

The Bankers best friend, you!

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It always amazes me that when you really need a bank they don't need you! And of course when they are out soliciting you're not interested. Other than using a bank to acquire a business do you really need them? What role does a bank or any other financial institution play in your ongoing success? How do you build a solid financial business and be in position to either expand or exit at will, profitably? We'll explore these questions and suggest some ideas you might find helpful in establishing a long term meaningful relationship.

Over the past year I have been conducting a number of car wash investment seminars around the country. The turnout and interaction from all who have participated has been terrific. In our audience we had representatives from every corner of the financial world. With their input I think it is fair to say we can report on some real does and don'ts to finance your business acquisition, provide operating capital for those rainy days and have you in a position to operate your business with the right tools successfully.

For those of us who have owned and operated a business probably the most difficult first step is to find a financial institution that will listen to your proposition. This shouldn't surprise anyone! Finding a bank that is small business savvy is very difficult. The second is that bankers are from Mars and Owners are from Venus. We don't speak "bankese" and they don't speak "entrepuresse". So the question becomes one of how do we get on the same wavelength?

The most important document you will create for your new or existing venture is a "business plan". The business plan is your blueprint of who, what, when and how certain events will occur within your business. Bankers and investors are numbers people they have seen hundreds of business plans. As such you must remember for your business plan to be accepted it must be factual and realistic. Your profit and loss statement, cash flow, and balance sheets have to be on target. Because most small business owners are not accountants or CPA having your trusted accountant accompany you when you make your presentation would be a good move.

Many small businesses utilize the Small Business Association (SBA) loan guarantee program. The SBA has had great success funding car washes and as such are a natural avenue for you to explore. Most urban areas of the countries have SBA offices. To find out more about their programs go to their web site at "sba.gov" Once there you will see a huge amount of information regarding their loan guarantee programs. Two that you will want to study are "504" and "7a". The difference between the two is subtle and has to do with terms, rates and amounts. As you further explore you will see a list of items that pertain to creating your "financial" and "business plan"

If you are a little overwhelmed at this point you might want to explore another service made available from the government. Most universities have an affiliation with a Small Business Development Center (SBDC). SBDC are incredible, they offer to the small business owner a plethora of services. From psychological testing, to see if you are cut out to be an owner, to complete business planning, including putting you in contact with other professionals that can address your specific needs. The fees for this service are generally small and quality of input terrific. So as you begin this new venture take a look at both of these