

The Truth About Small Business Financing



Your Startup and Small Business Guide

E-Book series sponsored by



CONTENTS

Get Cash Fast: The Truth About Small Business Financing

PAGE 1

MYTH 1 PAGE 1



Get Funded with Bad Credit: The Truth About Small Business Financing

PAGE 4

MYTH 2 PAGE 4



Spending Freedom: The Truth About Small Business Financing

PAGE 7

MYTH 3 PAGE 7



Minimum Sales Requirements: The Truth About Small Business Financing

PAGE 10

MYTH 4 PAGE 10



Financing Made Simple: The Truth About Small Business Financing

PAGE 13

MYTH 5 PAGE 13



Get Cash Fast: The Truth About Small Business Financing

[Rapid Finance](#)

MYTH 1

IT TAKES 60 – 90 DAYS TO RECEIVE
A SMALL BUSINESS LOAN



TRUTH

**AT RAPID FINANCE MONEY CAN BECOME
AVAILABLE IN AS FAST AS 24HOURS.**

The process of getting a traditional bank loan for your small business is frustrating. It's nearly impossible to get a banker's attention if you have questions. You are expected to fill out a long, complex application on your own, submit all of the supporting documentation that is required, and then wait. And wait. And wait. If you are lucky, two or three months later you get a decision – and when it comes to banks, it's rarely good news.

Why does it take so long? Is there a faster way to get cash for your small business?

GET QUOTE: [Apply for small business financing in minutes, get approved in hours by Rapid Finance](#)

Banks are not adventurous

Steve Jobs started Apple in his garage. Jeff Bezos started Amazon the same way. Today, these companies are two of the most successful in history. However, it is unlikely that either of these entrepreneurs could have gotten a traditional small business loan in their early days. Banks just aren't adventurous.

Banks are worried that you will default on your loan, and they won't get their money back. This is based on statistics, as many small businesses do fail in the first five years. Banks simply don't want to take the risk. That means they only lend to extremely well-qualified applicants. You have to complete a lengthy application and supply extensive documentation to prove that you are likely to pay the loan back. Often, your application is reviewed by a long list of small business bankers before a decision is made. That can easily take 60 to 90 days.

What about a Small Business Administration loan?

The federal government knows that banks don't want to lend money when there is a risk. However, the government also knows that small businesses are critical to the country's success. The **Small Business Administration (SBA)** offers a compromise. If you borrow from a bank through one of the SBA programs, the SBA guarantees your loan.

Of course, a guarantee like that comes with strings. The biggest one is the amount of documentation you have to provide. This is just a taste of what the SBA requires before guaranteeing your loan:

- Comprehensive business plan
- Credit check
- Financial statements
- Owners' resumes
- Details on collateral

Getting the paperwork together is time consuming for you. It takes even longer for the SBA and the bank to review it. For many applicants, 60 to 90 days is a best-case scenario. Sometimes it takes longer to get an approval.

The problem with this lengthy application process is that you can't handle small cash flow problems promptly, and you can't take advantage of growth opportunities if an unexpected chance comes your way. Fortunately, there is good news. It doesn't have to take a long time to get the funding you need for your business.



**Get \$5,000 - \$1 Million
for Your Business**

RF
RAPID FINANCE

Visit RapidFinance.com/StartUp or
Call 800-950-8951 to get started!

Fast funding solutions

The beauty of technology is that you can cut out lots of time-consuming steps when it comes to submitting an application. You can speak to a loan officer by phone and submit your information online in minutes. Thanks to new financing tools, non-traditional lenders don't need as much documentation to make a solid credit decision. Sometimes, all you have to provide is basic identification and a few months' worth of bank statements from your business account.

Rapid Finance is a leader when it comes to leveraging the power of technology to make fast credit decisions for small business owners. Many borrowers have the money they need in just 24 hours. If you need cash for your business, you don't have to wait months for a decision. Call Rapid Finance at 800-631-3370 today.



**Apply in minutes.
Get approved in hours.
Have funds within 1 day!**

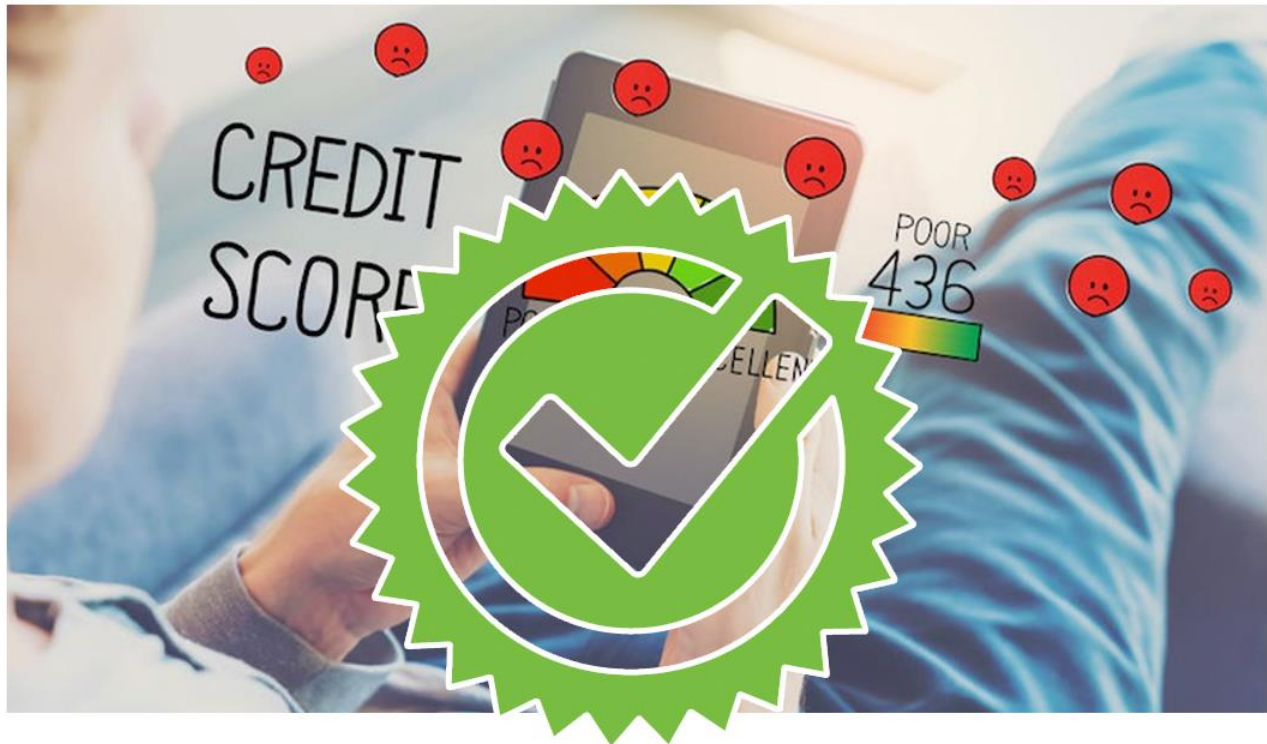
Visit RapidFinance.com/StartUp or
Call 800-950-8951 to get started!

Get Funded with Bad Credit: The Truth About Small Business Financing

[Rapid Finance](#)

MYTH 2

I CAN'T GET APPROVED IF I
HAVE BAD CREDIT



TRUTH

**RAPID FINANCE LOOKS AT THE OVERALL
HEALTH OF YOUR BUSINESS NOT JUST YOUR
CREDIT SCORE**

If you're a small business owner, your [need for cash](#) is often greatest in the period before you receive payments. The long-term health of your business may depend on your ability to purchase inventory or essential equipment ahead of time. This seems like such a simple equation... and yet, it can be discouraging to approach banks for a loan if your personal credit is less than stellar. Traditional lenders base their decisions on the personal credit of small business owners, even if that personal credit is bad due to issues that were beyond your control.

Get Free Quote: [Money for your business without the hassle with Rapid Finance](#)

Securing extra funding is smart business

The challenge of getting funded can make it seem as if the savviest business owners somehow manage to avoid asking for any help. In fact, however, a lack of working capital can have a negative effect on your company.

[SBA figures](#) show that 15 percent of newer businesses and 7 percent of well-established ones report that insufficient financing caused their profits to drop.

Alternative funding opens doors

Until recently, if you were a small business owner turned down by a traditional lender because of personal credit issues, you didn't have many alternatives. You might rely on a family member for funding, or you might spend precious years working at some other job just to save up money. With today's new financial options, you have the chance to be respected for your hard work and successful entrepreneurship.

Related: [Get Cash Fast: The Truth About Small Business Financing](#)

The strength of your business is key

It makes sense, once you think about it: Whether or not you can get a business loan should logically depend on the health of that business. Not on a personal track record that, as often as not, represents situations over which you have no control.

After all, [20 percent of Americans](#) have seen health care costs negatively affect their credit score, according to Consumer Reports, and more Americans ([over 1 million](#)) declare bankruptcy from medical debt than from credit card problems or mortgage defaults.

Money for your business without the hassle.

Apply in minutes. Get approved in hours.

Have funds within 1 day!

Visit RapidFinance.com/StartUp or Call 800-950-8951 to get started!



Your creditors' financial strength is also relevant

Instead of scrutinizing your personal track record, alternative funding looks in a much more logical direction: How financially strong are your creditors? If the people who owe you money are reliable payers, that contributes to the creditworthiness of your business. Unpaid customer invoices represent a solid asset, and may make it possible for you to receive immediate working capital through invoice factoring. This type of funding gives you fast access to cash, basically just speeding up your receipt of money that's already owed to you.

Your business assets can help you get funding

Often, small businesses have significant inventory and other non-cash assets. Reliable accounts receivable also qualify as an asset. You can apply for an asset loan based on the value of these goods. Unlike credit scores, which are the result of the credit ratings bureau's secret formulas (and which are subject to a [20 percent error rate](#)), your assets are clearly countable. So everything is transparent.

Another asset your business owns is your regular volume of sales. If your track record shows that you expect to sell a certain amount in the next few months, you may qualify for a merchant cash advance. This funding option never involves a question of credit, since it provides you upfront cash and is repaid via a percentage of your sales in future months.

Regardless of the source of your bad credit, you can build a bright future through your own business. It just takes a solid start and a funder who's interested in helping you build the future you envision. [Rapid Finance](#) looks at the overall health of your business, not just your credit score.



Small Business Financing

Apply in minutes.
Get approved in hours.
Have funds within 1 day.

RF®
RAPID FINANCE

Visit RapidFinance.com/StartUp or
Call 800-950-8951 to get started!

Spending Freedom: The Truth About Small Business Financing

[Rapid Finance](#)

MYTH 3

I CAN ONLY USE MY FUNDS ON CERTAIN ELIGIBLE BUSINESS EXPENSES.



TRUTH

RAPID FINANCE ALLOWS YOU TO BE ABLE TO SPEND YOUR FUNDS ON ANY BUSINESS USE.

It's hard to qualify for a traditional small business loan through a bank, and it's even more difficult to get funding through a [Small Business Administration](#) (SBA) loan. If you do make it through the 60- to 90-day application process, you still aren't in the clear.

Traditional lenders have rules about how you spend the money from the loan, and there are serious repercussions if you don't meet the requirements. The big question is why do banks care how funds are used once the loan is approved? And are there any other options that offer more flexibility?

The basics of an SBA loan

Traditional lenders, including the SBA, are not interested in taking risks. They want to be sure you will repay the money you borrowed. One of the ways they increase the likelihood that you will manage your finances properly is by putting restrictions on how proceeds from loans are used. For example, you can't use these loans to pay off other debts. Unfortunately, as most small business owners know, sometimes that is exactly why you need the extra cash.

These are some of the programs currently offered by the SBA. As you can see, the type of loan you apply for depends on how you plan to use the money.

- SBA 7(a) Loan – Working capital up to \$5 million
- SBA CDC/504 Loan – Purchase of commercial real estate that you will occupy
- SBA CAPLines – Revolving credit line that your business pays back and reuses
- SBA Export Loan – Funding specifically designed for businesses that export goods and services
- SBA Microloan – Working capital up to \$50,000
- SBA Disaster Loan – Help for businesses that have been harmed by a natural disaster

The problem with these restrictions is that things change. You might need to rearrange your financial plans based on fluctuations in sales, economic ups and downs, or any number of other issues that comes up in the course of running your business. When you borrow from a traditional lender, you don't have any flexibility. You can't change your plans when it comes to how loan proceeds are spent. Fortunately, these restrictive programs aren't the only option.

New options for small businesses

Technology has made it possible for small business owners to connect with more lenders than ever before. Today, you have options beyond what a traditional bank or the Small Business Administration can offer. Non-traditional lenders have streamlined application processes and fast approvals, because they use technology to make things easier for you.

These lenders offer you flexibility, because they trust you to repay your loan. They understand that sometimes, you face unexpected obstacles, and you need cash quickly to keep your business afloat. Often, you can qualify for a loan, a cash advance, or a line of credit to be used as you see fit. There may also be options for more specialized products, like commercial real estate loans and bridge loans.

Rapid Finance is a leader in small business lending. Credit decisions are fast, and you don't have to submit endless documentation. In fact, many borrowers have the funds they need in just 24 hours. Best of all, Rapid Finance doesn't put restrictions on how you use your money. As long as it is used for your business, you can make decisions that are right for you.



Rapid Finance is your one stop shop for business financing from \$5,000 to \$1 Million!



Expand to a new location



Office Renovations



Purchase or lease new equipment



Improve your cash flow

Why Rapid Finance is different:

- Quick and easy! Most loans only require bank statements and a drivers license with no lengthy applications to fill out.
 - Get your loan funded in as little as 24 hours!
 - Get a quote with no impact to your credit score.

Get \$5,000 - \$1 Million for Your Business

Visit RapidFinance.com/StartUp or
Call 800-950-8951 to get started!



Minimum Sales Requirements: The Truth About Small Business Financing

[Rapid Finance](#)

MYTH 4

I NEED TO HAVE A CERTAIN AMOUNT IN MONTHLY GROSS SALES TO QUALIFY.



TRUTH

RAPID FINANCE HAS NO MINIMUM GROSS MONTHLY SALES REQUIREMENT!

Every successful business had to begin somewhere. Apple started in Steve Jobs' garage, after all. While you're probably not aiming toward worldwide corporate domination, you know your business plan has solid potential... as long as you can get funding.

Too often, traditional lenders seem willing to hand over cash only to businesses that are already operating at high volumes. If you're in the early stages of building your business, you need to know that funding is available to you through a variety of approaches. Alternative funders look at the full array of strengths that you bring to the table, rather than just the size of your business.

GET QUOTE: [Apply for small business financing in minutes, get approved in hours by Rapid Finance](#)

Here's how:

What makes a business strong?

Monthly gross sales aren't the only measure of a company's health, especially when you're just getting started. Here are some earmarks of a strong business, regardless of its size:

Right amount of inventory

If you're selling products, one indicator of your management ability is the amount of inventory that you have on hand. Too much may mean extra expenses for storage and insurance, or even that your stock might become obsolete before it moves. Too little inventory can leave you unable to meet the demands of an upcoming busy season.

Planning ahead for extra funding so your inventory stays at target levels is a sign of good judgement — and if your schedule is tight, alternative funding has a fast turnaround time.

Related: [Spending Freedom: The Truth About Small Business Financing](#)

Financial ratios in the expected zone

Different industry sectors normally have different ratios of gross profits to net sales, for example, or of net income to total assets. Sometimes an entire industry will experience a temporary downturn, and savvy lenders understand the background context for such trends. When your financial profile looks good compared to your competitors, that's a great indicator of creditworthiness.

Good sales track record

If your company is young, you don't have years and years of history to show — but even a one- or two-year timeline can paint a picture of the direction you're heading in. When you know that future sales will be solid, as long as you can get a cash boost today, a merchant cash advance may be the perfect funding option for you. Payment periods are flexible, because they are based on a percentage of daily receipts. You can get the fast funding you need, without the stress of locking yourself in to fixed payments.

Customer satisfaction

Do you have happy customers tweeting and posting about their interactions with you? Small businesses succeed or fail based on how happy their customers are, and if you have a social media presence, you'll know what people are saying about you. More importantly, you can enter the conversation. Log in at least once a day, to boost your positive feedback and respond sensitively to any negative reviews. Sometimes customer suggestions are the most valuable source of new product ideas.

Get the funding that's just right for you

Choosing the right financing solution is a major element in helping your business grow sustainably. You don't want to get locked into the wrong kind of loan early on, because new businesses usually operate on narrow margins. It's essential to talk to people who make it their business to help small businesses turn into livelihoods and futures. At Rapid Finance, we do everything in our power to try to get the funding you need.

A woman with long blonde hair, wearing a white long-sleeved dress, is smiling while talking on a mobile phone. She is standing behind a counter, with a laptop in front of her. The background is a warm yellow wall. To the left, there are several spools of colorful ribbon hanging on a rack. To the right, there is a large bouquet of red and yellow roses. The overall scene suggests a small business, likely a florist or a boutique.

RF[®]
RAPID FINANCE

**Small business
funding made
simple.**

Visit RapidFinance.com/StartUp or
Call 800-950-8951 to get started!

Financing Made Simple: The Truth About Small Business Financing

[Rapid Finance](#)

MYTH 5

THE PROCESS TO GET FUNDING IS HARD AND COMPLEX.



TRUTH

RAPID FINANCE IS KNOWN FOR GETTING FUNDS YOU NEED AS SIMPLY AS POSSIBLE.

How many times have you heard that it's hard to get funding? It's a common refrain and every entrepreneur has wondered how to better raise capital. The truth is that it's not nearly as hard as you think.

Here are some common myths about funding a business and how they don't hold up in real life.

1. VCs just want Harvard and Stanford grads

There are plenty of examples of Harvard and Stanford dropouts starting billion dollar companies. You can probably name a few just off the top of your head. The truth is that those people are the exception to the rule. Many entrepreneurs don't have that academic pedigree

and most get started [much later in life](#). You don't have to have the same trajectory as Mark Zuckerberg or other famous entrepreneurs. Let your ideas do the talking.

GET QUOTE: [Apply for small business financing in minutes, get approved in hours by Rapid Finance](#)

2. You need specific industry experience

This is another common myth. When it comes to software engineering, it certainly helps to have a Silicon Valley background. There are plenty of other cases where entrepreneurs built on their industry experience to launch a new product. That industry experience is a stepping-stone, but it's not essential. Many entrepreneurs have built disruptive companies without direct experience in that industry. [Elon Musk](#) founded Tesla after revolutionizing the digital payments space. Figure out what core skills you bring to the table; you'll probably find that they are much more transferrable than you think.

3. You need connections to get capital

Having deep connections in Silicon Valley or on Wall Street definitely helps when it's time to raise money. Building those relationships will certainly make your life easier. Are they essential? Absolutely not. In a strong economy, investors are willing to put money behind entrepreneurs and ideas that they truly believe in. It's also easier than ever to get your business off the ground and start out [solely online](#). Demonstrating success without abundant capital is the easiest way to convince investors to open their checkbook.

Related: [Minimum Sales Requirements: The Truth About Small Business Financing](#)

4. You need sales to attract investment

This might be confusing after explaining Myth No. 3. One way to attract capital is to show you can bootstrap and still make money. But what if you're not there yet? Sometimes you need to sell your idea instead of a product that's ready to hit the shelves. One way to get funding is to develop a unique, marketable, and more importantly patented, idea. You may not even need to develop a marketing or distribution plan. Investors may have the contacts to license your innovation to larger companies. Sometimes a good idea goes a long way.

5. The process to get funding is hard and complex

This is another myth that's easy to disprove. It's easier than ever to get capital; you just need the right partner. [Rapid Finance](#) specializes in getting small businesses the loans and credit they need without the hassle of going to a big bank. You can take out merchant cash advances,

secure loans against invoices or other assets, or finance major business expenses. You can focus on growing your business while Rapid Finance finds a way to make your vision a reality.

Many entrepreneurs take these myths for granted. Don't make the same mistake! Getting funding isn't hard if you've got a good idea and can execute. Contact Rapid Finance today and see how you can get the financing you need.



**Get a loan from \$5,000 - \$1 Million
in 3 easy steps**

>>> 1 APPLY IN MINUTES

>>> 2 GET APPROVED IN HOURS

>>> 3 HAVE FUNDS WITHIN 1 DAY

"If I had to do it all over again, the first thing
I would do is call Rapid Finance."

Exender Yahannes — Owner of Herman's Liquors in Washington, DC

"I just knew I could count on them to get my money on time.
I have recommended Rapid Finance to two other
business friends of mine!"

Jenny Grafton — Owner of Jenny's Salon in Purcellville, VA

Business Solutions for You



Short Term Cash Flow Loan

Receive funds in 1 lump sum with
flexible repayment terms.



Line of Credit

Used for short-term cash flow needs and
only pay interest on what you borrow.



Equipment Leasing

Lease new equipment to help keep your
costs down.



And more!

Every business financing product you may
need for your business.

Visit RapidFinance.com/StartUp
or call 800-950-8951 to get started!