



TOP TIPS TO PREPARE  
YOUR BUSINESS FOR  
FUNDING

SJ ROBINS

BUSINESS & PROPERTY FINANCE



SJ ROBINS

Business & Property Finance

Our Top Five Tips to help companies get themselves fully fit for entering the loans market to secure their futures:

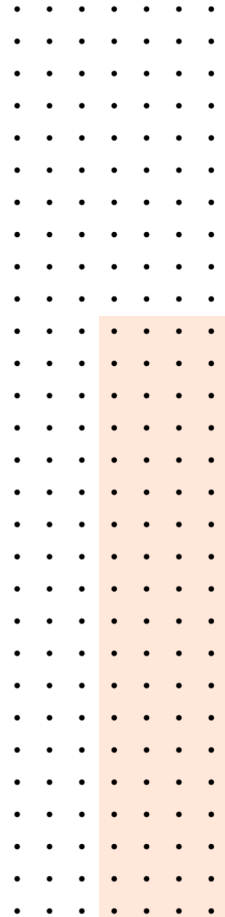
### 1. Have a strong business plan

Many companies may trade without a structured document to work off, but a strong business plan is essential, especially when you are applying for a loan.

No matter where you are in your company life cycle, your business plan should clearly explain your business goals, strategies and financial projections. It should also show that you have a solid understanding of the industry you are in and the competitive landscape.

An accountant or business adviser can help you prepare a simple teaser document which allows outside parties to see where you are heading and gives confidence that you are fully prepared.

Be careful not to make it overly simplistic or paint a romantic picture of how things may go. Recent years, with 'Covid', 'Brexit' and the 'cost of living' crisis, mean there is no excuse for not anticipating challenging periods and showing you have the plan to thrive.





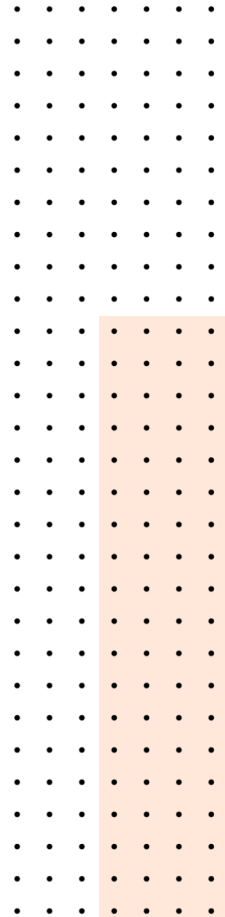
## 2. Get your accounts and projections in order

Lenders will want to see that your business is financially stable and that you have a good track record of managing your finances.

This means having up-to-date financial statements, ideally current year budget plus management information showing performance against budget, latest balance sheet and cashflow projections. You should also present previous 3/5 year filed accounts and if available 3 years projections.

You should also have clear projections for how you plan to use the loan proceeds and although you cannot plan for every eventuality it is advisable providing some analysis on 'best' and 'worst case' scenarios.

Each lender will have their own criteria but having your financial documents prepared and ready to review will save time throughout the process.





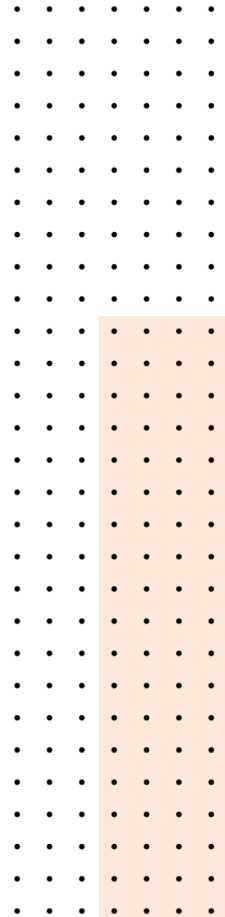
### 3. Consider the type of funding you need

The UK market has more varieties of lender than ever before with many different types of business loan available, each with its own terms and conditions.

You need to choose the type of loan that is right for your specific needs. For example, if you need a loan to purchase equipment, you might want to consider a term loan or a lease. If you need a loan to cover operating expenses, you might want to consider a line of credit.

Responsible lending is where the lender acts in a customer's best interests throughout the process, ensuring affordability, transparency of terms and conditions and support for the borrower if they face repayment difficulties.

Doing your research and knowing what you want will help, particularly if you have time pressures to receive the loan.



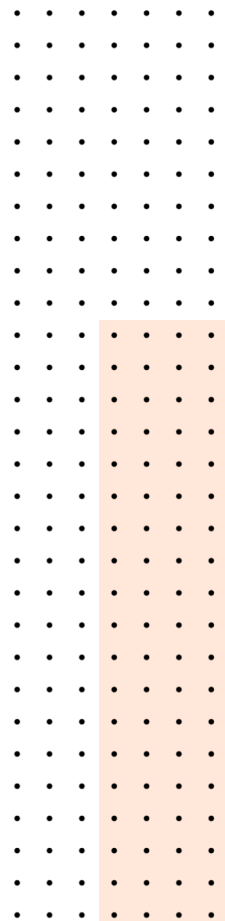
#### 4. Know how you are going to use the funds

All lenders will want to know exactly how you plan to use the loan proceeds. They want to make sure that you are using the money for a legitimate purpose and can repay the loan.

Responsible lenders not only ask whether a loan is in the interest of the lender but consider whether it is in the interest of the borrower, employees, local community and wider society. It is an approach that goes beyond simply providing 'dumb money'.

At SJ ROBINS we act as a critical friend, questioning the company's plans around their future use of the money rather than just checking they can make the repayment terms. Based on a constructive conversation with all involved, we make a judgement call on the management team and their use of the money against that broader canvas and use this to introduce the most appropriate lender to the business.

With companies expected to take increasing responsibility on their impact on the planet, it is worth thinking about the environmental impact and how that would be measured. Bear in mind there are more opportunities to gain lower interest rates if there is a green sustainability angle to your plans.





## 5. Have contingency plans

No business is immune to unexpected events, as we have recent since the Covid-19 pandemic changed everyday life beyond recognition.

It is important to have contingency plans in place. This means having a plan for a decline in sales, a loss of a major customer, or another unexpected event.

Your lender does not want to catch you out but they have a responsibility to seek reassurance that you can change your activity to meet exterior conditions or when your own circumstances can change.

At SJ ROBINS Your success is our priority. We are dedicated to working closely with you to help you achieve your business and property objectives and drive your projects to new heights of success.

To start the ball rolling call 023 8076 9000 or email [hello@sjrobins.com](mailto:hello@sjrobins.com)

