

# Ten Points About: Obtaining Business Credit

By GARY G. BRETON

**1** Create a 'snapshot' of your company at a specific point in time. This can usually be derived from your company's most recent financial statements, which provide a lender with a detailed and comprehensive picture of your company's current business operations and profitability.

**2** Have a well-defined business plan. This demonstrates that you have already wisely considered your company's strategic growth and related financial projections.

**3** Remember that you are asking a prospective lender to effectively become a partner with your company. Having the foresight to undertake sound financial and business practices is essential to obtaining necessary credit and entering such a partnership.

**4** Consider self-promotion. Clearly demonstrating that your company has established a proven track record in a particular industry can provide immediate credibility.

**5** Consider what collateral security your company has to offer. Offering your prospective lender strong, easily valued, and easily accessible collateral is critical.

**6** Provide a solid and inclusive financing application package. Doing so can assure a fair and timely review of your request for financing.

**7** Shop around. Despite the current economic environment, lenders in the Northeast generally remain well-capitalized and are looking to extend credit to solid companies. Despite their more-critical and comprehensive view, the essential building blocks to obtain requested credit remain the same.

**8** Negotiate. Although there has been a tightening of credit availability nationwide, the interest rates currently being offered are generally quite favorable.

**9** Be reasonable. Be realistic as to both your company's real financing needs and the terms of the credit facilities based on the current lending and market conditions.

**10** Ask for it! Many times business owners are reluctant to initiate a request for credit based on what they perceive are insurmountable obstacles, when in fact many obstacles may be satisfactorily addressed and overcome by working with a lender who can bring both creative and fiscally responsible alternatives to the table.



*Gary G. Breton, Esq. is a partner with Bacon Wilson, P.C., and a member of its Banking and Finance Department; (413) 781-0560; gbreton@baconwilson.com.*