



Tips for securing a business loan



South
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Advisory

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Securing a business loan isn't necessarily difficult, but knowing how to navigate your way can be the difference between success and failure.

Banks and other financial institutions offer a wide range of business finance options, from commercial property loans, commercial vehicle leases, and commercial and equipment leases, to simpler options, such as letters of credit, overdrafts and lines of credit.

Here are some tips on how to improve your chances of success:

1. Find a finance broker

A finance broker can help you work out what loan type and lender are appropriate and realistic for your business.

Finance brokers work with clients to determine their borrowing needs and abilities, select a loan suited to their circumstances, and manage the process through to settlement. They are experts in the area, have access to wide range of lenders and loans.

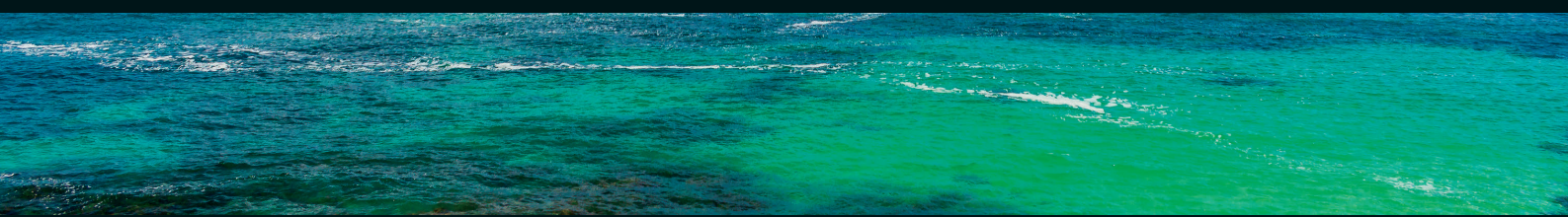
2. Have a credit history and make it good

Lenders are looking for two things when it comes to your credit status – an existing credit relationship and a relatively clear history.

If a borrower already has an existing loan which they're servicing on time, they are much more likely to be successful. Of course, there are options for those who are either credit impaired or just don't have a documented credit history, and a finance broker can help clarify these.

3. Actively show how risk will be minimised

Demonstrate how you will lessen the risk to you and to the lender. Your finance broker can help you with this.



4. Be prepared

For your first meeting with your finance broker, have up-to-date paperwork and tax records, make sure you've done your research and have a fair idea how much you want to borrow and how you plan to spend it.

You should also know your total worth, listing your assets and liabilities, and find out what your credit score.

5. Have a business plan

Regardless of what kind of business you are financing, it's always important to have a good business plan.

Lenders like to see a business plan that shows that you know what you want to achieve with the funds and how you are going to go about it.

6. Provide more than one exit strategy

Lenders want to know how they're going to get their money back and some want up to three scenarios for what is called the 'exit strategy

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