SCORE helps small businesses develop plans to seek loans
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Getting a small-business loan these days may depend on the few minutes you spend pitching your idea to a loan officer, so you need to do it right.

Local business volunteers and business professionals are giving the same advice for securing a loan: have a well-thought-out business plan accompanied by financial projections.

SCORE, a nonprofit group that counsels entrepreneurs, offers free step-by-step help to start-up and existing business owners who want to work toward getting additional funding.

Jerry Steinberg, incoming vice chairman of SCORE, said it's possible to get million-dollar loans from the big banks if you have collateral, but to get smaller loans is harder.

"If you want to borrow $10,000 to open up a cleaner or a janitorial service, that's tough, and those are the people who really need the most help," Steinberg said. "They are the ones that are the entrepreneurial, spirited people who are going to start by themselves, and next year hire one person to help them, and the year after hire two more people and all of a sudden you got 10 people working in this one business that didn't exist."

To persuade loan officers you must have a unique idea, a solid business plan and financial projections to accompany the plan, he added.

"Bottom line is, the bank wants to get paid back," Steinberg said. "That loan officer who signs his name on that check has to answer to the bank’s board of directors, and his job is based on how successful the clients that he brings in are, in repaying the bank on a timely basis."

He said if a business plan is weak, financial projections will show the flaw, and trained loan officers will know.

Kimberly Gramm, director of the Adams Center for Entrepreneurship at Florida Atlantic University, said entrepreneurs must do a combination of things to ensure the success of their business.

"Most business leaders need to remain open and flexible as challenges are presented in the marketplace," Gramm said. They should also look for other people within the business industry to serve as sounding boards.

Keys to getting a loan
Her keys to securing a small business loan: Have a solid business plan, be able to define who your market is, have proof of your concept, show proven customer base and have a realistic financial analysis.

The businesses that seem to be doing just that and snagging loans are those with a unique idea and existing businesses that have a proven customer base and want to take the next step, but do not have the necessary cash flow, Steinberg said.

He added that there are people out there with great ideas for a business, but they just need to figure out how to impress loan officers to get the needed funds.

"There are still people out there that think they can be Bill Gates or the next Google," Steinberg said.