

Ask SCORE...

Counselors to Naples Area Small Businesses

SCORE Naples
www.scorenaples.org



Got business questions?

Ask SCORE

By: Gray Poehler, Business Counselor

FINANCING YOUR BUSINESS

QUESTION: *I am interested in starting a business in Collier County, but have limited financial resources. What are my options for obtaining a business loan?*

Benjamin W., Naples

ANSWER: *Benjamin, yours is one of the most common requests we receive. If your resources are limited, it is doubtful that you will be successful in securing a conventional business loan from a bank. However, there are a number of other available options you may consider:*

- *The Small Business Administration (SBA) makes guarantees for various types of business loans. Visit the financing section of the SBA's website to learn about their various products. See their finance planning section at: www.sba.gov/smallbusinessplanner/start/financestartup/index.html*
- *The SBA has a special section for women entrepreneurs at: www.sba.gov/services/specialaudiences/women/index.html. Also check out www.springboardenterprises.org for online classes and connections, and Count Me In-Economic Independence for Women www.count-me-in.org.*
- *Veterans should check our www.veteranscorp.org for resources aimed at helping active and retired service men and women entrepreneurs.*
- *Grants are a form of monetary aid that is awarded by government foundations, corporations and private individuals. These monies are generally given to fulfill a specific purpose, e.g. cancer research. When applying for grant monies it is advisable to first polish your business plan, as this will help in completing your grant applications. For a list of the top 40 Florida foundations that provide grants go online to website www.tgci.com/grants/Florida/foundations.asp. Also, Florida based companies may be able to receive local funding assistance for skills upgrade training of their workers at www.employflorida.com/traininggrants.asp many of these have website links that have online grant application forms.*

- *When conventional loans are simply not enough to fund your business, Venture Capital and Angel Investors may be an answer to your needs. Venture Capital Funds make long-term investments (3 to 7 years) with the expectation of a 25% to 100% return, based upon the actual performance of the companies where the investments are made. Angel Investors are private investors that invest in your company in exchange for equity ownership. These are generally high net worth individuals looking for alternative investments. Websites which provide useful information on these sources of capital include the Gulf Coast Venture Forum www.gcvf.com. Also, www.gulfshorecap.com and www.floridaventureforum.org*
- *Family and friends can be a source of funding for your company; however, you must take caution so that these important relationships are not ruined. Get advice on how to structure these types of loans with Circle Lending's free guides at www.circlelending.com/guides.asp.*

When trying to obtain financing in Collier County, be prepared to show how the summer slow season will affect your business and how you plan to deal with it. Also, be sure to provide two years of tax returns for your business (or personal returns if this is a new business), as well as a realistic budget that includes your salary and income taxes. Of course, a well thought out, written Business Plan is of primary importance.

The Naples Chapter of SCORE, Counselors to America's Small Businesses will conduct a FREE workshop entitled "Financing Your Business", Saturday, December 15, at the Collier County Public library, 650 Central Avenue from 9:30 AM-12:30 PM. You may reserve your seat online NOW at www.scorenaples.org. Just click on WORKSHOPS, and then on SIGN UP. Also, you can register by phone 239-430-0081.

Local assistance is readily available from the Naples Chapter of SCORE. Counseling is always FREE of charge. Just call 239-430-0081 or visit www.scorenaples.org and click on "request counseling NOW as a first time client." The SCORE business office is located at 900 Goodlette Road North, in the Fifth Third branch bank building. Office hours are 9:00 AM to Noon, Mondays through Fridays.

If you would like an answer to your business question, please fill out the form located at www.scorenaples.org/askscore. A SCORE counselor will contact you within 48 hours. Please include your name, email address and a contact phone number.