

2009



## How To Finance Your Franchise

THE PREMIER  
BUSINESS  
MANAGEMENT FIRM  
FOR EMERGING AND  
GROWTH COMPANIES

We're On The Web  
[strategicbusinessgroup.com](http://strategicbusinessgroup.com)

Phone: 651 484.0093

Using our process you can get your business plan created quickly and get the cash you require.

The key to getting your loan is knowing what the lender wants and then how to show the lender you're ready mentally and financially to become a successful business person.

Using a proven franchise is an excellent strategy!

### FINANCING BASICS

If you're one of the 6-million Americans who are currently working and say they plan to strike out on their own and start a new business in the next 12 months purchasing a franchise is a very effective way to accomplish that.

Successful franchisors have developed, tested, and proven a formula that can help new business owners avoid most of the numerous problems that any new business encounters. Franchisors have developed a proven muscular plan to help you open, operate, and manage your franchise.

Financing your new franchise may be your greatest concern. We can help you get the long-term financing you will need .



We help franchisees get money they need to open and grow their business!

### BASIC REQUIREMENTS

1. You must have 25% to 30% of the total amount required in cash.
2. You must have the cash sources to support your lifestyle (household bills) during the first critical year of operation.
3. One of the owners must be the full-time owner-manager.
4. The full-time owner-manager may draw a first year salary of \$2,500 per month.
5. Your credit score must be 680+. You can check your credit scores at our website.
6. Lenders prefer that the owner have a secondary income source e.g. spouse or other investments. This represents an alternative source of cash flow to perhaps help your store.
7. The loan term is 10-years. The interest rate is NY Prime plus a margin of up to 2.75%.
8. The lenders prefer (may demand) that the owner have industry related experience.
9. You must have a Business Plan — that meets the lender's requirements.

### WE HELP YOU CREATE YOUR BUSINESS PLAN

- Our fee for **professional assistance** is only **\$2,500**. It's paid \$1,000 to start, \$1,000 when your business plan package is complete and ready to be sent to the lender and \$500 when a lender requests your business plan package.
- Using our Financial Planning template we help you to create a pro forma financial plan that is both realistic and that meets the lenders requirements. **Our clients get financed!**

**FRANCHISING FACTS:**

- ▶ 70 Industries \$2.3 trillion of economic activity.
- ▶ 2,800 Franchisers in 2000 and 3,700 in 2006!
- ▶ 900,000 estimated units in the US in 2006!
- ▶ 30,000 new units were estimated to open in 2006!
- ▶ 300 new concepts in 2006.
- ▶ Franchising has grown faster than any other major segment in the US economy from 2001 –2006!

**A long-term loan provides all of the financing for the business including owner's salary, low payments, lower effective cost, and prepayment savings.**

**Using our lenders you need less cash to acquire your business, have lower monthly payments, and get the all the funds you need to succeed!**

**WHY WE ARE DIFFERENT**

- We do our own research on the franchisor's industry to create a business plan description that is unmatched. We incorporate the franchisor's business model into the description including footnotes. This gives the lender confidence in both the franchisor model and the industry critical elements.
- You use our copyrighted template to provide us with specific information for your company, location, area, ownership, and management.
- We independently research the franchisor's industry using published information and/or purchased financial information from recognized industry sources to create our copyrighted 3 Year Financial Planning template. Lenders check your financial plan and compare it to; 1) other franchisees from the franchisor they may have financed, 2) another similar business they financed, and 4) standard industry sources (the same ones we use) to determine how "valid" your financial plan really is.
- When you use our Financial Planning template we help you understand the basics (units, price, days open, cost of goods, sales & marketing expenses) to create your financial plan. Most business plans are rejected because of poor financial planning or planning that is too optimistic or conservative when compared to the industry.
- Working with our Group you will be guided to create a realistic financial plan that meets the lenders expectations. You get **professional support** to help you. Our goal is to not only get you financing but to help you be a profitable business owner.
- Using our Franchisee Activity Checklist you will collect all of the documents required by lenders e.g. legal documents, Letter of Intent to lease, lease, contractor bid, equipment bid, sign bid, inventory bid, insurance (business and life), tax returns, photo ID, and specific information on each owner.
- Your Business Loan Package is sent by us to lenders we know are interested in financing your franchise. Your Plan meets the lender's requirements and thus approval is generally in 10 to 18-business days! **Lenders tell us it is one of the most complete loan packages they receive**
- Your cash investment is generally 25% to 30% of the funds required! We help you qualify and often recommend alternative strategies to get you financed. We know the SBA guidelines and thus we help you qualify. This also decreases your loan approval time from the lender.

**OUR CLIENTS GET FINANCED!!**

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*Your Success Is Our Business®*

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