

Four Key Secrets to Funding Your Business

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Each year, over 1,000,000 new businesses incorporate, yet 9 out of 10 of these businesses will fail in the first 5 years. The leading cause of this business failure is the lack of preparation and timely access to adequate funding and credit. You can change the odds in your favor. Here are four key funding secrets that every business owner should know:

Secret #1 -- If you wait until you need funding and credit, it's usually too late.

Most business owners don't understand the need to prepare in advance for access to funding -- that is, to maximize the "fundability" of the business in the eyes of lenders. This means having several critical components in place:

1. You have created a business entity that is credible to lenders.
2. You can clearly state the assets of the business.
3. You can present company finances in a way that maximizes your creditworthiness.
4. Your business is "compliant" with lender criteria.
5. You have existing relationships with a funding advisor who understands your business model and will work with you to achieve lending goals.

Secret #2 -- Credibility is the key to your business's success.

You may not know this, but every day your business is being reviewed by bankers, potential partners, prospects, and clients who are deciding if your company is "credible" enough to do business with. In today's market, credibility is a critical differentiator between you and your competitors. If you are looking for money but don't have financial credibility or an existing credit-asset foundation, you are probably out of luck (note that over 90% of all business loan applications are rejected). You can't afford to be unprepared!

Lenders have strict underwriting guidelines that require them to check your business's creditworthiness -- is it a fundable business? Every business owner should understand these compliance guidelines and ensure that their business is in compliance long before actually seeking a loan.

Secret #3 -- What you don't know CAN hurt you -- and lenders often want to keep you in the dark!

Would you be surprised to learn that many financial consultants, bankers, and loan brokers do not want you to know all of your options regarding building commercial credit for your

business? They do NOT want you to know that ***the more business credit you build, the less personally liable you will be to these same financial services companies!*** They prefer that your business is financed with credit secured by your personal credit pledge.

Don't fall into the trap of securing your business's credit and debt with your personal assets and savings. Rather, learn how to leverage your business to secure debt and grow a credit asset independent of your personal credit!

Secret #4 -- Running a business should NOT put personal assets at risk!

In view of Secret #3, as a top priority, you should build a credit line into your business that is not tied to your personal credit. We call this a Business Credit Asset™. Yes - business credit is actually an *asset* to your business, whereas personal credit debt is a liability. Most small business owners do not realize this, and therefore are putting their family's personal assets at risk every day. Don't make this mistake! There is a right way to structure your business that will offer security for you and your family's assets, and will further create business assets that result in enhanced, long-term business value.

Building business credit and protecting personal assets should be top priorities. Establishing this financial foundation will not only accelerate your business goals, but is also some of the best disaster insurance you can acquire!

The time to start making your business FUNDABLE is today.

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