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Includes expert financing tips from StartupNation co-founder, Jeff Sloan

Finance Fundamentals




Your Guide to Startup Finances

eBook series sponsored by DELL SMALL BUSINESS

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~ INTRODUCTION ~

Successfully launching and managing a startup business requires an understanding of the financial requirements of your new business and an ability to carefully and methodically manage those resources once acquired.

How much funding will your business require? What type is best for your needs? What are the best practices to methodically manage your cash and to understand how your business is performing financially? These questions and more can be daunting for entrepreneurs, given that we tend to be great at innovating and creating the vision to launch and grow our business, but typically weak on money matters.

There is no doubt about it, funding is the lifeblood of any new venture. Given that, we make it a priority at StartupNation to source and distribute the highest value and most user-friendly content associated with the subject matter to assist you throughout each stage of your startup journey.

StartupNation is proud to present Finance Fundamentals as the next offering in our Business Builder eBook Series. This compilation of recent articles from StartupNation.com is themed entirely around the subject matter of business financing.

Our contributing authors, thought leaders and industry experts address finance questions, from how Fintech is changing the world of financing to getting your financials ready for the bank to how to best prepare to qualify for a bank loan.

Our eBook compilation includes:

- Entrepreneur John Rampton, who addresses social finance and retirement account loans
- Ann Logue, a business and financial writer who talks about Fintech and venture capital

- David Iafrate, founder and CEO of International Bancard, shares the top four reasons why your business should accept credit cards

- Exclusive book and audio excerpt from author and entrepreneur Ed "Skip" McLaughlin's, "The Purpose is Profit"

In addition to the quality content you'll find in the articles to follow, we offer the following tips to help guide your journey to raising and managing your startup's financing:

1. It is critical to prepare financial projections (we recommend for three years) that lay out the cash requirements of the business and the likely revenue to be earned over that period. Always run a line for cash on hand that summarizes the starting cash and cash status for each month going forward. From this, you will understand how much capital investment is required to support the business before the revenues are sufficient to overcome the costs and carry the business without additional capital investment.

2. Always raise a cushion of capital so that you are not in danger of running out or of being in a position of having to raise more capital from a position of weakness. It generally takes longer and requires more capital than you project.

3. Always compare your projections to your actual business performance and make adjustments as required. For example, this may include scaling back on your spend or simply growing more slowly in order to preserve cash.

4. Always make sure the cash you raise achieves a major milestone or milestones that accelerate the value of the business. Be sure the achievement of these milestones are measurable and clearly reportable with data. As a result, you'll always be in position to raise more cash at higher valuations should you require additional capital.

We hope you enjoy the articles compiled in StartupNation's Finance Fundamentals eBook, and look forward to your feedback.

- **Jeff Sloan**, Founder at StartupNation

How the World of Fintech is Changing Finance for Entrepreneurs

Amanda Abella

Part of my job as a millennial money expert is to stay up to date on all the changes going on in the world of finance. One of the areas in which I've seen some radical change is in the world of Fintech.

In a relatively short amount of time, Fintech has managed to revolutionize the way people manage their money. From micro-investing to robo-advisors, it's quite astounding what these companies have been able to accomplish not just for themselves, but for the average American.

Below, learn a few of the ways Fintech is changing the way entrepreneurs do finance.

Saving:

Most people know that they can set up automatic investments at their bank, but unfortunately Americans still aren't really saving.

> *The average American savings rate is 5.7 percent, which is a far cry from the 15 percent experts say we should be socking away.*

There are two reasons why this may be the case. The first is that Americans may really feel like they don't have the extra money. The second is that saving is a habit that doesn't necessarily come naturally to people. That's where Fintech companies are changing the game.

Enter Digit, an app that automatically finds the extra money in your bank account and saves it for you. Their algorithm analyzes your checking account for cash flow. They know how much is going in versus how much is going out and they find that extra money in between and automatically set it aside for you.

This one app solves both of the problems we mentioned earlier. It's helping Americans find extra money and it's teaching them that saving can be easy.

I've been using Digit for some time and it's helped me save over $2,000 that may have been spent otherwise. This has helped me pay for travels, fund my emergency account and help me make donations to causes I care about.

Investing:

Fintech has made the barrier of entry for investing lower than ever before. First, let's look at Acorns. It's similar to Digit in that it finds extra money. In the case of Acorns, it rounds up the purchases made from your checking account to the nearest dollar. Once you reach $5 it then *invests* the money into index funds. This is literally your spare change being invested into the market! I have nearly $1,000 of spare change being invested as we speak.

Robo-advisors like Betterment and Wealthfront have also changed the investing game. These advisors automatically provide services like portfolio re-balancing and tax loss harvesting to their customers, which is perfect for people who are just beginning to invest in ETFs and would like a more passive approach.

By cutting out the middle man, they can offer these services at lower fees, which are listed directly on their website.

Again, this is quite revolutionary. Fees are the biggest headache in retirement accounts and these companies have found a way to make them more transparent and cost-effective.

Lending:

Lending is another area where Fintech is turning the industry on it's head.

Let's take business loans as an example. It's no secret that startups have a hard time getting a traditional business loan from a bank. You essentially need to already be making money in order to get a line of credit from more traditional institutions.

Of course banks would rather give lines of credit to the businesses that they know are good for it, which is reasonable. I probably would, too.

However, that doesn't mean there aren't other companies out there that are willing to take the risk. Alternative lenders like Kabbage look at different variables when deciding whether or not an entrepreneur should get a line of credit. Variables include cash flow, industry and how long the business has been around.

Student loan refinancing:

Here is where FinTech gets really good. At this point, you may have heard of a company called SoFi. SoFi offers student loan refinancing often times at some pretty good rates. They also don't have origination fees or prepayment penalties *and t*hey can help you refinance both private and federal loans.

Why is this such a big deal? Because not everyone qualifies for federal programs with good rates. Even if they did, I once interviewed an attorney who got a much better interest rate through SoFi than he would have through the federal government.

Additionally, they've simplified the entire process. All you have to do is apply online and pick your loan. SoFi currently has over 225,000 members and $15 billion in funded loans.

Truth be told, SoFi has been at the forefront of the Fintech revolution from the beginning. It's also important to note that they've moved into other products such as personal loans and mortgages. These guys are truly on a mission to change the industry.

Fintech final thoughts:

In the last few years, Fintech has managed to fix a lot of the problems entrepreneurs and consumers in general were facing in the financial world. Are these perfect solutions? Probably not. Truthfully, it's still too early to tell how this is all going to pan out.

What we do know is that average Americans are using these tools to do more with their finances than they were doing before. That's always good news, especially when it comes to financing your startup.

Have you utilized Fintech to fund your startup? Tell us about your experience with Fintech and financials in the comments section below.

Is it Safe for Your Startup to Use an Online Lender?

Carl Faulds

As a business owner, you surely know there are plenty of scammers lurking, keen to steal your identity or separate you from your cash. Equally concerning, some sites may have no criminal intentions but may not be real lenders either, with the sole purpose of gathering and selling leads. So how reputable is an online lender and how safe is it to submit your details to one?

Finding a safe online lender

Of course, it's difficult to generalize: some online lenders are far more reliable than others. By conducting the proper research, you can minimize the possibility of sending sensitive data to a fraudster. But what should you be looking for?

Third-party verification

If the lender is accredited by a government body, that's a pretty clear indication it's a legitimate business. Any online lender that seeks such verification clearly has a strong interest in building and protecting its reputation, and as such is likely to be a good company to deal with.

Physical address

Most legitimate finance companies will list a physical address on its website, even if they prefer to conduct business online. What's more, you can easily verify the address via an internet search – as well as discover lots of useful background information about the business.

Reviews from other customers

A reputable online lender that has been in business for a while should have a number of reviews from customers. Of course, these won't all be positive, and it's worth bearing in mind that people are more likely to post if they're dissatisfied. Nonetheless, if there are no reviews (or if they don't appear to be genuine) this is a pretty strong red flag to stay away from the company.

WHOIS check

By using WHOIS, you can easily check who really owns the company's website and how long it has been online. This way, you can quickly find out whether the business is genuinely an online lender and how long it has been trading.

Why should you borrow online?

Online lenders often apply completely different criteria from banks when processing loan applications. Since the financial crash of 2008, banks have significantly tightened their lending criteria, and where they once might have been overly blasé have now become extremely risk averse, applying stress testing so stringent that its conditions are unlikely to be replicated in the real world.

In other words, where a bank is likely to say no, an online lender could easily give you the funds you need. Further, online lenders offer more innovative solutions, including emergency loans (with the money inside your account within 24 hours if you have a sudden cash flow crisis), asset-based finance (allowing you to borrow against the value of your premises, plant or equipment) and invoice factoring and discounting (enabling you to borrow against the value of your invoices as soon as you issue them, with repayment being made when your customers pay you).

Further, reputable online lenders will take all necessary steps to protect your confidential data secure – their business depends on it, just as your business could depend on them.

Fintech, Venture Capital and Your Company

Ann Logue

Venture capitalists have moved on from social media apps and photo filters. The new interest is financial services, especially lending. This may create new options for small businesses looking for new sources of funding.

The PwC/NVCA MoneyTree Report of Venture Capital shows that financial services investments are a strong part of the overall venture capital market. In 2008, the year of the financial crisis, 67 financial services companies received $476.6 million, which was 2.3 percent of the total amount of money invested that year. In 2015, 101 financial companies received $3.3 billion in venture funding, 5.6 percent of the total venture funds for the year. In the first half of 2016, 53 financial companies have received $1.4 billion, or 5 percent of the total venture funding.

The money is going into financial companies in part because of widespread dissatisfaction with traditional financial services companies. Big companies don't move quickly, and many financial companies were reeling from the 2008 financial crisis. Despite historically low interest rates, many banks tightened their underwriting, leaving small businesses unable to receive funds even if their creditworthiness was unchanged.

Karen Gordon Mills and Brayden McCarthy of Harvard Business School have written about small business lending during the recovery. They note that the underlying problem is that small business loans are less profitable for banks than other types of loans, and the consolidation of the banking industry means that loans that would have been worthwhile for a community bank to offer may not be of interest to a large multinational bank. Technology is allowing new companies to enter the small business lending market through a trend called Fintech.

Some of the new innovations, such as crowdfunding, emerged into this gap. Kickstarter was founded in 2009, well before the JOBS Act of 2012 allowed for crowdfunding of investors. Kickstarter itself was backed by $10 million in venture funding from Union Square Ventures and a group of angel investors. The Kickstarter model provided a way for companies to raise money through pre-sales of products, an innovation made possible in part by changes in technology.

Kickstarter provides an alternative to bank funding, but many of the venture-funded businesses are going straight for bank services. That 2015 class of financial venture deals included Behalf, BlueVine, Dealstruck, Fundbox, Kabbage and Swift Financial Corporation, all of which offer financing to small businesses. The pace of funding is strong; Bloomberg News reports that financial technology deals will hit record levels in 2016.

Most of these firms are offering lines of credit, but a few are offering traditional loans, inventory financing, and receivable factoring. Some offer platforms to help business owners manage payables and receivables, too, as a way to differentiate themselves from their competition – especially traditional banks.

Traditional banks use customer deposits to fund their lending activities; the newer lenders use venture capital backing as their source of funds. Some are receiving investments from traditional banks that like the returns available but don't want to do the work of offering the loans. The concern that Harvard's Mills and McCarthy have is that these methods are not well regulated, which could create problems for unwary borrowers. The Credit CARD Act of 2010, which added new restrictions on consumer lending, does not apply to business credit. That's one reason the market is attractive to venture capitalists.

All of this venture funding going into Fintech creates some great opportunities for businesses to shop around. Owners may find that they can get a better mix of rates, fees and services by shopping around and considering the newer firms. An SBA 7(a) loan through a bank remains a great bargain to fund the establishment or expansion of a business, but the underwriting standards are very strict. Furthermore, an SBA loan only solves one type of financial problem. The entrepreneurial spirit fueling the Fintech startups can help entrepreneurs in all industries, which one of the great ways that the market works.


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Getting Financials Ready for the Bank

Ann Logue

The SBA operates two primary loan programs, known by the sections of the regulations that created them: 7(a), which provides general funding for establishing a new business or expanding an existing business; and 504, used to purchase major equipment or real estate. For the fiscal year ending April 25, 2015, the Small Business Administration funded 35,363 small business loans worth a total of $13.7 billion.

The money is out there, but not everyone receives it. Pepperdine University and Dun & Bradstreet conducted a quarterly survey on access to capital by small businesses. During the three-year period ending in 2015, the quarterly success rate for bank loan applications has ranged from a high of 54 percent (2Q2014 and 3Q2014) to a low of 33 percent (2Q2013).

The Small Business Administration has prepared a video, How to Prepare a Loan Package, which covers the basics: a memo that explains why you need the loan and how you will pay it off; recent financial statements for the business; and information on your personal net worth. (Why? Because most SBA loans, especially to new companies, call for a personal guarantee from the founders).

Lenders make money when they make good loans. They lose money when they make mistakes. If the entrepreneur makes a mistake in a loan application, the bank officer will see that as a bullet to be dodged.

> ***That's why half, or more, of small business loan applications end up being rejected.***

The most common mistake made by entrepreneurs in their loan application is having financials that are out of order, Idaima Robles, Director of the Access to Capital Program at the Women's Business Development Center in Chicago, said. It starts at the stage of bookkeeping.

"They do have an accountant, but they just use that accountant once a year," she said. "They do use QuickBooks, but they don't use it correctly."

The projections need to be connected to the actual results, and the chart of accounts needs to reflect the reality of the day-to-day business.

"Everything goes hand-in-hand," she said.

Chicago's WBDC is one of a thousand or so Small Business Development Centers located around the country. These are nonprofit organizations that work with entrepreneurs to provide business education, including QuickBooks training, and access to funding. The WBDC offers classes in strategic and financial planning to help women-owned small business succeed. Robles says that basic planning is important to raising capital.

"It may take a little time away from making revenue, but it's good to step back," she said.

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Along with getting the business financials in order, entrepreneurs looking for financing need to think about their personal finances.

> ***"There's a big misconception out there that personal credit has nothing to do with the business," Robles said, "but lenders do want to know if the business owner has a record of handling credit and will pay back the loan, regardless of what the business does."***

Robles also said that prospective borrowers should do research on lenders, as some are more interested in creating relationships, while others are more interested in transactions. Those interested in developing relationships will offer feedback on ways to improve an application, tossing the ball to the entrepreneur. That's a good thing, even if it is painful.

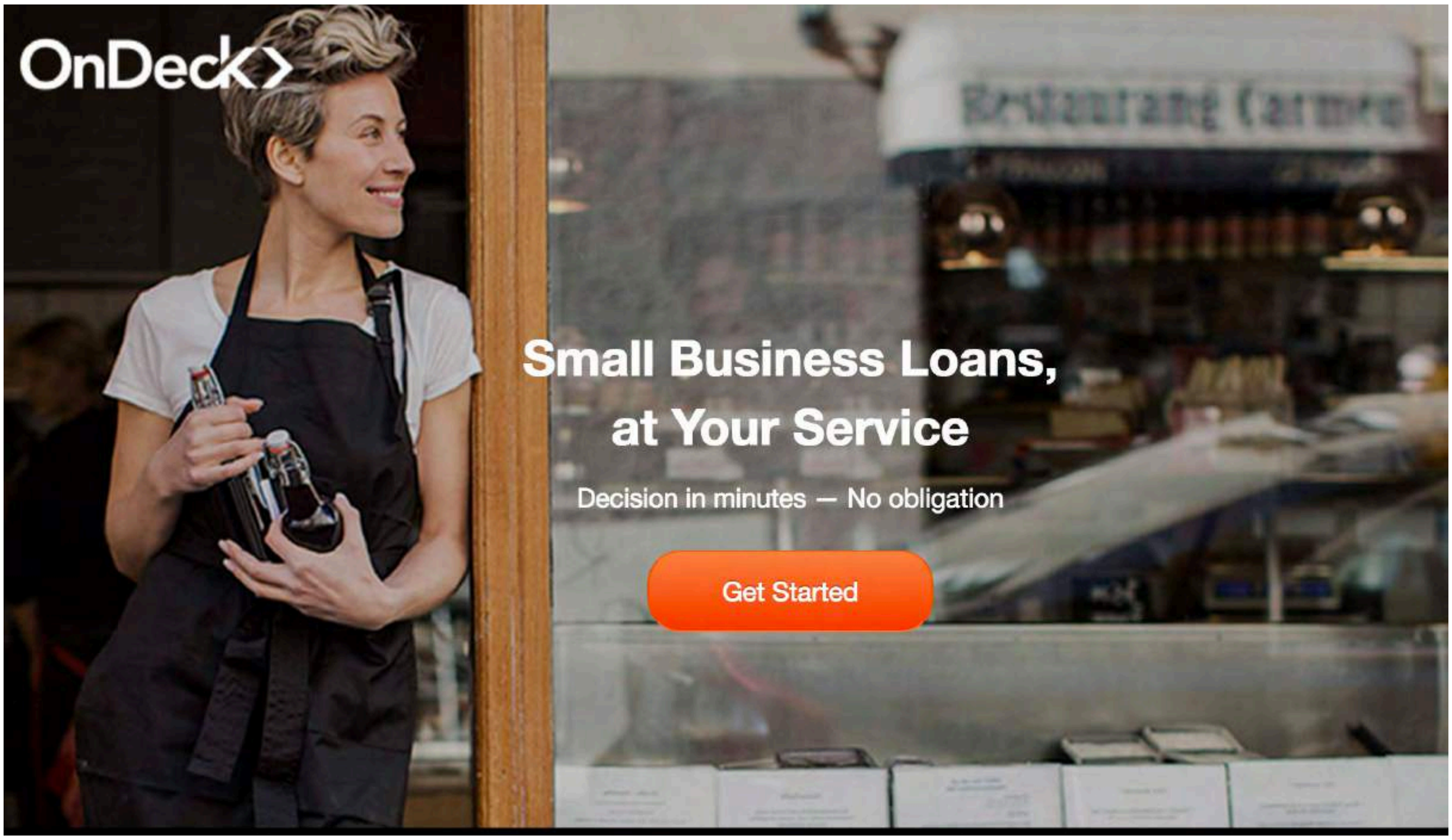
"Be open to advice from the lender," she said, to improve your odds of long-term success.

Social Finance and Retirement Account Loans

John Rampton

The world of finance for entrepreneurs and startups has gradually been changing since the last recession with alternative lending platforms and programs that illustrate the potential beyond the traditional funding sources.

Now that new government regulations are recognizing the economic benefits that the startup boom is bringing, there is more space for new ways to get funded, including tapping into savings and retirement funds as collateral, as well as using social finance tools through new types of lenders.



Tapping your retirement account

Let's start with tapping into your own retirement funds to launch your startup. ROBS, also known a rollover as a business startup, is a new way entrepreneurs are approaching their funding needs. There are specific financial companies out there like Guidant Financial that create ROBS in which they construct a private corporation and then rollover the retirement funds into it as an investment in that corporation. The retirement funds are then used to acquire another business or franchise with the 401(k) becoming a shareholder.

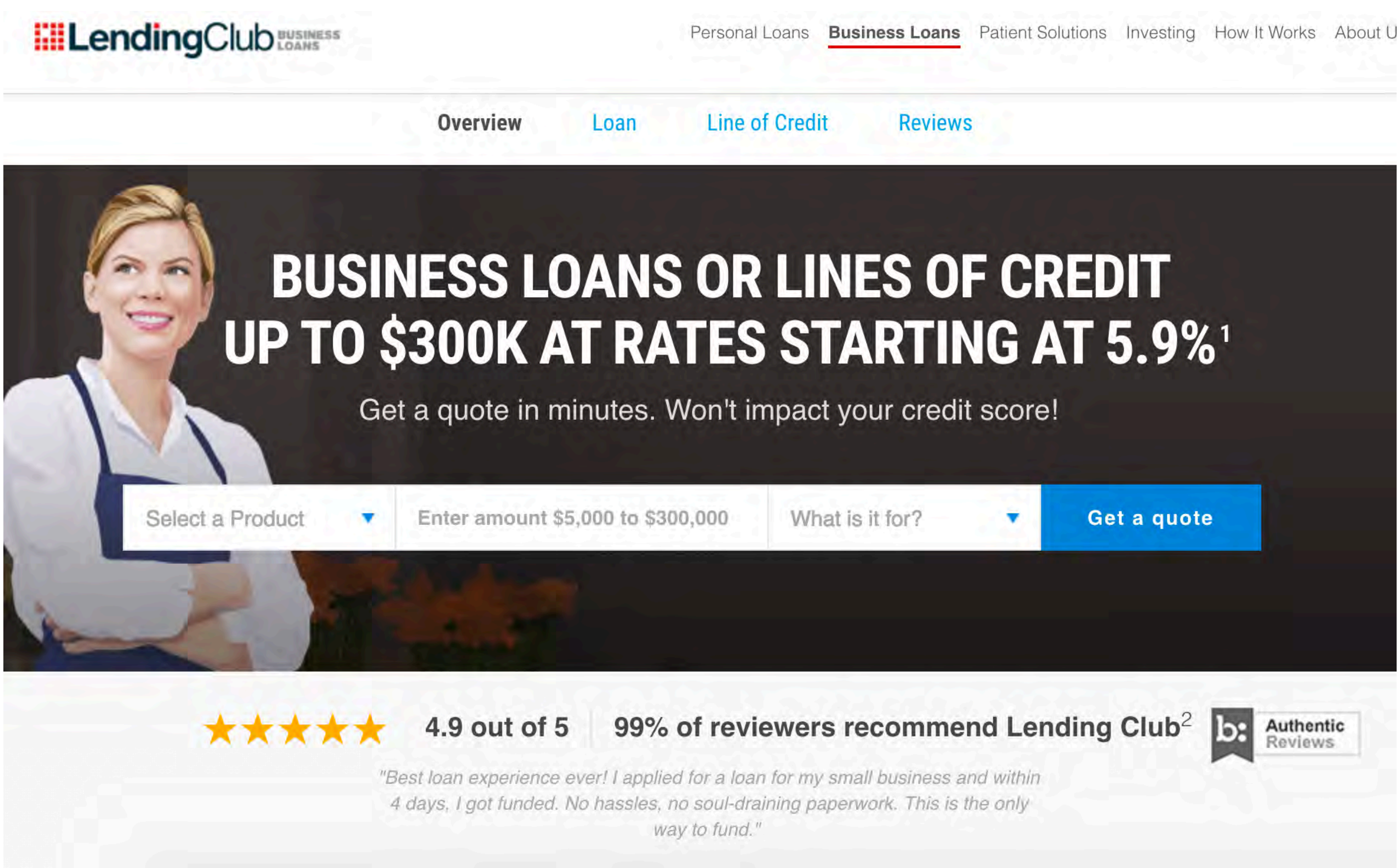
While it comes with very few penalties and offers a good way to get going without having to wait for others to say, "yes," an entrepreneur must consider his or her financial and personal profile before taking this option. While many funding options may ask for collateral like homes and cash or become a risk for credit scores, there is not the same debt obligation an entrepreneur experiences by using his or her retirement money.

However, there is still a very real risk of loss if the startup doesn't succeed.

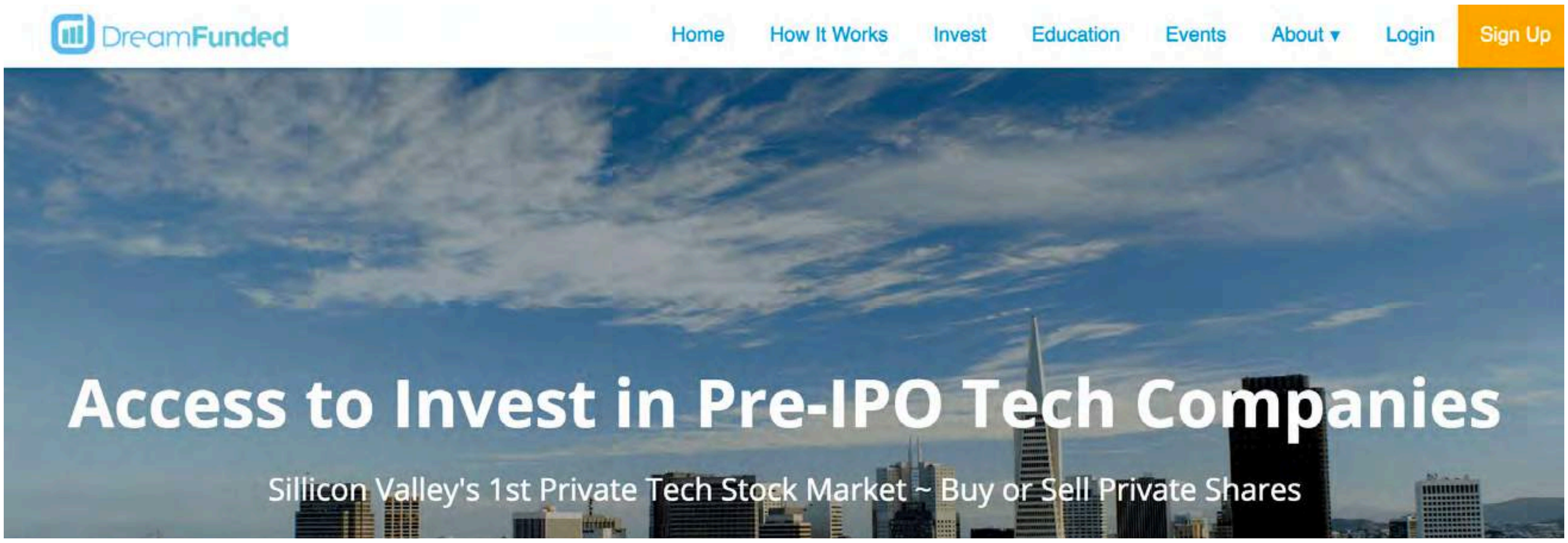
That retirement money will then be gone. The lesson here is then to use only a percentage of those retirement assets and consider other sources for funding or bootstrap the rest. Also, it's important to follow all the IRS rules for using this funding option to avoid any penalties.

Joining the social funding club

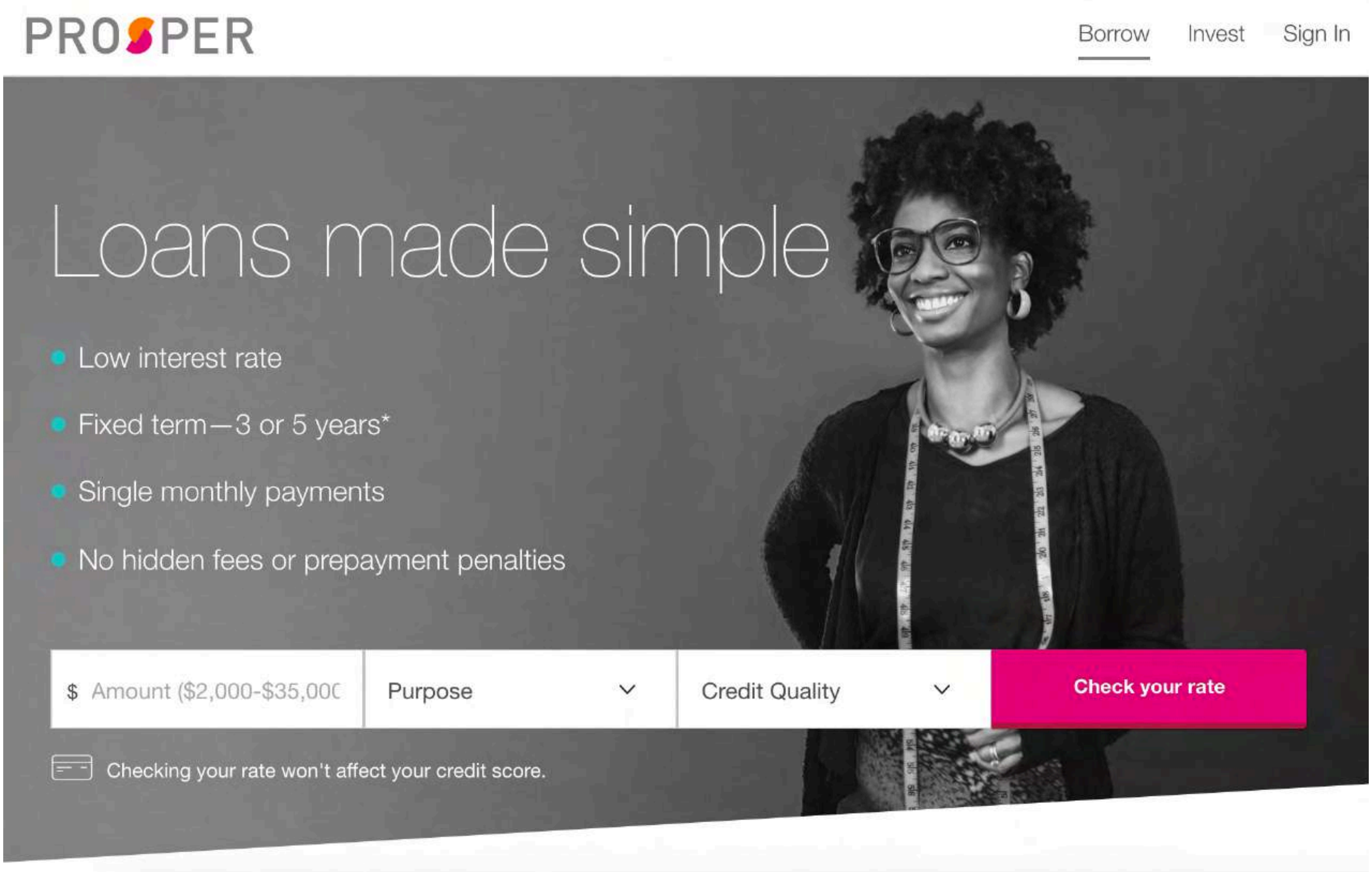
Social finance has become a general term for new funding vehicles that startups can use that involve collecting funds from numerous investors. Included in this category are crowdfunding, equity crowdfunding, marketplace lending and peer-to-peer lending.



Crowdfunding may be one of the most recognized social funding sources with platforms like Kickstarter and Indiegogo allowing anyone to invest in a project or startup that appeals to them so they can participate in its success. Meanwhile, the entrepreneur behind the project gets the money they need to create a product to take to market or launch their business.



Since then, equity crowdfunding has become more attractive to a wider range of entrepreneurs because there is a larger amount of money possible because this social finance platform involves giving away an equity stake in the company for those funds. This also allows average or novice investors to get more involved and potentially receive a higher rate of return for their investment than the rewards offered in regular crowdfunding platforms.



With crowdfunding, you need to tell your story in an effective and compelling way in order to get these financial donations and meet your funding goal. You will need to either give out rewards or some type of equity stake in your company, depending on the type of crowdfunding. After that, though, the funds are essentially yours to do what you would like with them. However, if you are participating in equity crowdfunding that involves larger sums of money, your investors will most likely want a detailed report on how it is spent and the type of return they will get for their equity stake and when.

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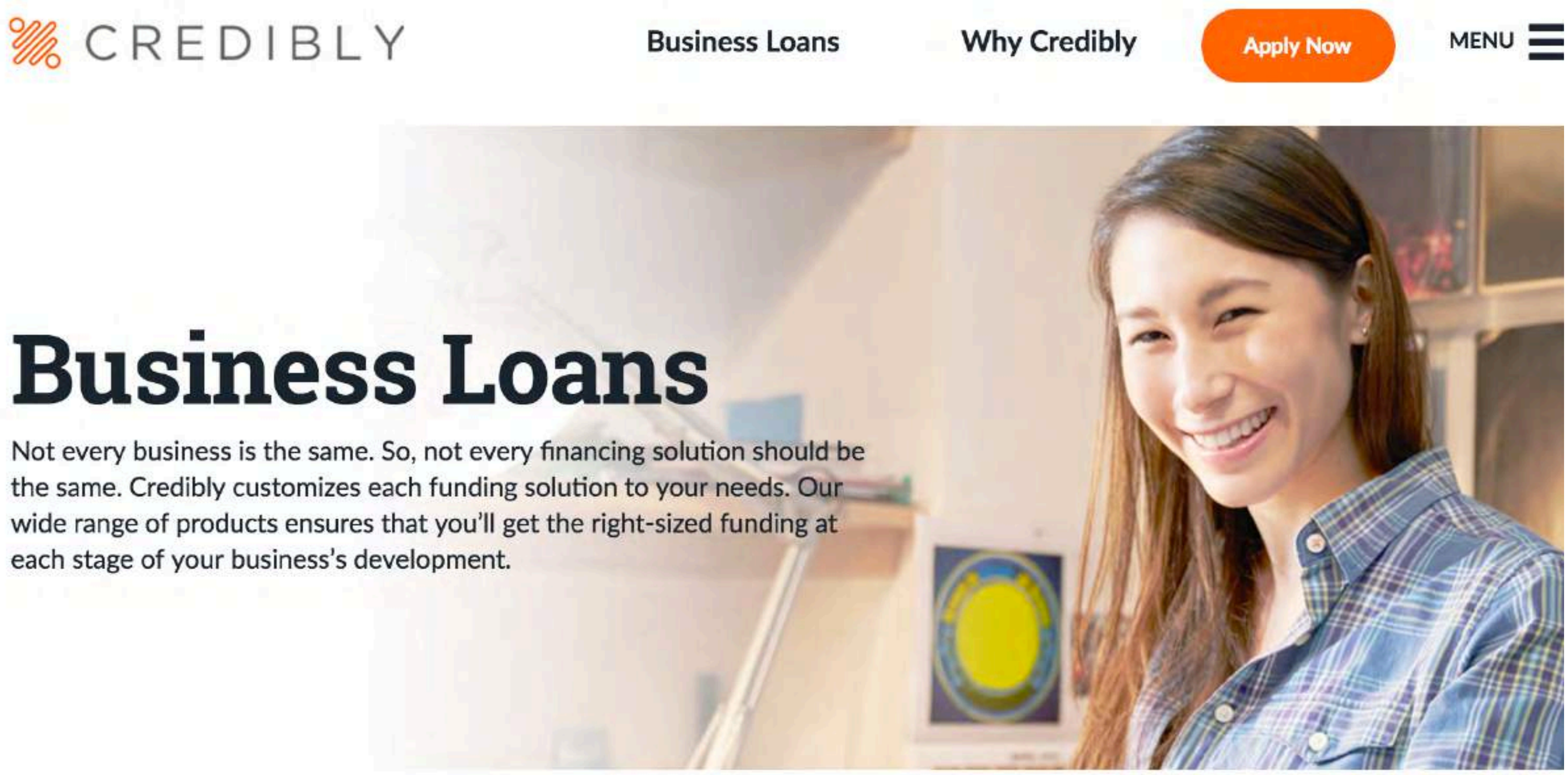
What was once referred to as debt crowdfunding is now known as peer-to-peer lending, or P2P lending. Borrowers and lenders are matched through online platforms like Lending Club and Prosper, which has proven to help entrepreneurs get access to money faster and at a typically lower rate than going to a bank. Entrepreneurs can work with anyone from an individual investor to an institutional investor. Each investor only funds part of the loan because the amount is typically spread across multiple investors.

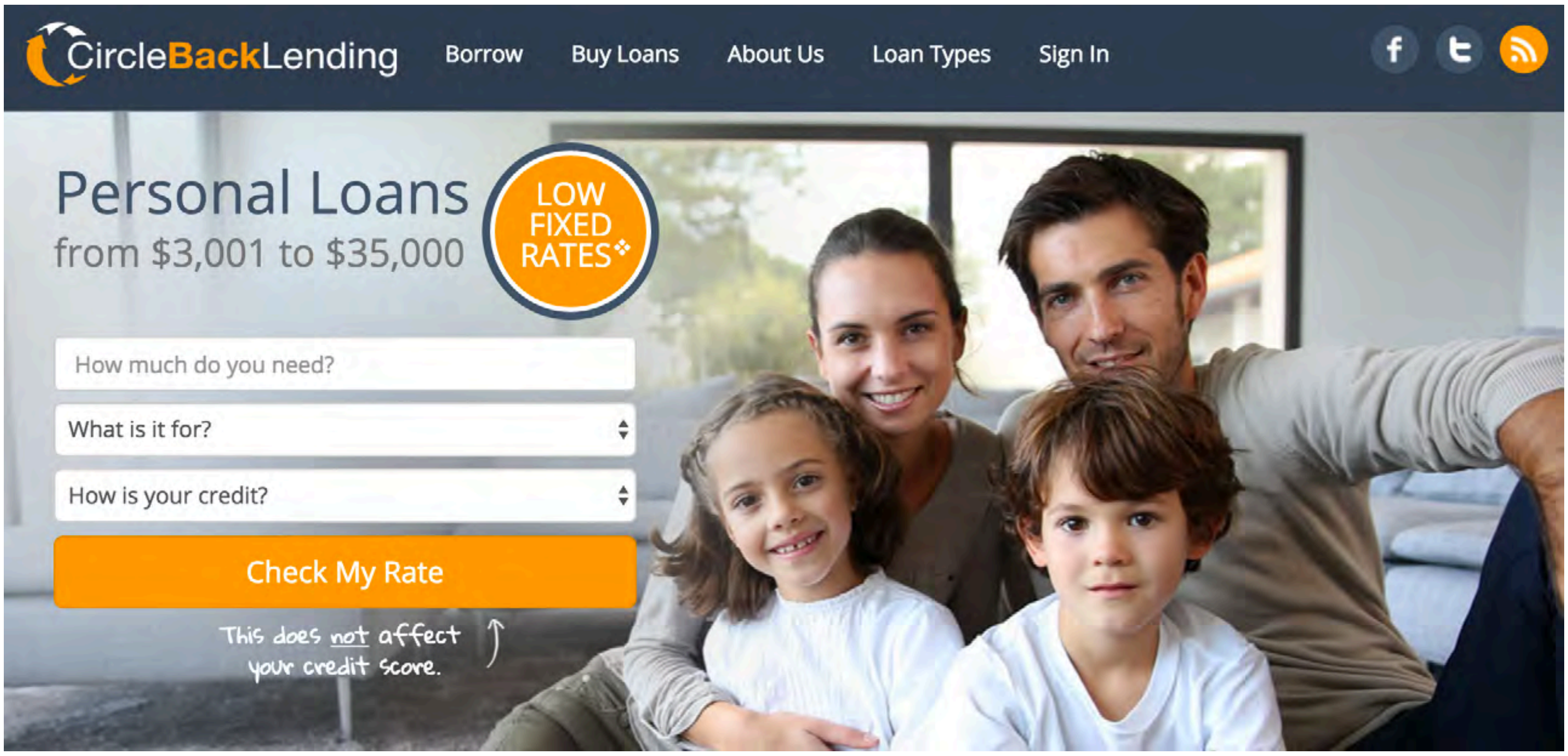
As P2P lending has evolved, the term marketplace lending has become more commonly used to refer to this social finance channel for companies like OnDeck, Credibly and CircleBack Lending. The idea of a marketplace has been a more accessible term that all types of investors can better relate to, helping to fuel further growth. Plus, it clearly delineates one of the main benefits of this option for startups: there is no financial middleman like a bank or credit union to tack on fees and slow the process.



A marketplace loan does need to be repaid to those investors who let you borrow their money. While some entrepreneurs have struggled to get loans through marketplace lenders because many investors want to see some company history, having a solid business plan has been the answer for other startups and a clear picture of what they are going to accomplish.

The underpinning to social finance

All of these options for financing a startup have emerged with the idea that more people want to take control of their finances and are not as trusting of traditional institutions, especially as many were involved in poor choices that led to the last recession. Instead, technology has provided a way to have a decentralized and transparent way to borrow money and gather the funds through multiple sources, helping to reduce risk for everyone involved. In turn, government agencies have agreed to these further channels to help entrepreneurs.



While these societal changes do underpin a new area of lending opportunities for startups, some of the same lessons apply in regards to borrowing money for your startup:

- Start with a clean credit record and no existing debt, such as car loans or credit card payments.
- Have a clear strategic roadmap to launch your business, including milestones and costs as well as a projected return on investment or loan repayment plan.
- Know what you have to spend and where you can save money.
- Get advice on handling your cash flow from an advisor.

Finally, before you take any money, make sure you understand the terms and have reviewed all of your options. It's nice someone has said, "yes," to you, but you need to ask yourself if these funds are right for you. Once you have, then it's full steam ahead, leveraging the power of ROBS or a social finance platform.

4 Reasons Why Your Business Needs to Accept Credit Cards

David Iafrate

As a business owner, you have many responsibilities; making sure you have a great product to offer your customers, ensuring you have the right staff, abiding by rules and laws, marketing your business to new clientele, paying bills, and so on.

Why add one more thing to your never-ending list of things to do when it comes to accepting credit cards? The benefits of accepting credit cards far outweigh the cons.

Below are the top four reasons why your business needs to accept credit cards right now.

1. **Increase revenue**

In a business, increasing revenue is critical to success and keeping your doors open. Perhaps the most important benefit of accepting credit cards is that it can help increase your revenue.

- When using credit cards, consumers spend 12 to 18 percent more than when using cash for purchases
- According to a survey conducted by Intuit, 83 percent of small businesses that accepted credit cards saw increased sales. Of those surveyed, 52 percent made at least $1,000 more a month and 18 percent made at least $20,000 more a month!
- Consumers are more inclined to make impulse purchases when paying with credit cards, including both frequency of purchases and the dollar amount of those purchases

By accepting credit cards, you are easily creating the possibility of increasing your bottom line, which is something every business strives for.

2. **Make your customers happy**

What would your business be without your loyal customers? Don't you want to make their experience with your business the best it can be?

> *According to Visa, credit cards are now seen as the most efficient payment method, surpassing paper checks and cash for the first time ever.*

Accepting credit cards is becoming the new norm. If your customers want to pay with a credit card, but your business doesn't accept them, they are more likely to take their business elsewhere.

3. **Attract new customers**

Business owners often find attracting new customers a huge obstacle. However, you can attract new customers by hardly lifting a finger if your business accepts credit cards.

- Consumers are more likely to shop at your business if they know you accept credit cards
- Fifty one percent of American adults under the age of thirty hate paying with cash, no matter the amount. The trend is continuing through different age brackets
- Word of mouth advertising is huge! About 84 percent of consumers take recommendations from people they know, while 68 percent of consumers are influenced by opinions posted online

When you accept credit cards, you make your customer's lives easier, and enhance their shopping experience. Therefore, your customers are more likely to promote your business and their positive experience to new customers!

4. **Boost local economy**

When consumers pay with credit cards at your business, you are helping your local economy grow and thrive.

- In 2016, 112 million consumers shopped and dined small on Small Busines Saturday, more than ever before. This is a 13 percent increase from 2015
- When consumers shop at small businesses, more money goes back into the community. About 48 percent of purchases at local independent businesses go right back into the community, compared to less than 14 percent of sales made at chain stores.

This all comes full circle. By accepting credit cards, your business willlincrease its revenue, and your customers are more likely to spend more. Your customers will be happy with their experience and spread the word about your business, so you can attract new customers. As your revenue and customer base grows, you will help your local economy, and increase your revenue!

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This can all happen by simply accepting credit cards. So, what are you waiting for?

If you want to learn more about accepting credit cards, visit StartupNation.com/InternationalBancard.

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A Positive Way to Approach Startup Cash Flow Downturn

Jason Kruger

Every business goes through cycles. For instance, the retail industry knows to expect increased business and cash flow during the holiday season in the fourth quarter. Florists and jewelers gear up for Valentine's Day and Mother's Day. In cold weather and rainy regions, construction increases during spring and summer, with winter being a slow period. Accountants buckle down during the influx of tax season work.

Beyond these obvious examples, entrepreneurs should understand and know how to capitalize upon inevitable business cycles. Things like finances can ebb and flow, and small business owners need to know how to manage, and even take advantage of, the times when cash flow is down.

Lights, camera, action!

According to the Harvard Business Review, “Inaction is the riskiest response to the uncertainties of an economic crisis.” However, thoughtless action can be nearly as catastrophic, so thinking before acting is a crucial step in recovery from an economic slump.

Tackling the challenges posed by cash flow fluctuations requires both defensive and offensive action. The steps taken should be based on identification and careful analysis of the business causes that created the cash flow downturn. Proceeding through this process of review, identification and analysis will help you manage your business through a cash flow downturn in order to emerge stronger than ever.

The Harvard Business Review recommends measured steps be taken with confidence and a positive outlook. Companies that take tentative steps tend to overreact later, cutting more costs than necessary, which makes it harder for them to make a comeback when the market improves.

First, stabilize

When cash is low, management must first work to stabilize the company to ensure it can weather the slump. This effort requires liquidity, which means reducing the operating budget through severance of perks, some employee positions and unnecessary expenses like magazine subscriptions and unnecessary business travel and entertainment. For those startups already running lean, cost cutting won’t solve the problem, even if employees willingly agree to absorb salary and benefit cuts to save their jobs.

A downturn in business generally means that employees have reduced workloads. Enlist their help in identifying process improvements that could save time and money for your business and clients. Can you be more efficient?

Bring in your employees' creativity to identify innovative and inexpensive ways to enhance marketing and increase sales. Is there a niche market you failed to identify previously? What are your competitors doing that keeps them in business? Conversely, what are your competitors doing that's driving them out of business?

Economic downturns inevitably focus management's attention on costs. Writing for Inc. magazine, Blair Thomas states that not all fixed costs are easily converted to variable costs; however, there are costs that can and should be adjusted. Don't be afraid to negotiate better terms with vendors, as they many will be willing to accept lower payments or extended payment schedules if you are open and honest with them. Think about leasing equipment rather than buying it, hire seasonal, temporary staff and draw an updated budget to map out monthly and annual expenses, including taxes.

The difference between "cash flow positive" and profitable

A business can be profitable even if it's drowning in expenses. Although your profit and loss statements show you are profitable, it is not the whole story, as it does not reflect your receivables. When clients fail to pay and the money doesn't flow into the business, then expenses rapidly deplete cash reserves. In Fundera's blog, the company outlines this scenario and the steps to take to alleviate the problem.

By regularly engaging in cash flow management and forecasting, you can more accurately predict the financial health of your business. A budget estimates expected expenses and income; cash flow management "can tell you *exactly* what's happening — so you can prepare accordingly."

If you can predict when money will be tight, then you can prepare for the downturn. Seasonal businesses understand the concept intimately and these startups manage their money accordingly to ensure there's sufficient cash in reserve to pay the bills during those slow periods. Managing cash flow will also reassure lenders who want to know that you can pay them back.

Get paid faster

As the leading cash flow challenge, unpaid invoices are dreaded by businesses everywhere. Ensuring payment of invoices requires diligent follow-up and the imposition of penalties upon tardy payment. In addition, positive incentives such as offers of a discount to clients who pay early help get cash into your company quicker.

Another tactic to prompt on-time payment is to convert from mailing paper invoices to emailing digital invoices. Many software packages support digital invoicing and can even accommodate online payments and automatic payments. Suggest setting up automatic payments for retainer clients to offer them the convenience of not dealing with a monthly invoice.

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Alternative revenue sources

Downturns inspire invention. When your business hits a slump (predictable or not), creative, entrepreneurial thinkers stand a better chance of weathering the downturn than those who fail to act at all. While business is slow, take the time to consider diversifying your repertoire of services and/or products. If the expense of adding a new line of service or products exceeds your comfort, then think about a partnership with another business. Make the partnership attractive by offering cross-selling to clients of both companies, offering reduced terms for rented space, sharing in profits or charging a commission on the other business' sales. The key concept relies on flexibility and creativity.

Taking advantage of opportunities may require investment even though money is tight. Carefully review the data, the pros and cons, and the feasibility of following through on a new course of action, to determine whether the investment is smart before making the decision.

Temper commitment with flexibility. One failed attempt does not guarantee permanent lack of success; however, continuing to pursue an unsuccessful course of action because you can't quit will destroy employee morale and, possibly, the business. View the downturn as an opportunity and proceed with measured care to not only survive the slump but to position your company for greater growth and future resilience.

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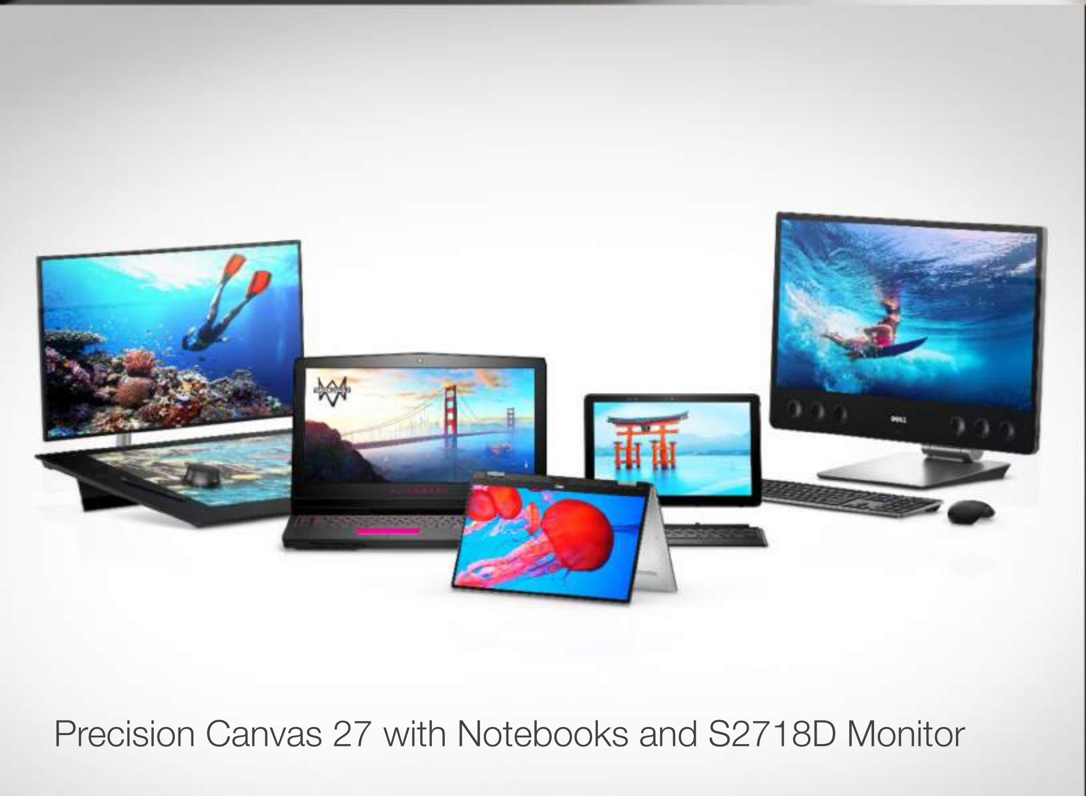

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How Financial Stress Affects Your Workers' Productivity

Andy Meyer

Unfortunately, a large number of Americans stress about money, and it's likely that stress is damaging your company's bottom line. Personal financial stress can seep into the workplace and begin to affect employee productivity. Just because your organization provides respectable wages does not mean that you're immune to financially stressed employees.

Those checklists your employees dreamed about in their formative years that included a house, kids and a nice car have become prohibitively expensive in modern society. The rising cost of the American Dream has crippled many employees who, despite making reasonable salaries, still find themselves living hand to mouth. In fact, a PricewaterhouseCoopers employee financial wellness study of 1,700 full-time employed adults found that almost 50 percent of employees carry a credit card balance. And of those, a full 26 percent have difficulty meeting minimum payments.

Although 401k plans abound, saving for retirement does not often come in the form of a luxurious retirement plan. This leaves employees on their own to set up and maintain reserves for their future. Without proper guidance, this type of additional responsibility can add even more stress to their financial situations. This stress affects not only the employees' personal lives, but their professional lives, as well.

Compromised employee health

Financial issues can affect employees on many levels. When stress levels rise, health deteriorates in response. Stress can lead to health issues such as depression, weight gain, lowered immunity, sleep dysfunctions, heart disease and other physical problems. It also increases the chances of absenteeism, psychological issues, attitude problems and a host of other mental and emotional concerns.

These issues not only limit productivity, but they also reflect in higher healthcare premiums for your business. With fewer days in the office, those positions held by stressed out employees begin to lose their value. Unscheduled absenteeism is costly, and stress-related illnesses can send employees home much more frequently than desired.

Lowered employee job performance

Mental distraction, morale issues and lackluster efforts can all be results of the stress that financial trouble puts on your staff members. Employees preoccupied by financial issues can be, although physically present, mentally absent. If employees are distracted, they may be spending an exorbitant amount of time in the workplace dealing with financial issues in the form of time spent on the phone bargaining with collectors, paying bills, managing accounts and, yes, even shopping to relieve the stress of financial trouble.

Financial stress also causes workplace fatigue and burnout, leading workers to exhibit listlessness while at their job site. In addition, a loss of sleep over money issues can significantly lower an employee's ability to think critically and problem solve effectively. In an environment where physical injury is a risk, the inability of distracted workers to focus on the task at hand is much more hazardous than for those workers who are simply dozing off at a desk job. Workplace accidents that result in an inability to focus, remain alert and stay on task can cost your company a significant amount of money in workers' compensation cases that could have been avoided with a bit of financial guidance.

Lessened employee commitment

Replacing employees can be costly for any business, and in some cases, financial stress may be to blame. Whether or not employees perceive their salary as directly to blame for their budget concerns, these types of worries can weigh on an employee's commitment to their company. A financially stressed worker is more likely to exhibit signs of dissatisfaction, leading to lowered morale and a lack of longevity with the company. As they continue to look outside the walls of the business for additional ways to help ease their financial burden, turnover increases and employees become less fastened to their positions. Financially stressed workers are also more likely to bend their ethics to get ahead. This can result in employee theft in the form of both physical assets and, more seriously, critical business data.

Educating to ease financial stress

Although financial stress increases at lower incomes, salary is less of a factor in financial stress than would be expected. Individuals at all financial levels are found living paycheck to paycheck, despite a perceived overage of funds. Although most people are thinking about money, their ability to cope with their finances is still found to be a hefty challenge.

Teaching your employees how to properly manage their finances can go further in helping them ease their stress than just about any other solution. Consider adopting a schedule of financial counseling where employees can attend a quarterly session to learn financial skills that can help them better manage their money. You can also consider providing free access to one-on-one financial counseling sessions or self-serve education resources so that employees can learn on their own time. Education can help individuals learn how to evaluate and decrease their expenses, control their credit scores, clarify budgets and goals, make savvy financial decisions and put them back in control of their financial health.l health.

The well-being of employees in the workforce is driven in part by the state of their financial health. Without proper management of financial obligations, workers can suffer from distractedness, physical and mental impairments, a lack of attentiveness and a drop in morale and commitment. By extending a hand and providing employees with financial education, you can help protect some of your most valuable assets.

CLICK ON THE IMAGE ABOVE

The Biggest Financial Mistakes Startups and Entrepreneurs Make

Michael Peggs

It's pretty commonplace for startups to make money mistakes. In fact, it would be rare if you didn't make at least one mistake regarding your finances as an entrepreneur. The Wall Street Journal explains that "there is no surefire playbook" when it comes to winning with a startup.

If you do enough research and have the right tools, you can reduce the chances of making a mistake and quickly recover in the event that you do make an error.

Here is a look at the most common financial mistakes first-time entrepreneurs make, along with solutions for overcoming them:

<u>Mistake #1</u>: Spending too much money on things you don't truly need

Think carefully before spending on anything. No matter how much you think you may need it at the time, will it still be of use to you a month from now? A year from now? If it will be of use to you later on, will it be of use to you right now? Or should you postpone the expenditure? If you're not careful with your purchases, you could find yourself in need of asset recovery assistance.

Solution: Think long and hard. Consult your financial advisor (if you have one), and use the You Need a Budget app. Available for all devices and platforms (including smart watches), YNAB is a very useful budgeting tool that will help you keep control of your expenses and purchases.

<u>Mistake #2:</u> Not being careful with the hiring process

Even if it's just you for the time being, there will come a point when you will have to start hiring other people to help you. The costs associated with hiring employees can be significant. Not only do you have to have enough capital to cover training, recruitment fees, equipment and more, you also have to worry about losing money should the new hire be a poor performer. Even worse: what if the employee does something controversial and puts the entire organization at risk?

Solution: BusinessNewsDaily.com explains that successful companies have a hiring process "that includes attracting high-quality candidates and evaluating them" in a variety of areas. In addition to doing the usual background checks, you'll also want to check their social media profiles. Use either SmartRecruiter or LinkedIn Recruiter for screening and hiring solutions.

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Mistake #3: Failing to raise enough money

While there will always be circumstances that can't be helped, you should ask yourself if you're doing enough to raise money. Are you truly doing everything in your power to reach out to investors and impress them? Do you have enough money to cover expenses and any unexpected emergency that may occur? Sometimes you just have to be patient and wait until you can afford more supplies, equipment, utilities, technology, etc.

Solution: Have you been using Kickstarter to attract funding to your project? If not, it's time to do so. Investopedia has a list of eight similar platforms to help small businesses with great ideas to raise money.

Mistake #4: Getting into too much debt early on

It's not very smart at all for a startup to get into debt before they even really get going. The longer it takes you to get positive cash flow, the more debt you are going to accumulate.

Solution: Debt management and prioritization tools are a must. The Debt Free app is ideal for iPhones and iPads. It helps you to reduce debt by using the "snowball technique." For Android, there is the Debt Payoff Planner/Calculator tool in the Google Play Store. It doesn't even require a signup!

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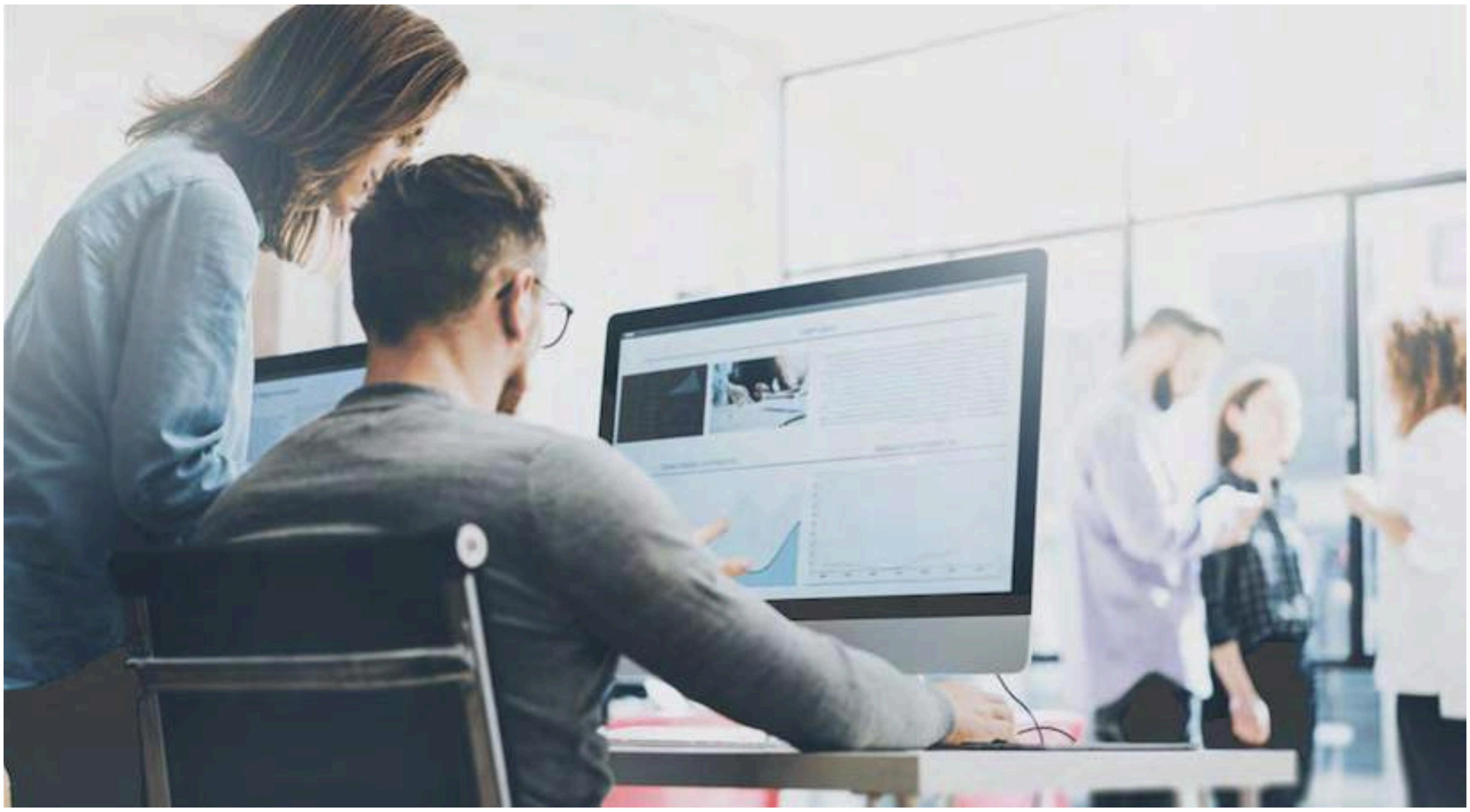
If you avoid making these financial mistakes, or at least get the recommended tools to help you deal with them, you will increase your chances of surviving the startup process. You might also be interested in being a corporate trader for certain areas of your business, especially if you find yourself with underperforming assets. The opportunities are certainly worth looking into.

5 Steps to Budget Smartly for Your Small Business

Justin E. Crawford



Smart budgeting is one of the most crucial indicators of small business success. Determining where funds must be allocated and where they must be cut creates the entire blueprint for growth. It isn't easy, but there is a very simple, very sobering trick to good budgeting: plan for the worst. The worst will rarely happen, but your budget should be able to support you through a worst-case scenario. That's how strong business owners persevere through hard times and accumulate capital during prosperous times.

Many new business owners feel anxious and inexperienced when it comes to managing money, but in truth, we're all pretty experienced with this. Your personal finances have served as practice for budgeting for your business. You might manage a car loan and mortgage or rent payments, along with grocery bills and a variety of other expenses. If you've done this considerably well with few mistakes, be confident that you can operate from a business budget with the same level of efficiency.

Know what you earn

The first step to proper budgeting is having a system in place for analysis. You can't manage what you don't know about. So whether you use financial software, an accountant or another method to keep track of your finances, make sure you can clearly discern all of your income sources. Know how much money comes from each source and how regularly it comes. Without this information, you simply can't create an accurate budget.

Know what you owe

The next, equally simple step to budgeting is compiling a list of all fixed expenses. This varies depending on the kind of business you run, but it often includes utilities, website fees, employee salaries, shipping costs, app/software payments, etc. Essentially, anything that counts as a recurring, mostly predictable expense.

While some of these figures will never be completely fixed (i.e. utilities vary a bit each month), the important part is that you have estimates. This creates some stability and knowledge of what to expect.

Know your profit margin

Your profit margin is the portion of your revenue that counts as profit. Once you or your CFO calculates the current profit margin, you can begin monitoring it. The power in knowing your profit margin is that you can work to gradually increase it over time. To do this, you need to figure out your Key Performances Indicators (KPIs). They are the primary factors that influence whether or not your business performs well. Hundreds of different things can come into play when considering KPIs, such as customer loyalty or monthly online sales. It's best to work with a CFO to pinpoint your most critical KPIs.

Once you have reliable figures for both income streams, regular expenses and profit margins, you can proceed to fine tune your budget and set some rules.

Set rules

As with personal budgeting, business budgeting works best with strategy and discipline. The better you plan and the more informed you are about your finances, the more insight you have to make wise decisions. For example, your personal budget may include X dollars per month for groceries, which you don't allow yourself to exceed. Once you test this and conclude that you are not going hungry (or overeating), you can develop a routine and stick with this figure each month.

The same goes for business. You first must determine that your budget is reasonable and produces desired results. For example, X dollars per month helps generate leads and market a new product online. Then you can stick to that figure and only adjust it when the need for change arises.

Practice frugality

Especially important for new business owners, frugality is an art that you must get acquainted with. Essentially, it means that no money is spent unnecessarily or without a major purpose in mind. For every move you make, you want it to lead you to something of value such as more sales or more exposure. If it doesn't, then you can't justify budgeting for it.

One of the biggest killers of frugality is moving too fast. For example, a new entrepreneur might purchase office space at $400 a month doing all the same tasks he/she could do from home for the first few years. Shelling out additional money each month for expenses that are optional is money down the drain. Being frugal, on the other hand, helps you build capital and eventually make useful investments that bring your business to the next level.

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Takeaways for your startup budget

If this seems like a lot to take in, remember that feeling overwhelmed is just part of the process, and that will change. Budgeting becomes easier the more you do it and your estimates become more reliable. With a lean budget in place, you can guide your business without being plagued by uncertainty. It will provide a framework from which to work and make decisions with greater clarity.

4 High-Impact Business Investments You Can Make With Your Tax Refund

Mike Lazzaro

Very soon, more than 80 percent of the 50 million Americans who filed federal taxes will receive their average tax refund of just over $3,000. Many view this as an opportunity to splurge. If you run a startup, you might want to think about making your business the recipient of your tax time largesse.

Consider using the money to invest in a technology or capability that's important, but that you many have found yourself avoiding or deprioritizing in the day-to-day grind of running your business. What's more, you'll want to invest in something you can purchase in full with a relatively small tax return budget, and that can set you up to either make more money or take care of an essential function for your business.

Here are some ideas for how a little investment of your tax return can go a long way:

Shore up your online presence

An attractive and credible website that is optimized for mobile browsing can aid discoverability and bolster your business's reputation. This is true even if you don't sell online: according to Adweek, more than four in five shoppers research their purchases online before ultimately making them.

If you actually sell your products online, investing in a website that gives you an even higher return on investment (ROI) for e-commerce would be a smart choice. An e-commerce capability might enable you to cut overhead costs if a portion of your local customers opt to purchase online instead of in-store. In the same way that adding a lane to a highway tends to increase overall traffic, adding online selling capabilities can also increase your overall sales volume, in part by lowering the geographical barriers of selling only through your brick and mortar store.

E-commerce sellers should consider a solution that can automatically import inventory from their point of sale (POS) system, then reconcile sales made both online and in-store. Solutions that let businesses sync their e-commerce and brick and mortar stores in just a few clicks will save time, and will also take the headache out of inventory management.

Invest in the future of payments

Mobile payments are a payment method worth thinking about.

> *Mobile payment transactions will more than double to $62.49 billion from 2016 to 2017, according to an eMarketer report.*

By 2020, that number is expected to increase to more than eleven times the 2016 figure—to more than $314 billion.

That means that while being able to accept mobile payments is a matter of convenience for your customers now, it may become a matter of survival for your business as this payment method continues its inexorable march to dominance. Consider investing in expanded payment capabilities that include mobile payments so that you're already in position once mobile becomes *the* way people pay.

Secure your business and transactions

Investing in security might not *make* you a ton of money, but it sure can save you money, not to mention lots of time and your reputation.

Living in a connected world means small businesses have a lot more flexibility to operate at their customers' speed and to their customers' liking. But connectedness also leaves businesses exposed to bad actors who attempt to exploit security vulnerabilities in order to make off with consumer information.

This can leave your business in a bit of a bind: securing your customers' information is ultimately your responsibility, but you probably don't have time to become an IT expert. It is critical for small businesses to invest in a security solution that provides protection at several points of vulnerability throughout the transaction process. The solution should be PCI compliant and keep pace with digital thieves' evolving efforts to steal customer information that ultimately disrupts your business. Not doing so can be highly costly and difficult to recover from.

If you're feeling a little nervous about how ironclad your customer transactions are, consider elevating an investment in point of sale security to the top of your list.

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Set up a marketing program

At the end of the day, marketing is about customer acquisition and retention, and those are some of the most critical factors for any business that wants to not only stay in business, but also grow.

Still, starting a thoughtful marketing program can feel like a luxury if it falls outside of the many day-to-day jobs you need to get done in order to keep the lights on. Marketing automation is one way to address this: it delivers the customer acquisition and loyalty benefits of marketing, but requires minimal everyday intervention from you as the business owner.

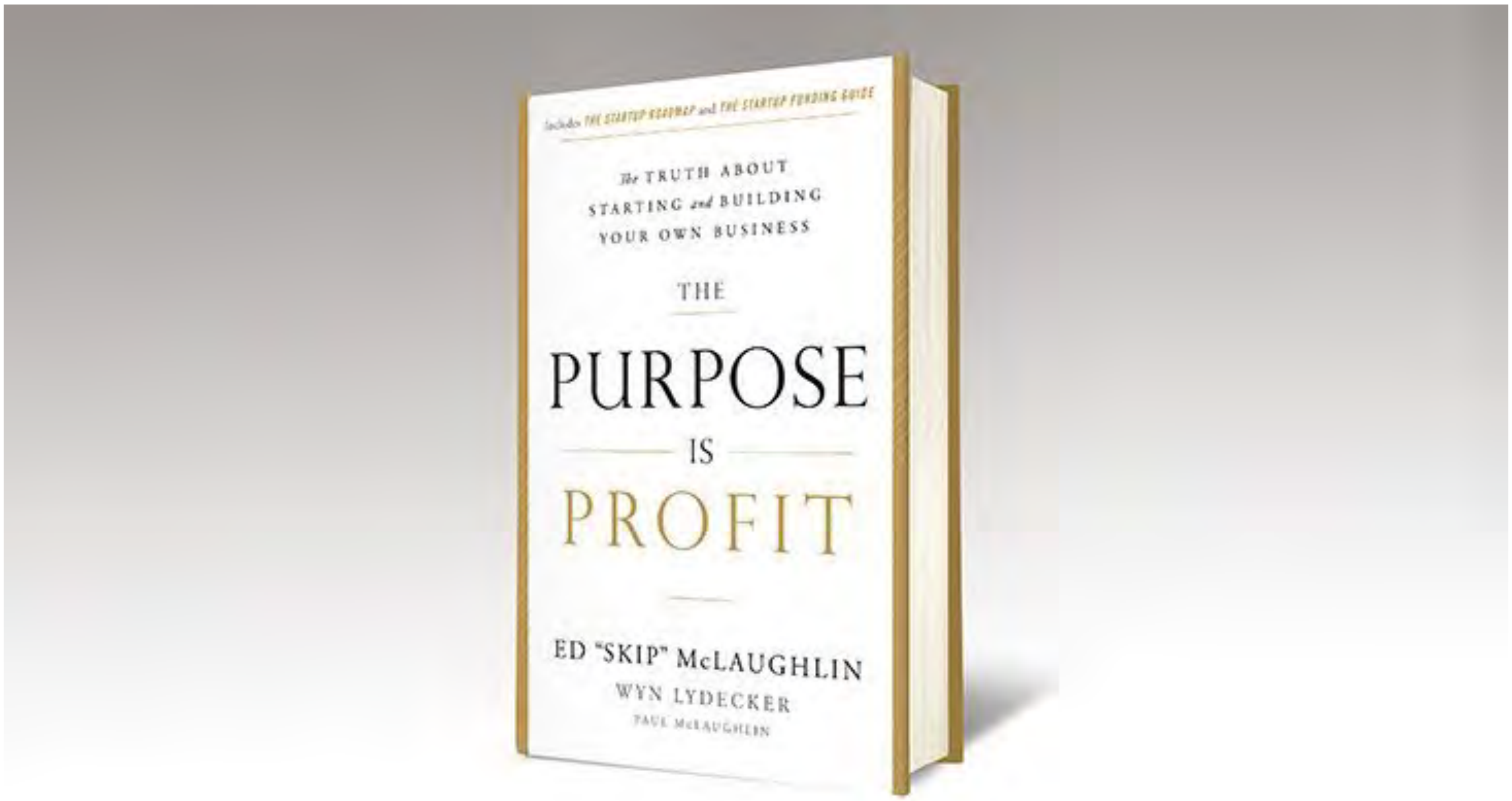
Previously, the types of software that could achieve these results for businesses were very expensive, leaving the benefits of marketing automation attainable only by large and well-heeled enterprises. But with right-sized marketing apps that handle tasks like building customer lists, sending marketing messages and delivering offers to customers that bring them through the door (or to your website) to make actual purchases, small businesses can now avail themselves of this important tool on a small budget.

Tax refund overview

Depending on the size of your refund, you might be able to invest in one of the solutions above and still invest elsewhere in your business, from improving décor to growing inventory or treating your employees. No matter the size of your refund, a small investment in your business can drive big results over time.

The Purpose Is Profit: Becoming an Entrepreneur [Book & Audio Excerpt]

Ed “Skip” McLaughlin and Wyn Lydecker



If you have the dream to become an entrepreneur and start your own business, “The Purpose Is Profit” was written for you. It gives you the inside story from the entrepreneur’s perspective. “The Purpose Is Profit” covers the full arc—from the struggle to conceive the right idea, to funding the startup, to scaling the business, to executing the strategy behind the exit. Finally, the book discusses life after the sale to a Fortune 100 company—the good, the bad, and the ugly.

“The Purpose Is Profit” delivers direct insight about the startup process and how business really works. Each chapter tells a part of the story interwoven with the tools you need to build your own business. As a special feature, the appendix includes two essential manuals: *The Startup Roadmap* and *The Startup Funding Guide*.

The excerpt from "The Purpose is Profit" below was selected exclusively for StartupNation readers, and introduces the emotional struggle the author faced when deciding to become an entrepreneur:

People told me I was crazy. "You are going to fail!"

I can't blame my colleagues for saying that. I was setting out to start not one but two real-estate-related businesses in the midst of the major 1991 commercial real estate slump, brought on by the sweeping failures of savings and loans across the country. But I just had to do it. My heart told me the restrictions of a large corporation posed greater risk to my well-being than the uncertainty of starting my own venture. As it turned out, one of my businesses did fail. But the other one took off, generating a profit in its fourth month. My partners and I never looked back.

My purpose in writing this book is to eliminate the mystery of becoming an entrepreneur by sharing my experience and the principles I've learned from both failure and success. You, too, can conquer the fears holding you captive, preventing you from starting your own business. I hope my story will motivate those of you who are asking, "Should I look for a job or create my own job? Should I stay in the confines of my corporate position, or should I start a business of my own? Do I have what it takes to blast through the obstacles and risk it all?"

I was on the fast track, working for some of America's best-managed corporations, including IBM, Hewlett-Packard and Trammell Crow Company.

Still, something was missing. I was selling their products and services when I really wanted to create and sell my own. I was hungry for independent success and control. I yearned to hold out my ideas for the world to validate. I know these sentiments are not unique.

I resolved not to go to my grave without first starting my own business. But I had questions. What type of business would it be? What would be my product? How would I make money? Who would be my customer? I thought up different business models and new ideas every week for years. But when was it going to happen? I finally documented my commitment to start my own business by writing out a promise to myself, signing it in front of a witness, and carrying it in my wallet for years. I knew if I wrote down my desire as a covenant, I would make it happen.

Even while rising through the ranks of some of the nation's most respected corporations, I was growing tired of being told what to do, when to do it, and how to do it—especially when I knew there was a better way. Conforming to individual decisions driven by politics and having others decide where I fit in the pay-grade hierarchy was not my idea of the best way to make a living. Would my life just go on and on, tied to an income stream driven by the motivations of others? No. I wanted to take control of the mission for my life.

This book is all about that alternative path. If you do not like the choice of working for BigCo, then start NewCo. You will set the pace, the tone, and the direction. You will make the decisions, and you will be responsible for the outcomes. Yes, there is the risk of failure—but that is precisely why I have written this book. If you can understand the levers and gears within the startup machine, you can dramatically increase your probability of success.

Rather than a textbook approach, I want to share my startup experience by telling you the story of my journey, enumerating the principles of success and the hard lessons learned along the way.

I bootstrapped two companies at the same time. One startup was a passion project filled with promise that ended in commercial failure. The other startup not only thrived, it became an Inc. 500 Company and went on to be sold to a Fortune 100 Company. I want you to learn from both of these stories.

The essential difference between the two businesses was my distinctive competence. Distinctive competence is an exceptional skill or talent, specialized knowledge, and a record of achievement you've acquired through your unique experience. Having distinctive competence is lesson number one: a venture filled with passion is not enough; you will substantially increase your probability of startup success if you build a business that leverages your distinctive competence.

Let me set the stage for my liftoff as an entrepreneur. It was 1990. I was 36 years old, married with two young children, and working for Trammell Crow Company (TCC), the largest U.S. real estate developer. Trammell Crow paid me a good salary, but the industry was in turmoil. The traditional real estate development side of TCC was struggling for survival, and heads were starting to roll. On the other hand, our new service business was making money. Since the development side controlled the service side, there was tremendous political and performance pressure within TCC. This created trust issues around career, compensation and control. My solution to this problem was always the same: outperform my goals.

By the summer of 1990, I became the top producer for the service business by landing what was lauded as the mother lode within the commercial real estate industry. It was the first comprehensive outsourcing contract for all corporate real estate service lines for a Fortune 100 company called Baxter International. Even though it was a time to celebrate the Baxter victory, economic and internal political pressures were bearing down. TCC wanted to change my compensation package. Under duress, I agreed to accept a cut in compensation, with the understanding that I would be promoted to partner. My boss toasted my promotion with champagne at the holiday party in

December—but the other shoe was about to drop.

Fast-forward three months to one fateful Saturday morning in March of 1991. I had been out of town all week, so I went into the office that weekend to clean up some paperwork. When I walked into the copy room, a spreadsheet sat on top of the copy machine. Not meant for my eyes, it outlined three go-forward scenarios for our business unit. Two of the three scenarios had me cut from staff.

That defining moment pushed me with two hands to take the leap to start my own business. It was the best decision I ever made.

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"The Purpose Is Profit" is currently available for pre-order at Amazon, Barnes & Noble, IndieBound, 800CEOread and Books-a-Million. The book will be released as a hardback and an eBook on August 2, 2016 by Greenleaf Book Group. www.ThePurposeIsProfit.com

About the Authors: Ed "Skip" McLaughlin, Wyn Lydecker, and Paul McLaughlin

Financing: 4 Business Trends to Look for in 2017

Danielle Solomon

If you have plans to launch a business of any size this year, one of the most important decisions you'll need to make is how you'll be financing your business. In 2016, we saw the rise of crowdfunding and other online lending options — business financing trends that we anticipate will continue into the next year.

Still, there are a few additional business financing trends you'll want to be aware of as you contemplate your startup's plans.

Alternative lending options

These days, entrepreneurs are becoming increasingly web savvy, so going through the long and drawn-out process of applying for a "traditional" bank loan isn't always ideal. As a result, banks and other lenders have begun to take their lending applications online — and have sped up the approval and money transfer process quite a bit. Today, with alternative online lending options, hopeful business owners can apply for a loan from the convenience of their computer, receive an instantaneous decision and have approved funding transferred into their bank accounts in as little as one to two days. This is ideal for entrepreneurs who want to hit the ground running, or even those who may have been denied for a traditional bank loan in the past.

Since alternative lending has gotten increasingly popular, the competition has as well. With literally dozens of lenders to choose from online, entrepreneurs have the luxury of being able to shop around for the best rates and loan terms.

Crowdfunding remains king

Crowdfunding for businesses really took off in 2016, and it is only expected to continue growing in popularity into 2017. With websites like Kickstarter and GoFundMe, hopeful business owners can now pitch their business idea to the masses and collect financing from everyday people.

The great thing about crowdfunding is that it doesn't require quite as detailed and rehearsed of a sales pitch, and there aren't any "formal" investors involved. Instead, a community of users fund as much or as little of the business as they feel comfortable with. Plus, it's not unheard of for a single campaign to raise tens of thousands or even *hundreds* of thousands of dollars.

Before turning to a crowdfunding site to raise money for your business, though, be sure to know your target audience. Unfortunately, a large portion of the investing sector is still unfamiliar with how crowdfunding works or sees it as being too risky, so you may be pitching to a smaller crowd than you'd hoped. you d hoped.

Old-fashioned bootstrapping

Bootstrapping (paying for your business costs out of your own pocket) isn't something that everybody is fortunate enough to be able to do. Still, it's becoming more and more popular, especially among entrepreneurs who want to simplify their financing as much as possible.

As Census Bureau deputy director Thomas Mesenbourg noted in a release:

> *"Most businesses are started by people who dig into their own pockets for at least some of their start-up capital," and more than one in five said they used no startup capital at all in 2007.*

By funding your own startup, you retain 100 percent control of your company, and you don't have to worry about interest, fees or monthly payments. At the same time, all the money you're putting into your business is your *own*, although you risk losing it entirely if your business isn't successful.

Credit matters

Perhaps more than ever before, having a great credit score can really pay off when it comes to financing your business. Lenders (especially banks) have become increasingly strict with their borrowing requirements, so taking the time to pull your credit score with all three major reporting bureaus before you start applying for business loans is a must. By understanding how different inquiries and actions can impact your credit score, you can make financial decisions that improve your credit and increase your chances of being approved.

These are just a few of the small business financing trends we're expecting to see emerge and continue growing in popularity in the next year. Only time will tell what other changes are in store for entrepreneurs and funding.

About Jeff Sloan

Founder at StartupNation

Jeff Sloan, co-author of “StartupNation: Open for Business,” published by Doubleday, is one of America’s leading entrepreneurial and small business experts. After starting his first business at the age of 18, he has been a serial entrepreneur ever since. Jeff has been involved in founding or starting more than 50 businesses, and has never taken a paycheck from an entity he didn’t have a hand in creating.

Jeff co-founded StartupNation in 2002 with his brother, Rich Sloan. Ever since, StartupNation has helped inspire, educate and inform millions of entrepreneurs and small business owners with the knowledge and insights they need to start, grow and manage a business. Jeff’s expertise as an entrepreneur is broad and deep, from inventing and commercializing his own inventions to developing, financing and selling his own tech ventures.

Today, Jeff is a leading evangelist for the virtues of entrepreneurship as a way to enhance and enrich lives, communities and nations. Jeff and his brother Rich have been featured in media such as The New York Times, Wall Street Journal, Fortune Small Business, Entrepreneur Magazine, PBS, CNN, CNBC, MSNBC, FOX News and ABC News.