FORM OF A

DISCOUNT ON THE TOTAL AMOUNT

OWED.

DO THE MATH TO UNDERSTAND IF

GETTING PAID EARLY IS WORTH THE

AMOUNT OF THE INCENTIVES YOU ARE

GIVING.

ADDITIONALLY, WHILE YOU WANT TO

SHORTEN THE TIME THAT YOUR

CUSTOMERS HAVE TO PAY YOU, YOU

WILL ALSO WANT TO LENGTHEN THE

AMOUNT OF TIME YOU HAVE TO PAY

YOUR SUPPLIERS.

ASK FOR NET 60 OR 90-DAY PAYMENT

TERMS, IF YOU CAN.

HOWEVER BE ON THE LOOK OUT FOR

ANY LATE FEES CHANGED BY YOUR

SUPPLIER, IN WHICH CASE YOU WANT

TO BE VIGILANT ABOUT PAYING ON

TIME.

SOME SUPPLIERS OFFER DISCOUNTS

IF YOU PAY YOUR BILLS EARLY.

THIS MAY BE MORE FINANCIALLY

ADVANTAGEOUS FOR YOU.

TO CONSTANTLY WEIGH YOUR PAYMENT

OPTIONS TO DETERMINE WHAT IS

BEST FOR YOUR CASH FLOWS.

ANOTHER SUGGESTION IS TO

CONSTANTLY ASSESS YOUR EXPENSES.

REVISIT AND REVIEW COST IF YOU

CAN SHAVE THE COSTS DOWN OR

NEGOTIATE BETTER TERMS, ALSO,

YOU CAN GET AWAY WITH THE

EQUIPMENT OR REPAIR YOUR CURRENT

EQUIPMENT INSTEAD OF BUYING

SOMETHING NEW.

FURTHERMORE, INSTEAD OF

EXCHANGING CASH, COULD YOU

BARTTER USING YOUR OWN GOODS OR

SERVICES?

THE MORE YOU CAN SAVE, THE MORE

YOU CAN GET VITAL BUSINESS

EXPENDITURES.

PROCESS IT ANYWHERE YOUR

CUSTOMERS ARE.

YOU CAN MONITOR THE STATUS TO

MAKE SURE THEY ARE BEING PAID ON

TIME.

AN ESSENTIAL PART OF MANAGING

YOUR CASH FLOW.

YOU CAN ALSO OFFER FLEXIBLE

PAYMENTS FOR HIGHER PRICED

ITEMS.

HAVE YOU EVER LOST MONEY OVER

THE PRICE?

CUSTOMERS WILL GET MORE TIME TO

PAY HAVE SHOWN TO IMPROVE SALE,

AVERAGE ORDER VALLEY AND REPEAT

PURCHASE.

WE RECEIVE THIS PACKET WITH OUR

SELLERS WHO OFFER SQUARE

INSTALLMENT WHICH IS OUR VERSION

OF A MONTHLY PAYMENT SOLUTION.

SOME PRODUCTS ALLOW SELLERS TO

GET PAID IN FULL AND UP FRONT

JUST LIKE WITH A CREDIT OR DEBIT

CARD.

THE CUSTOMER PAYS THE LENDER

BACK DIRECTLY.

YOU DON'T TAKE ON CREDIT RISK

AND IF YOUR CUSTOMERS DON'T

REPAY, YOU ARE NOT ON THE HUNT.

MAKE YOUR MOAN WORK HARDER BY

INVESTING IT WHENEVER YOU CAN.

PUT IT INTO AN INTEREST-BEARING

SAVINGS ACCOUNT OR INSTITUTIONS

ALSO OFFERED INTEREST BEARING

CHECKING ACCOUNTS.

THE FUNDS YOU DON'T NEED, YOU

CAN INVEST THEM IN A CERTIFICATE

OF DEPOSIT OR A CD THAT MIGHT

YIELD A HIGHER RATE OF RETURN.

HOWEVER, YOU DO NEED TO LOCK

YOUR MONEY INTO THE INVESTMENTS

FOR LONGER PERIODS OF TIME.

SOME CDs COME WITH EARLY

WITHDRAWAL PRIOR TO THE TERM'S

MATURITY.

YOU NEED TO THINK ABOUT THE CASH

YOU MIGHT NEED MORE IMMEDIATELY

AND YOU SHOULD SET ASIDE IN A

MORE LIQUID INVESTMENT.

NEXT, YOU HAVE SUPPLIES OR

EQUIPMENT THAT YOU NO LONGER USE

OR IS IT MEETING YOUR NEEDS

ANYMORE?

HAVE YOU BEEN STORING INVENTORY

THAT HASN'T BEEN SELLING THAT

YOUR CUSTOMERS MAY NOT ACTUALLY

WANT?

CONSIDERING SELLING THESE TO

FREE UP EXTRA CASH, EVEN AT A

DISCOUNT.

UNUSED EQUIPMENT AND INVENTORY

TAKE UP SPACE AND TIE UP YOUR

CAPITAL THAT YOU CAN BE USING

ELSEWHERE AND MANAGE AND GROW

YOUR BUSINESS.

FINALLY MAKE SURE YOU HAVE

ENOUGH FOR YOUR EXPENSES.

MANAGE CASH FLOW EFFICIENTLY.

REVISIT AND REVIEW YOUR COST ON

A REGULAR BASIS.

USE YOUR ACCOUNTING SOFTWARE TO

CREATE REPORTS ON PROFIT AND

LOSS.

ACCOUNTS PAYABLE AND RECEIVABLE

AND INVENTORY MANAGEMENT AND

BALANCE SHEET AND DEPRECIATION.

TALK DO TO YOUR ACCOUNT APT OR A

TRUSTED ADVISER WHO WILL HELP

YOU INTERPRET THESE REPORTS AND

DECIDE WHAT TO DO.

YOU MAY NEED TO CONSIDER IS

GETTING FUNDING TO COVER

EXPENSES.

LET'S DIVE IN ON THE FUNDING

OPTIONS.

SOME BUSINESSES MAY BENEFIT FROM

TAKING EXTRA FUNDS.

SOMETHING DO THINK ABOUT WHEN

CONSIDERING THE FUNDING INCLUDED

AN EXTRA FUND TO HELP YOUR

BUSINESS GROW IN AN ROI-POSITIVE

WAY.

AND HOW MUCH CAN YOU AFFORD TO

BORROW.

THINK ABOUT THE PROS AND CONS OF

EACH OF THE SOURCES AND WHAT IS

BEST FOR YOUR BUSINESS.

YOU CAN REINVEST YOUR PROFIT.

HOW MUCH OF YOUR PROFIT DO YOU

REINVEST INTO YOUR BUSINESS

ANNUALLY?

SOME THINK REINVESTING AS MUCH

AS 50% BACK INTO A BUSINESS.

IF YOU ARE OPERATING PROFITABLY,

WHY NOT FILE THAT BACK INTO THE

BUSINESS TO MAKE IT GROW MORE.

MAKE SURE TO TRIPLE CHECK AND

REVENUE PROJECTIONS BEFORE

REINVESTING YOUR PROFIT.

AND KEEP CASH ON HAND FOR

UNEXPECTED EMERGENCIES.

YOU CAN ALSO TAKE OUT A BUSINESS

LOAN, BUT BE SMART ON WHAT TO

LOOK FOR WITH THE OFFERS AND HOW

YOU ARE GOING TO INVEST THE

FUNDS.

IF YOU ARE EMPOWERED WITH

KNOWLEDGE, DEBT IS NOT AS SCARY

AS YOU THINK IT IS.

IF YOU ARE LOOKING TO FUND A

LARGE PROJECT LIKE RENOVATION OR

EQUIPMENT, A SMALL BUSINESS LOAN

MIGHT BE THE WAY TO GO.

BE AWARE THIS ROUTE OFTEN HAS A

MORE TIME CONSUMING APPLICATION

PROCESS THAT MAY REQUIRE A

VARIETY OF SUPPORTING DOCUMENTS.

IN MANY SITUATIONS, BUSINESS

OWNERS MAY FIND THAT TAKING A

LOAN THROUGH AN ONLINE LENDER

SOMETIMES CALLED AN ALTERNATIVE

LENDER IS SIMPLER, FASTER TO

GET, AND MORE FLEXIBLE THAN

OTHER FUNDING OPTIONS.

AND IT'S BECOMING MORE POPULAR.

WE SEE THIS TO BE TRUE FOR

ELIGIBLE SELLERS WHO USE SQUARE

CAPITAL, WHICH IS A SMALL

BUSINESS FINANCING PROGRAM

THROUGH SQUARE.

MANY DECIDED THE EASE AND SPEED

OF THE PROCESS HAS REASONS WHY

THEY BORROW THROUGH SQUARE

CAPITAL.

96% OF SQUARE SELLERS HAVE

STATED THAT SQUARE CAPITAL HAS

RESPECTED THEM TO GROW THEIR

BUSINESS.

FURTHERMORE, YOU CAN APPLY FOR A

BUSINESS CREDIT CARD OR A LINE

OF CREDIT.

BUSINESS CREDIT CARD CAN BE A

GOOD OPTION FOR SHORT-TERM

FINANCING.

WHETHER OR NOT YOU APPROVED AND

THE RATES YOU ARE GIVEN VARY ON

THE TERMS OF THE CARD AND YOUR

BUSINESS'S CREDIT SITUATION.

IF THE RATES ARE HIGH OR IF YOU

DON'T HANDOFF.

A BUSINESS LINE OF CREDIT IS

ALSO AN OPTION FOR A RAINY DAY

FUND AND UNEXPECTED EXPENSES.

A LINE OF CREDIT, HOWEVER, MAY

BE MORE DIFFICULT TO QUALIFY FOR

THAN A BUSINESS CREDIT CARD.

IT SOMETIMES HAS STRICTER CREDIT

REQUIREMENTS AND OFTEN HAS LOWER

PRICING THAT MAKES IT A GOOD FIT

FOR A HEALTHY BUSINESS, BUT WITH

HIGHER CREDIT SCORES.

WHETHER YOU ARE THINKING ABOUT A

CREDIT CARD OR A LINE OF CREDIT,

YOU WANT TO EVALUATE THE TERMS

AND CONDITIONS YOU ARE GIVEN TO

MAKE SURE IT IS THE BEST

DECISION FOR YOUR BUSINESS.

USING THE CERTAINLY SAVINGS IS

ANOTHER OPTION.

YOU WANT TO THINK THROUGH THE

CERTAINLY AND BUSINESS RISK YOU

TAKE ON.

FINALLY YOU CAN ASK YOUR NET

WORK AND HAVE YOUR FRIENDS AND

FAMILY SHOWN AN INTEREST IN

HELPING RELIEVE YOUR SMALL

BUSINESS GOALS?

IF SO, THIS COULD BE A PERFECT

OPPORTUNITY FOR THEM TO HELP

FUND YOUR BUSINESS GROWTH.

INVESTING THEIR CASH IN YOUR

BUSINESS COULD HELP WITH

RENOVATION COSTS.

IF YOU GO THIS ROUTE, YOU MAY

WANT TO THINK ABOUT QUESTIONS

LIKE HOW INVOLVED WILL YOUR

FRIENDS AND FAMILY BE IN THE

STRATEGIC AND MANAGERIAL

DECISIONS FOR YOUR BUSINESS.

WILL THIS CHANGE THE WAY THE

BUSINESS IS STRUCTURED AND WHAT

DOES RETAINMENT LOOK LIKE?

HOWEVER YOU DECIDE TO STRUCTURE

IT, WORK WITH THE LAWYER TO PUT

THE AGREEMENT IN WRITING.

ALL RIGHT, LET'S TAKE A BIT MORE

ABOUT BUSINESS LOANS.

FINANCING CAN BE CHALLENGING FOR

SMALL BUSINESSES.

IN FACT, WHEN SEEKING FINANCING,

70% OF SMALL BUSINESS OWNERS

WITH LESS THAN $100,000 OF

ANNUAL SALES EITHER DON'T

RECEIVE ANY FUNDING OR DON'T

OBTAIN THE FULL AMOUNT OF

FUNDING THEY ARE LOOKING FOR.

IF YOU KNOW THAT LENDERS REQUIRE

AND ARE PREPARED FOR INFORMATION

THAT SHOWCASES WHY YOUR BUSINESS

SHOULD QUALIFY, THE BETTER YOUR

CHANCES ARE OF BECOMING ELIGIBLE

FOR FUNDING.

IF YOU ARE CONSIDERING A

BUSINESS LOAN, A LENDER WILL

HAVE A VARIETY OF REQUIREMENTS

FOR THE LOAN TO BE APPROVED.

THESE MAY INCLUDE SUFFICIENT

ASSETS AND FINANCIAL RESERVES.

HEALTHY CASH FLOWS TO REPAY THE

LOANS.

LENGTHY TIME AND BUSINESS.

GOOD HISTORY OF REPAYMENT ON

OTHER DEBTS AND GOOD PERSONAL

CREDIT.

A PERSONAL GUARANTEE, AND OR

SUFFICIENT COLLATERAL TO BACK

THE LOAN.

SOME PROVIDE LOAN OFFERS THAT

AUTOMATICALLY SEES ABOUT YOUR

BUSINESS.

THIS IS VERY LITTLE ADDITIONAL

DATA TO BE ELIGIBLE FOR A LOAN

OFFER.

THIS IS WHAT THEY LOOK FOR AND

INCLUDING NUMBER OF SALES

TRANSACTIONS AND FREQUENCY AND

RESENSY.

SALES HISTORY.

A HEALTHY GROWING BUSINESS.

AND A VARIETY OF CUSTOMERS.

THE MORE CUSTOMERS YOU HAVE, THE

MORE LIKELY TO STILL BE IN

BUSINESS IF YOU LOSE ONE OR A

FEW OF THEM.

HERE'S SOMETHING TO CONSIDER

WHEN EVALUATING YOUR FINANCING

OFFERS.

THE ENTIRE PAY BACK THAT

INCLUDES THE PRINCIPAL AND ALL

BORROWING FEES.

ALL COSTS THAT MAY NOT BE

REFLECTED UP FRONT INCLUDING

LATE FEES, APPLICATION FEES, AND

ORIGINATION FEES.

SPEED AND CONVENIENCE OF THE

OPICATION AND FUNDING PROCESS.

EASE ARE REPAYMENT AND

REPUTATION OF THE LENDER.

LET'S CIRCLE BACK ON WHAT WE

LEARNED TODAY.

WE COVERED A LOT OF MATERIAL IN

THIS WEBINAR, BUT I CAN

SUMMARIZE INTO FOUR MAIN

BUCKETS.

FIRST, IT'S THE TIME TO BUILD A

STRONG PLAN FOR YOUR BUSINESS.

YOU SHOULD BE ABLE TO ANSWER TWO

QUESTIONS AT ANY GIVEN TIME.

WHAT IS YOUR CASH BALANCE AND

TWO, WHAT MIGHT IT BE IN SIX

MONTHS?

SECOND, FIND AS MANY WAYS TO

GROW YOUR INFLOWS, INCLUDING

ACCEPTING MORE OPTIONS AND TRY

TO PRODUCE OR ELIMINATE YOUR

EXPENSES.

AND FUNCTION AND EVALUATE IF

THERE ARE WAYS YOU CAN BARTTER

WITH YOUR OWN GOODS AND

SERVICES.

COLLECT FROM YOUR CUSTOMERS

QUICKLY.

SEE IF YOU CAN NEGOTIATE A MORE

FAVORABLE PAYMENT TERM FROM YOUR

SUPPLIER.

FINALLY, UNDERSTAND IF FUNDING

MAY BE BENEFICIAL IN A CASH FLOW

POSITIVE.

MAKE SURE THAT YOU EVALUATE ALL

OF YOUR FUNDING TERMS THAT YOU

CAN CHOOSE.

FOR MORE INFORMATION ON HOW TO

HANDLE YOUR CASH FLOWS FOR YOUR

BUSINESS, VISIT THE SQUARE

CAPITAL WEBSITE AT

SQUAREUP.COM/CAPITAL.

AS WELL AS THE SCORE AND FDA

WEBSITE.

THANKS SO MUCH.

I WOULD LOVE TO ANSWER ANY

QUESTIONS YOU MAY HAVE.

>> WE WILL NOW START THE Q&A

PORTION AND ADDRESS ANY

QUESTIONS WE CAN IN THE TIME

REMAINING.

IF WE DON'T HAVE TIME TO GET TO

YOUR QUESTIONS, I ENCOURAGE YOU

TO CONNECT WITH THE MENTOR WHO

IS AVAILABLE IN THE MENTORING

HALL.

LET'S GET STARTED.

OUR FIRST QUESTION IS FROM

MICHAEL C.

WHAT IF YOU ARE STARTING A NEW

BUSINESS WITHOUT ANY HISTORY?

IS IT STILL POSSIBLE TO START

THE BUSINESS.

>> LENDERS WILL REQUIRE SOME

SORT OF BUSINESS METRICS AND

LOOKING AT YOUR REVENUES AND

SOME OF YOUR FINANCIAL HISTORY,

IT IS MUCH MORE DIFFICULT TO GET

FUNDING IF YOU DON'T HAVE THAT

HISTORY IN PLACE.

I WOULD DEFINITELY RECOMMEND

THAT YOU HAVE A CONVERSATION

WITH ANY OF THE LENDERS THAT YOU

MAY BE CONSIDERING AND SEE WHAT

THE SPECIFIC REQUIREMENTS ARE.

>> THE NEXT QUESTION IS FROM

JACKSON.

WHAT ARE THE ACCOUNTING

SOFTWARES THAW RECOMMEND?

>> THAT'S A REALLY GREAT

QUESTION.

>> HERE'S WHERE WE HAVE A NUMBER

OF ACCOUNTING SOFTWARES

INCLUDING QUICK BOOKS, ZERO,

ZOHO BOOKS, AND ZIP BOOKS.

THERE IS QUITE A NUMBER THAT YOU

CAN FIND ON THE SQUARE WEBSITE.

AND I WOULD SAY THAT IT REALLY

IS BUILT FOR A NUMBER OF

DIFFERENT VARIETIES OF

BUSINESSES AND COMPLEXITIES AND

ALL DIFFERENT FEES.

SO YOU SHOULD INVESTIGATE WHICH

ONE IS BEST FOR YOUR BUSINESS.

AND I WOULD TAKE A LOOK AT YOUR

SPECIFIC NEEDS AND EVALUATE EACH

OF THE SOFTWARE OPPORTUNITIES

AND SEE WHICH IS BEST FOR YOUR

SPECIFIC STATES OF BUSINESSES

RIGHT NOW.

JOANNE ASKS YOUR OPINIONS ON

KICK STARTER AND GO-GO VERSUS

GETTING A PERSONAL BUSINESS

LOAN.

>> YEAH, THAT'S A REALLY GREAT

QUESTION.

WE HAVE SEEN A LOT OF OUR

BUSINESSES THAT WORK WITH SQUARE

AND THE FUNDING.

IT IS A GREAT OPPORTUNITY TO GET

SOME FUNDING FROM YOUR

COMMUNITY.

WE KNOW THAT THEY LOVE TO

SUPPORT SMALL BUSINESS WITHIN

THEIR TALENTS AND NEIGHBORHOODS.

IT'S A GREAT OPPORTUNITY.

I WOULD SAY THINK ABOUT HOW MUCH

FUNDING YOU CAN GET FROM YOUR

COMMUNITY VERSUS WHAT YOU CAN

GET THROUGH A BUSINESS LOAN AND

WHETHER OR NOT YOUR BUSINESS

WILL BE ABLE TO QUALIFY FOR A

LOAN OR NOT.

YOU SHOULD DEFINITELY HAVE A

CONVERSATION WITH DIFFERENT

LENDERS.

THE FUNDING IS ALWAYS A GREAT

OPPORTUNITY AND ALSO JUST A

GREAT OPPORTUNITY FOR YOUR

COMMUNITY REINVEST IN YOUR

BUSINESS.

>> MIRIAM ASKS WHAT ADVICE WOULD

YOU GIVE WHEN DETERMINING HOW

MUCH TO CHARGE FOR A NEW PRODUCT

OR SERVICE?

>> THAT'S A REALLY GREAT

QUESTION.

PRICING IS VERY COMPLEX AND

DIFFICULT TOPIC.

SOMETHING THAT WE IN FACT THINK

ABOUT ALL THE TIME WHEN WE ARE

PRICING OUR PRODUCTS OUT.

LOOKING AT YOUR COMPETITORS AND

WHETHER OR NOT THEY ARE

PROVIDING A SIMILAR GOOD OR

SERVICE AND HOW MUCH THEY ARE

CHARGING.

THAT CAN GIVE A GOOD INDICATION

FOR WHAT THE MARKET MIGHT BE

ABLE TO BEAR.

AND BUILDING OUT YOUR PRODUCT OR

SERVICE AND WHAT WOULD THE

MARGIN BE ON TOP OF THAT.

AND WHAT YOU ARE OFFERING AND

HOW MUCH DO YOU WANT TO MAKE ON

TOP OF THAT.

I WOULD RECOMMEND THAT YOU TALK

TO SOME OF YOUR CUSTOMERS AND

GIVE A SENSE OF WHAT THEY ARE

WILLING TO.

OUR RECOMMENDATION IS CHARGE THE

MAXIMUM PRICE YOU CAN AND PAYING

FOR THE SERVICE.

>> CAN A SOLE PROPRIETOR APPLY

FOR A BUSINESS LINE OF CREDIT OR

DO THEY HAVE TO GO THROUGH A

BUSINESS CREDIT CARD.

BUSINESS'S CREDIT.

BUSINESS'S CREDIT.

SORE.

>> THE SOLE PROPRIETOR CAN APPLY

FOR BUSINESS FINANCING.

AND A NUMBER OF THEM ARE SOLE

PROPRIETORS.

ANY LENDER WILL LOOK AT THE SOME

LENDERS DO TAKE A LOOK AT YOUR

PERSONAL CREDIT SCORE AS WELL OR

REQUIRE A PERSONAL GUARANTEE.

YOU CAN STILL APPLY FOR BUSINESS

FINANCING.

>> ANY TIPS FROM THE BEST WAY TO

FACTOR IN AN OWNER A PAY OR

LIVING EXPENSES WHEN STARTING

OUT AND MANAGING YOUR CASH FLOW?

>> YEAH.

THAT'S A REALLY GREAT QUESTION.

IT RELATES TO A QUESTION THAT WE

GET A LOT AT SQUARE.

AND SHOULD THEY STAY THEMSELVES.

THE FINANCES AND YOUR PERSONAL

FINANCES AND REALLY THINK ABOUT

WHAT YOUR PERSONAL GOALS ARE IN

YOUR OWN LIFE AND WHAT YOU WOULD

NEED TO COVER YOUR OWN EXPENSES.

BEFORE YOU CAN DECIDE WHETHER TO

INVEST INTO YOUR BUSINESS.

IT IS A PERSONAL DECISION AND

THERE IS A CERTAIN AMOUNT OF

PERSONAL RISK THAT YOU PLACE

WHEN YOU PUT YOUR OWN MONEY INTO

YOUR BUSINESS.

WHAT YOUR PERMANENT GOALS ARE AT

FIRST AND FIGURE OUT HOW MUCH IT

COSTS IN YOUR BUSINESS.

>> JACK HAS A QUESTION AND WHAT

DO YOU SUGGEST FOR BUSINESSES

WHO FAILED TO PROPERLY PLAN FOR

CASH FLOW IN THE FIRST YEAR.

BUT THEY ARE ALREADY OPERATIONAL

AND WHAT CAN BE DONE TO BRIDGE

THE GAP.

>> YEAH, THERE IS NEVER A --

THERE IS TWO WAYS TO DO THIS.

YOU SHOULD ALWAYS FEEL LIKE YOU

CAN START PLANNING THE PROCESS

WHENEVER YOU CAN.

YOU SHOULD REALLY THINK ABOUT

THE FUTURE AND NOT THE PAST.

ONE OF THE THINGS THAT YOU WANT

YOUR BUSINESS TO BE ABLE TO

ACCOMPLISH IN THE NEXT THREE,

SIX, 12 MONTHS AND LAY OUT WHAT

ARE THE EXPENSES THAT WOULD BE

ASSOCIATED WITH THE PARTICULAR

GOALS AND HOW WILL YOU GENERATE

THE REVENUE OR GET THEM MONEY TO

FUND THAT.

IF YOU ARE ENTERING A CASH FLOW

GAP NOW, YOU ENTER A FEW

SUGGESTIONS.

TAKING UP THE FINANCING I WOULD

THINK ABOUT ALL THE DIFFERENT

FUNDING OPTIONS TO GET YOU OVER

THE HUMP.

I WOULD DEFINITELY START PUTTING

PEN TO PAPER AND START APPLYING

THAT AS SOON AS POSSIBLE.

>> AND CANDACE HAD A

CLARIFICATION QUESTION.

WHAT IS ROI POSITIVE?

>> THAT'S A REALLY GREAT

QUESTION.

ROI STANDS FOR RETURN ON

INVESTMENT.

IT'S ESSENTIALLY A CALCULATION

OF WHEN YOUR REVENUES THAT YOU

GENERATE FROM ARE GREATER THAN

THE AMOUNT OF YOUR INVESTMENT.

YOU ALWAYS WANT THAT TO BE A

POSITIVE RATIO BECAUSE YOU THINK

ABOUT HOW MUCH YOU ARE PLANNING

TO GENERATE FROM ANYTHING THAT

YOU PUT INTO YOUR BUSINESS.

>> OKAY.

MELISSA ASKED, HOW MUCH OF YOUR

OWN PERSONAL CASH HAVE YOU USED

TO FUND YOUR BUSINESS?

>> THAT'S A REALLY GREAT

QUESTION AND IT RELATES TO A

QUESTION THAT WE TALKED ABOUT.

IT IS A REALLY PERSONAL

DECISION.

SOME PEOPLE NEVER GET IT AND

THAT'S A DECISION THAT EVERY

BUSINESS OWNER SHOULD THINK

ABOUT.

AT SOME POINT YOU SHOULD ANY

ABOUT REWARDING YOURSELF FOR THE

WORK AND EFFORT YOU PUT INTO

YOUR BUSINESS.

AT SOME POINT LIKE YOUR BUSINESS

SHOULD BE ABLE TO REALLY

GENERATE ENOUGH REVENUE TO

SUPPORT ITSELF.

THIS IS A PERSONAL DECISION OF

HOW MUCH YOU WANT TO INVEST.

AGAIN, KNOW THAT THERE IS

PERSONAL RISK ASSOCIATED WITH

ANY INVESTMENT THAT YOU PUT INTO

YOUR BUSINESS.

YOU SHOULD FIGURE OUT WHAT YOU

WANT TO ACCOMPLISH IN YOUR

PERSONAL LIFE AND WHETHER OR NOT

YOU CAN COVER THAT BEFORE YOU

INVEST IN YOUR BUSINESS.

>> JACK ASKED, WHAT ARE THE

REQUIREMENTS FOR SQUARE CAPITAL,

SPECIFICALLY EQUIPMENT LOANS?

>> THAT'S A REALLY GOOD

QUESTION.

SQUARE CAPITAL WITH ANY OF THE

LOANS OFFERED THROUGH THE

PROGRAM CAN BE USED FOR ANY

BUSINESS PURPOSE, WHETHER THAT'S

FUNDING EQUIPMENT OR BUYING THE

SUPPLIES OR HIRING INDIVIDUALS.

SOME OF THE THINGS WE DID LOOK

FOR WHEN DETERMINING ELIGIBILITY

OF OUR SELLERS ARE FIRST WE HAVE

TO PROFIT ON SQUARE AND YOU HAVE

THE PAYMENTS THROUGH SQUARE.

WE UTILIZE A LOT OF THAT DATA WE

SEE WITH THE BUSINESS TO

DETERMINE ELIGIBILITY.

WE ALSO SEE THE RECENT PAYMENTS.

YOU HAVE THE SAME CASH COMING IN

FROM SALES OR IS YOUR BUSINESS

REALLY SEASONAL IN THAT YOU HAVE

REVENUES COMING IN AT CERTAIN

TIMES DURING THE YEAR, BUT NOT

OTHERS.

WE LOOK AT YOUR HISTORY WITH

SQUARES AND HOW LONG DO YOU HAVE

ABOUT YOU.

HAVE WE SEEN THAT THE BUSINESS

IS ALSO HEALTHY AND GROWING?

OVER THE COURSE OF TIME THAT WE

HAVE BEEN WORKING WITH YOU AND

HAVE YOU SEEN YOUR SALES

INCREASE OR DECREASE.

WE WANT TO SEE A VARIETY THAT

YOU WORK WITH AND NOT JUST ONE

OR TWO REALLY LARGE CUSTOMERS.

IF ONE OF THE CUSTOMERS DECIDES

NOT TO WORK IN THEIR BUSINESS,

THERE IS ADDITIONAL RISK THAT IS

ASSOCIATED WITH REPAYING AND THE

LOAN YOU GET FROM SQUARE

CAPITAL.

>> AND WE HAVE THE SQUARE

CAPITAL OFFER SBA LOANS.

>> THAT'S A REALLY GREAT

QUESTION.

WE APPARENTLY DON'T OFFER LOANS

THROUGH THE FDA.

WE OFFER THEM TO OUR CUSTOMERS

ELIGIBLE FOR FORE SQUARE

CAPITAL.

YOU WILL HAVE TO START THE

PAYMENTS THROUGH SQUARE AND

UTILIZE THAT WILL INFORMATION TO

MAKE YOU ELIGIBLE FOR A LOAN.

AS A SMALL BUSINESS, OUR

CUSTOMERS AGREE IN WRITING TO

NET 30 TERMS AND LATER TELL US

IF THE INDUSTRY STANDARD IS NOT

AT 60.

OUR VENDORS STILL INVEST ON NET

30.

WHAT'S A GREAT WAY TO COMBAT

THIS.

>> THAT'S A GREAT QUESTION.

THE BIGGEST SUGGESTION THAT WE

HAVE IS TO HAVE A STRONG

RELATIONSHIP WITH YOUR

CUSTOMERS.

HAVING THOSE CONVERSATIONS ABOUT

GETTING PAID ARE HERE BECAUSE

HAVE THAT OPEN AND HONEST

CONVERSATION WITH THEM.

IT'S REALLY IMPORTANT TO MAKE IT

VERY, VERY CLEAR UP FRONT WITH

YOUR CUSTOMERS WHEN YOU ARE

SIGNING THE CONTRACTS OR

STARTING THAT RELATIONSHIP.

WHAT YOUR PAYMENT TERMS ARE.

YOU MADE IT CLEAR EITHER

VERBALLY OR IN WRITING THAT YOUR

TERMS ARE NET 30.

AND THEN AUTOMATIC REMINDERS IF

YOU CAN.

SOME OF THE INVOICING, SQUARE

HAS INVOICING PRODUCTIONS THAT

ENABLES THIS, BUT YOU CAN SET

AUTOMATIC REMINDERS TO BASICALLY

SEND OUT BEFORE THE PAYMENT IS

DUE.

IT'S IN ADVANCE OF THAT.

SOME OF THE OTHER OPTIONS ARE TO

EITHER USE A CARROT OR STICK.

GIVING AN INCENTIVE FOR PAYING

THAT EARLY.

THEY ARE LOOKING WITH A

COLLECTION AGENCY.

THERE IS A BIG PERCENTAGE THAT

IS OFTEN TAKEN OUT BY THE

COLLECTION AGENCIES AND THEY

WANT TO BE ABLE TO EVALUATE THAT

VERSUS THE BENEFIT THAT YOU

WOULD GET FROM HIRING THEM.

>> WHY WOULD A BUSINESS USE A

LINE OF CREDIT VERSUS A CREDIT

CARD.

>> THAT'S A REALLY GREAT

QUESTION.

A LINE OF CREDIT IS REALLY

SOMETHING THAT YOU CAN DRAWDOWN

UPON WHENEVER YOU NEED IT.

IT CAN BE A RAINY DAY FUND OR AN

EMERGENCY FUND.

YOU PAY INTEREST ON THE PORTION

THAT YOU DRAWDOWN AND YOU ARE

GIVEN SEVERAL MONTHS TO REPAY

YOUR LINE OF CREDIT.

IT'S A GOOD OPPORTUNITY IF YOUR

BUSINESS HAS A STRONGER CREDIT

SCORE AND STRONG BUSINESS DEFER

WANTS AND AS WE DISCUSSED, IT'S

TYPICALLY COMING WITH THE

REQUIREMENTS FROM A LENDER.

A BUSINESS CREDIT CARD IS A GOOD

OPPORTUNITY TO PROVIDE QUICK

ACCESS TO FUNDS WHEN YOU NEED

IT.

EXPENSES THAT YOUR BUSINESS

MIGHT HAVE.

TYPICALLY YOU ARE GIVEN ABOUT A

MONTH TO REPAY THAT.

IT'S ALSO THE ABILITY TO EARN

REWARDS AND CASH BACK OR TRAVEL

POINTS.

YOU CAN THEN USE IT TO REINVEST

IT BACK IN YOUR BUSINESS.

IF YOU ARE TRAVELING AROUND A

LOT FOR TRADE SHOWS OR DIFFERENT

JOBS THAT YOU ARE SERVICING, YOU

CAN USE THOSE TRAVEL POINTS TO

FUND THAT.

I WOULD SAY TO BE CAREFUL WITH

LATE FEES AND COMPOUNDING

INTEREST ASSOCIATED WITH CREDIT

CARDS.

IF YOU ARE NOT GOING TO PAY THEM

BACK ON TIME, CREDIT CARDS CAN

BE A REALLY EXPENSIVE FUNDING

OPTION.

AGAIN, I WOULD DEFINITELY

RECOMMEND EVALUATING THE LINE OF

CREDIT AND A CREDIT CARD AND

SEEING WHAT IS BEST FOR THE

SITUATION.

>> DO YOU KNOW OF ANY RESOURCES

NEEDED TO CALCULATE WHAT A GOOD

MARGIN IS WHEN YOU ARE PRICING

YOUR SERVICE.

>> YEAH.

>> IT REALLY IS DEPENDING ON HOW

MUCH OF A RETURN ON INVESTMENT

THAT YOU WOULD LIKE.

I THINK THAT'S NOT A REALLY GOOD

SOFTWARE TOOL OUT THERE.

ALL THE SOFTWARE TOOLS ARE GOING

TO BE ABLE TO GIVE YOU

INFORMATION.

YOU SHOULD REALLY ASSESS HOW

MUCH DO YOU REALLY WANT TO MAKE

OFF OF YOUR GOOD OR SERVICE AND

THEN THE CALCULATION CAN BE DONE

THROUGH A SPREAD SHEET OR

ACCOUNTING SOFTWARE.

YOU SHOULD REALLY FIRST HAVE A

GOAL IN MIND OF HOW MUCH YOU

WANT TO MAKE.

>> OKAY.

REIGNA C SAID WHEN SHOULD I

FOCUS ON PROFITABILITY INSTEAD

OF JUST CASH FLOW.

>> THAT'S A REALLY GOOD

QUESTION.

SO YOU WANT TO MAKE SURE THAT

YOU ARE MAKING PROGRESS TOWARDS

HAVING INTEREST IN POSITIVE CASH

FLOW BEFORE YOU REALLY THINK

ABOUT PROFITABILITY.

PROFITABILITY IS A LONG-TERM

PLAY FOR YOUR BUSINESS.

AND SO YOU REALLY WANT TO THINK

ABOUT HAVE YOU BEEN ABLE TO

PROVE OUT YOUR BUSINESS CAN MAKE

MONEY AND HAVE ALL THIS CASH

FLOW.

OVER THE COURSE OF TIME.

YOU CAN MANAGE YOUR BUSINESS AND

THINK ABOUT WHAT IS THE CUSTOMER

FEEDBACK THAT YOU GET FROM YOUR

PRODUCTS AND SERVICES AND DO

THEY WANT IT?

I WOULD -- THE ONLY THING ABOUT

THAT AND THAT'S THE POINTS AND

THE BREAK EVEN POINT IS THE

POINT IN WHICH YOUR INCOME

EQUALS ALL OF YOUR EXPENSES.

YOU ARE BASICALLY MAKING ZERO

PROFIT.

ARE YOU GETTING CLOSER TO THAT

BREAK EACH POINT EACH MONTH AND

IF THE ANSWER IS YES, IT MIGHT

BE A TIME TO FOCUS ON MAKING

YOUR BUSINESS PROFITABLE.

>> YVONNE IS ASKING HOW

IMPORTANT IS IT TO HAVE A CFO OR

JUST AN ACCOUNT APT?

>> THAT'S A GREAT QUESTION AND

IT REALLY DEPENDS ON THE STATE

OF YOUR BUSINESS.

IF YOU ARE GROWING YOUR BUSINESS

AND YOU HAVE A LOT OF EMPLOYEES

AND LOCATIONS, FOCUSING IN ON

THE FINANCES IS A GREAT

OPPORTUNITY.

THAT ALLOWS YOU TO FOCUS ON

OPERATING YOUR BUSINESS.

THE PERSONAL AND THE PEOPLE THAT

ARE CONTRACTORS HELP OUT DURING

CERTAIN TIMES OF THE YEAR.

THINK ABOUT THE NEEDS NOW AND

ARE YOU SPENDING THE MAJOR OF

YOUR TIME REALLY JUST FOCUSING

ON THE TIMES OF YOUR BUSINESS

AND IT MAY MAKE SENSE TO HELP

FOR THAT SO THAT YOU CAN FOCUS

ON OTHER THINGS.

>> CECILIA J. SAID MY CUSTOMERS

DON'T EVER PAY ON TIME.

WHAT ARE WAYS TO FIX THIS?

>> SIMILAR TO THE QUESTION THAT

CAME EARLIER, AGAIN, I WOULD

JUST MAKE IT VERY, VERY CLEAR UP

FRONT WHAT THE PAYMENT TERMS

ARE.

SAY IT OUT LOUD, PUT IT IN

WRITING OR AN E-MAIL AND SEND

OUT THE TERM WORLD TRADE CENTER

PAYMENT DATES ON IT.

THE MORE YOU ARE CLEAR, THE

BETTER.

I WOULD ALSO SAY THAT WHAT IS

RECOMMENDED IN THE WEBINAR, IF

YOU ARE TRYING TO GET PAID IN A

PERIOD OF TIME, MAKE THE PAYMENT

TERMS SHORTER.

IF YOU ARE TRYING TO GET PAID

WITHIN A MONTH, GET AWAY WITH

TWO OR THREE WEEKS SO THAT YOU

CAN MAKE SURE YOU GET PAID ON

TIME.

THEN AGAIN, YOU CONTINUE TO

FOLLOW-UP.

MAKE SURE THAT YOU HAVE THAT

OPEN CONVERSATION WITH YOUR

CUSTOMERS.

YOU ARE E-MAILING THEM.

AGAINST THAT AUDIT, THE CUSTOMER

S.

>> OKAY.

JULIA W. ASKED, SHE JUST WANTED

VERIFICATION.

YOU MENTIONED COMPANIES THAT

HELP CUSTOMERS PAY IN INCREMENTS

WHILE GIVING THE TOTAL AMOUNT TO

THE BUSINESSES.

COULD YOU REMIND HER OF THAT?

>> SURE.

WE ACTUALLY OFFER THAT AT

SQUARE.

IT'S CALLED SQUARE INSTALLMENTS.

WHAT THAT ALLOWS TO YOU DO IS

FOR A LARGE TICKET ITEM, LET'S

SAY FURNITURE OR JEWELRY OR A

REALLY EXPENSIVE SERVICE LIKE

THE CREDIT OR DEBIT CARD

PAYMENTS.

THEY GET PAID UP FRONT IN FULL

AS YOU NORMALLY WOULD.

SQUARE CAPITAL ACTUALLY WOULD

THEN FOLLOW-UP WITH THE BORROWER

FOR US TO COLLECT ON THE

REPAYMENT.

THERE IS NO CREDIT RISK FOR THE

PRODUCTS.

>> OKAY.

MARCUS IT.

ASKED ARE THERE ANY SPECIFIC

MINIMUM REQUIREMENTS TO QUALIFY

FOR A BUSINESS LOAN?

>> YEAH, SO ALL LENDERS HAVE

DIFFERENT REQUIREMENTS FOR

REVENUES AND LIKE IN BUSINESS

AND POTENTIALLY EVEN REQUIRING

YOU TO PROVIDE YOUR PERSONAL

CREDIT SCORE AND GIVE A

PERMANENT GUARANTEE.

SOME LENDERS DON'T HAVE ANY OF

THAT INTO CONSIDERATION.

WITH SQUARE CAPITAL, WE DON'T

LOOK AT YOUR PERSONAL CREDIT

SCORE.

YOU DON'T HAVE THE DEFINITIVE

AMOUNT OF TIME THAT YOU HAVE TO

BE IN BUSINESS.

AND THEY DETERMINE NOT ONLY THE

EASIEST THAT YOU CAN QUALIFY

FOR, WHICH IS THE BEST FOR YOUR

BUSINESS.

AND HOW EASY IT IS TO APPLY FOR

THE LOAN HOW EASY IT IS TO REPAY

THE LOAN.

DO THEY HAVE GOOD CUSTOMER

SERVICE AND WHAT IS THE

REPUTATION OF THE LENDER?

>> SHOULD I SET UP SEPARATE

PERSONAL AND BUSINESS ACCOUNTS?

>> SO WE ABSOLUTELY RECOMMEND

FOR YOU TO SEPARATE YOUR

PERSONAL AND BUSINESS FINANCES.

IT'S EASY R ALWAYS EASIER CO AND

CHEAPER TO HAVE ONE ACCOUNT

WHERE YOU COMINGLE PERSONAL AND

BUSINESS FINANCES, HOWEVER IT'S

MUCH MORE DIFFICULT TO REALLY

UNDERSTAND YOUR BUSINESSES HAVE

A POSITION WHEN THE MONEY IS ALL

MIXED TOGETHER.

>> AND PAY BACKING OFF THAT IS

ASKED, IS IT GOOD TO HAVE YOUR

PERSONAL AND BUSINESS ACCOUNTS

AT THE SAME BANK?

>> THAT'S A GREAT QUESTION.

WE WOULD DEFINITELY RECOMMEND

THAT YOU HAVE TWO SEPARATE

ACCOUNTS.

YOUR PERSONAL BANK ACCOUNT AND

YOUR BUSINESS BANK ACCOUNT.

CERTAINLY YOU COULD WORK WITH

YOUR BANK AND FOCUS ON THE

ACCOUNTS AND THAT'S PROBABLY

EASIER FOR YOU IN THAT WAY AND

GET AWAY WITH NOT PAYING ANY

ADDITIONAL FEES IF YOU SET UP A

BUSINESS BANK ACCOUNT.

OUR RECOMMENDATION IS THAT YOU

HAVE TWO ACCOUNTS WHERE YOU CAN

VERY, VERY EASILY HAVE YOUR

BUSINESS AND EXPENSES.

>> OKAY.

TJ ASKED, THERE ARE WARNING

SIGNS THAT MY BUSINESS MIGHT

HAVE CASH FLOW PROBLEMS?

>> YEAH.

SO AGAIN, THERE ARE DIFFERENT

INDICATIONS AND WARNING SIGNS.

THE FIRST IS IF YOU ARE HAVING

CURRENT EXPENSES.

ARE YOU FINDING IT DIFFICULT TO

FIND SOMEONE GAVE THEM AND YOU

ARE FINDING A LOT OF LATE

PAYMENT NOTICES.

THEY PAY THEIR BILLS AND PAY ALL

THE BILLS.

IF YOU DON'T HAVE THEM PAYING

YOU BACK ON TIME AND YOU ARE

RELYING ON A FEW JOBS IN ORDER

FOR TO YOU PAY EXPENSES, THAT'S

A GOOD INDICATION THAT YOU MIGHT

BE HAVING CASH FLOW PROBLEMS.

OR IF YOU ARE RELYING ON DEBTS.

IF YOU ARE MAXXING OUT YOUR

CREDIT CARDS & YOU HAVE

CHALLENGES WITH THE CASH FLOW OF

YOUR BUSINESS WHERE YOU CAN'T

FUND IT.

AND IF YOU HAVE TOO MUCH

INVENTORY AND YOU DON'T HAVE AS

MANY SALES AS YOU WANT.

THAT COULD BE AN INDICATION THAT

YOUR CUSTOMERS DON'T NEED THE

GOOD OR SERVICE THAT YOU ARE

PROVIDING AND THAT COULD LEAD TO

CASH FLOW TROUBLES IN THE

FUTURE.

>> OKAY.

ANDREW W. ASKED WHAT IS A

PERSONAL GUARANTEE AND WHY DO

SOME LENDERS REQUIRE FOR A

BUSINESS LOAN?

>> YEAH.

GREAT QUESTION.

PROVIDING A PERSONAL GUARANTEE

MEANS THAT IF YOUR BUSINESS

BECOMES UNABLE TO REPAY BUSINESS

DEBT, THEN THE INDIVIDUAL'S

BUSINESS OWNER IS CERTAINLY

RESPONSIBLE.

SOME LENDERS REQUIRE THIS.

TO PROVIDE AN EXTRA LEVEL OF

PROTECTION AND TO MAKE SURE THEY

WILL ACTUALLY GET REPAID.

YOU WANT TO WEIGH THE PROS AND

CONS OF GETTING CREDIT FROM

LENDER WHO IS REQUIRE A PERSONAL

GUARANTEE.

IT MIGHT BE EASIER FOR YOUR

BUSINESS TO GET ACCESS TO THE

FUNDING.

IF IT PROVIDES A PERSONAL

GUARANTEE.

AGAIN, YOU ARE GOING TO PUT YOUR

PERSONAL FINANCES AT RISK IF

YOUR BUSINESS CAN REPAY.

YOU WANT TO EVALUATE THAT

CLOSELY.

>> OKAY.

THELMA K. IS ASKING HOW MUCH

EXTRA CASH SHOULD I PUT AWAY FOR

EMERGENCIES?

>> YEAH, SO THERE IS NO SILVER

BULLET FOR HOW MUCH YOU SHOULD

PUT AWAY IN CASE OF EMERGENCIES.

YOU WILL DEFINITELY WANT TO ASK

YOURSELF, HOW MUCH WOULD YOUR

BUSINESS NEED TO STAY AFLOAT IF

YOU SAW SLOW SALES OVER THE

COURSE OF ONE MONTH OR SEVERAL

MONTHS.

IT CAN BE DUE TO A NUMBER OF

DIFFERENT REASONS.

IT CAN BE CUSTOMERS DON'T WANT

THE PRODUCT OR YOU MAY HAVE AN

EMERGENCY WHERE A PIECE OF

EQUIPMENT BREAKS DOWN OR YOU

COULD BE EVEN LIKE A NATURAL

DISASTER.

HURRICANES OR FLOODS OR

EARTHQUAKE OR WHAT HAVE YOU.

YOU WANT TO BE ABLE TO PLAN FOR

ALL THOSE SITUATIONS.

AND HOW MUCH YOU WILL KEEP YOUR

BUSINESS ALIVE WHILE YOU ARE

DEALING WITH THOSE SITUATIONS.

AND YOU DIDN'T ACTUALLY PLAN FOR

THE PROCESS.

THAT COULD BE A GREAT JOB

OPPORTUNITY FOR TO YOU TAKE.

FOR THE PEOPLE TO OFFER THAT JOB

AND THINK ABOUT HOW MUCH YOU

MIGHT NEED AND TAKE ADVANTAGE OF

THE OPPORTUNITIES YOU JUST

APPLIED FOR.

>> EDEN ASKED IN TERMS OF

REINVESTING FROM PROFIT S THERE

A GOOD RATIO TO KEEP ON HAND?

>> YEAH, I DON'T THINK THERE IS

REALLY A RIGHT OR A WRONG ANSWER

HERE.

I THINK THAT SOME PEOPLE WILL

PUT MUCH MORE PROFIT BACK INTO

THEIR BUSINESS BECAUSE THEY

WANTED TO GROW.

AND THEY WANT TO BE ABLE TO HIRE

MORE EMPLOYEES OR OPEN UP NEW

LOCATIONS AND SOME PEOPLE MIGHT

WANT TO PUT LESS BACK INTO THEIR

BUSINESS AND THEY EITHER WANT TO

PAY THEMSELVES A SALARY OR THEY

MIGHT WANT TO CREATE AN

EMERGENCY FUND WHERE THEY PUT

THEIR CASH.

THINK ABOUT YOUR OWN PERSONAL

GOALS AND HOW MUCH YOU CAN PUT

BACK INTO YOUR BUSINESS WHILE

STILL ACCOMPLISHING THE OTHER

ADJUSTMENT THAT YOU HAVE FOR

YOURSELF.

>> OKAY.

RHONDA L ASKED HOW HARD IS

FINANCING FOR NONPROFITS?

>> YEAH, IT'S A GOOD QUESTION.

SO I THINK DEFINITELY CHAT WITH

YOUR DIFFERENT LENDERS THAT YOU

CONSIDER.

SOME DON'T WANT TO GO TO

NONPROFITS WHILE OTHERS WILL.

AND YOU CAN SEE WHAT THEIR

SPECIFIC REQUIREMENTS ARE.

>> AND WE HAVE TIME FOR JUST ONE

MORE QUESTION.

MICHELLE ASKED, ARE THERE ANY

CREDIT CARDS RECOMMENDED

SPECIFICALLY FOR BUSINESS

OWNERS?

>> THAT'S A GREAT QUESTION.

SO WE WORK WITH A NUMBER OF

DIFFERENT CREDIT CARDS

BUSINESSES.

WE DEFINITELY TAKE A LOOK AT THE

CREDITCARDS.COM.

EVALUATE ALL OF THE DIFFERENT

OFFERS FROM THOSE THAT ARE

PROVIDING THAT OFFER.

THEY COME WITH DIFFERENT FEES.

SOME OF THEM DON'T HAVE FEES AND

SOME OF THEM DO.

I WOULD DEFINITELY LOOK AT HOW

MUCH EACH COSTS AND THE CREDIT

LINE BECAUSE BUSINESS CREDIT

CARDS CAN OFFER YOU WHILE OTHERS

HAVE A LARGER CREDIT LINE.

THINK ABOUT WHAT YOUR SPECIFIC

NEEDS ARE AND WHICH CAN PROVIDE

THAT TO YOU AND ALSO INCENTIVE

THAT CAN BE PROVIDED BY EACH AS

WELL.

DOES YOUR BUSINESS CARE MORE

ABOUT TRAVEL POINTS, CASH BACK,

JUST GET THE SPECIFIC PURCHASES

AND THINK ABOUT WHAT INCENTIVES

MIGHT BE BEST FOR YOUR BUSINESS.

AGAIN, REALLY THINK ABOUT THE

COST ASSOCIATED WITH ANY OF THE

INCENTIVES THAT THESE COMPANIES

MIGHT CHARGE.

>> GREAT.

THANK YOU.

THOSE ARE ALL THE QUESTIONS WE

HAVE TIME FOR TODAY.

ENJOY THE REST OF THE VIRTUAL

CONFERENCE.

YOU CAN TALK TO A MENTOR IN THE

MENTOR HALL AND NETWORK WITH

OTHER OWNERS AND CHAT WITH THE

INDUSTRY EXPERTS AND PICK UP

FREE RESOURCES IN THE EXHIBIT

HALL AND JOIN US FOR THE NEXT

WEBINARS.

HOW TO PREPARE YOUR BUSINESS AND

RECOVER STARTING IN 30 MINUTES.

AND ON BEHALF OF SCORE, THE FBA

AND SQUARE CAPITAL, I WOULD LIKE

TO THANK YOU ALL FOR ATTENDING

THE WEBINAR AND A BIG THANK YOU

TO ED LYNN FOR PRESENTING TODAY.

>> THANK YOU VERY MUCH.