



# 7 Ways To Prepare For Business Finance

Business owners understand all too well the adage of 'It takes money to make money'.

There are many reasons a business may require funding – for cashflow, research and development, growth opportunities or expanding the fleet or operations.

Most businesses don't have a war chest of cash set aside to fund these endeavours, so a loan is required.

Obtaining approval for business finance may seem like a daunting task. Plus recent delays experienced with business finance approvals mean the more prepared you are, the better your chances of finance success.

With consideration and preparation, you can secure funding for your business goals.

## 1. Quality application

A well-considered application will improve your chances of approval by showing your business has value and potential.

## 2. Core requirements

Most business loans have strict eligibility criteria. Check you meet all the requirements before applying to avoid wasting time and resources on a loan that will not be approved and to avoid multiple enquiries on your business credit report.

## 3. Know how much you need

The amount you borrow will determine the risk to the lender and your capacity to repay the loan. Larger loans carry greater risks and are therefore more difficult to have approved. Ensure the amount you wish to borrow is manageable for your business.

## 4. Detailed documents

Ensure all the financial information the lender requires is well documented. In addition to this, ensure all your company's records are accurate, up-to-date and well kept. Not only will this help you meet the application requirements, but it will also show the lender good business practices, thereby increasing their confidence in your ability as a responsible business owner.



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## 5. Maintain good company credit

Good credit is essential for obtaining finance, especially in business. Defaulting on loans, having outstanding debt and lacking consistent income and payments will work against you when applying for a business loan. Applying for a loan with any of these issues will seriously impact your chances, so it is best to address them before applying.

## 6. Tax arrangement tolls

While entering into an arrangement with the Australian Tax Office (ATO) may seem like a good short-term solution to your business' tax debt, many businesses are unaware that such payment arrangements with the ATO or other government agencies can affect their current and future financing arrangements. Simply put, a lender may not lend to a business currently in a payment arrangement. Before entering into any payment arrangement with the ATO, you should discuss it with current or future lenders or your financial adviser.

## 7. Seek help

Gaining approval and avoiding multiple applications are important for the future of your business, so do not try to 'wing it'. Seek quality, professional advice from your finance specialist or adviser before applying for any business finance.