

CAPITAL READY PACKAGE

Ten Steps For Guaranteed Access To \$100,000+
In Small Business Funding

Capital Ready Package

- Our 501(c)(3) non-profit has received grant funding to assist small businesses in accessing capital.
 - The Capital Ready Package is administered exclusively by ICS.
- We assist participants in becoming “capital ready” meaning that they’ll meet the underwriting criteria to pursue a SBA loan of up to \$150,000.
 - The initial SBA loan may be just the first round of funding.
 - We advocate for SBA loans as they are affordable (low interest), low payments (longer term), flexible (considered working capital), and easy credit requirements (only a 165 FICO SBSS to qualify).
 - The SBA wants to loan more money but only will to qualified businesses. We will help you qualify—guaranteed.

Why Is The Capital Ready Package Needed?

- Most small businesses want/need capital to start and/or grow but often don't qualify for bank and SBA loans.
- The Capital Ready Package was assembled with input from current/former bankers, SBDC Advisors, SCORE Mentors, and other business advisors to help ANY small business meet the requirements for a SBA loan.
 - Better yet, we provide access to interim financing while becoming SBA ready.
- In subsequent slides, you'll learn the ten step process in detail and understand the typical client time commitment.

Who Is The Leadership Team of ICS?

- Chuck Vanderbilt
 - Chief Operations Officer and Co-Founder
 - Experienced SBA, USDA, and Small Business Lender
 - Former SBDC Advisor and Executive Director
- Karen Thompson, JD
 - Chief Legal Counsel
- Thomas Montgomery, MHA, MBA
 - Co-Founder
 - Former SCORE Mentor, Deloitte Senior Consultant, and SBDC Advisor
- **National Advisory Board**
 - Composed of Small Business Mentors based in local communities nationally

Step One: Enrollment

- Client enrolls in the Program with the free, grant-funded Capital Ready Package.
 - This is completed via a DocuSign agreement.
- While the **Capital Ready Package is free to the participant** through grant funding, we do require a refundable deposit because:
 - Participants need to have “skin in the game” (hand up vs. hand out);
 - We receive grant funding once the client has received at least \$100,000 in funding so the client’s deposit covers our hard costs for helping them; and
 - The deposit creates recognition that CPAs and for-profit consultants would charge \$10,000 or more for the scope of services being offered for free.

Step One: Enrollment (continued)

- The amount of the refundable deposit is dependent upon how much work the client needs assistance with to become “capital ready”.
- BCLI can facilitate financing for the refundable deposit so the client has **\$0 out of pocket** (with approved credit).
- If the client is not credit-worthy or financially able to pay the deposit, they may qualify for BCLI’s Opportunity Fund that:
 - Funds the refundable deposit; and
 - Creates an injection of up to \$10,000 per month for up to ten months of grant stipends (NOT debt—does NOT have to be paid back) to client which provides initial seed capital, builds bank rating and income statement, etc.

Step Two: Business Plan

- Once the client is enrolled and has submitted the refundable deposit, we begin the process of becoming “capital ready”.
- This starts with collecting information from the client for the business plan.
- BCLI creates the business plan in the **specific format and content that the lender wants**.
- The client typically only needs to answer a simple set of questions so BCLI can create and format making it VERY easy for the client.
 - Time needed by client for this step is typically less than 30 minutes.

Step Three: Personal Financial Statement

- Next, we assemble a bank-compliant Personal Financial Statement.
- We provide VERY close assistance in developing this important document as most small business owners do not complete correctly or **optimally** on their own impacting their access to capital.
 - We have Small Business Mentors who can assist you with this, often in person.
 - There is really an “art” to optimally creating a Personal Financial Statement.
 - The Personal Financial Statement will have a direct impact to getting approved for funding and the amount.
- Typical time commitment for client for this step is less than 30 minutes.

Step Four: Business Compliance

- For this step, we review the many reasons why small businesses are declined for funding and proactively address these potential pitfalls.
 - We'll be collecting key data including tax returns, bank statements, etc.
- **Small businesses are NEVER disqualified at this point.**
 - If they are compliant, we progress.
 - If they are not, we help them resolve so they can become "capital ready".
- Typical time commitment from client for this step is one hour but, obviously, can vary based upon how compliant they are initially.

Step Five: Business Credit Review

- Having a strong business credit profile is important for many reasons including the fact that the SBA's credit approval process incorporates business credit.
 - We only need a FICO 165 SBSS for approval so not a huge burden.
- We'll pull business credit reports (cost is paid by client) and analyze for free.
 - Based upon findings, there may be derogatory items that need to be addressed.
- We'll guide the client in fixing their profiles with Dun & Bradstreet, Experian Business, etc. and then add initial trade lines to be considered business credit worthy.
 - **This process is worth ~\$5,000 if purchased separately from for-profit providers!**
- Typical time commitment by client for this step is one hour.

Step Six: Personal Credit Review

- As mentioned previously, we only need a 165 FICO SBSS so this isn't a huge burden but we do need to review the client's personal credit profile and proactively address any barriers.
 - BCLI does not pull personal credit—client provides their own reports/monitoring.
- Additionally, any business owner of 20% or more must complete this step.
- BCLI is not a credit repair program but we are **VERY effective** in helping clients quickly optimize their personal credit by adding positive and removing negative items, as necessary.
- Typical client time commitment for this step is one hour.

Step Seven: Revenue Projections

- Next, we need to gather from the client their revenue projections for the next 36 months.
- We'll handle the formatting to make compliant with the lender's requirements but, obviously, we need to gather the projections from the small business owner.
 - We can assist in coming up with the projections, if needed (at no cost, of course).
- We also need to gather the assumptions used for projecting the growth.
- Typical client time commitment for this step is one hour.

Step Eight: Expense Projections

- Analogous to Step Seven, we need to now project expenses over a 36 month period.
- Again, we'll handle the formatting as we know EXACTLY how the lender wants the information submitted to them.
- Typical time commitment for client is one hour.

Step Nine: Uses Of Funds

- When we borrow money, the lender wants to know how much and how it will be used.
- Therefore, we create a list of item and amounts (cost).
- Again, we will handle formatting but we need the data from the client.
- Typical time commitment from client is one hour.

Step Ten: Loan Package Assembly & Application

- At this point, we should have all data needed from client and then will take the client's file to Committee.
- The Committee will:
 - Identify the current sources of applicable capital for each client's consideration; and
 - Create a road map to obtain the ultimately desired sources/amounts of capital (and assist client in navigating the steps to obtain).
- If you've been participating in the Opportunity Fund, you will likely already been receiving a cash injection.

Frequently Asked Questions

- How long does this process take?
 - Our lending partners are processing and funding SBA loans of up to \$150,000 in **just 15 days**. However, before that, the client needs to become “capital ready”. That amount of time is dependent upon the client—both their starting point and how diligent they are in working through the process identified herein.
 - The important thing is that we WILL help EVERY client be successful.
- When is the refundable deposit refunded?
 - Once the client has raised at least \$100,000 through the Program, we receive the grant allocation which allows us, as stated in the written agreement, to refund the full amount of the refundable deposit to the client.

Frequently Asked Questions (continued)

- Are there any other costs other than the refundable deposit to become “capital ready”?
 - Yes and no. There are costs of being in/doing business, i.e., filing tax returns, obtaining business credit reports, obtaining/maintaining insurance, etc. that still apply.
 - These are incidental but not additional costs for the Capital Ready Package itself though.
 - Once capital ready, we will assist you in accessing the capital which has no advance fee—only a small Performance Fee based upon results.
 - Typical Performance Fees by Hedge Funds are 20% while ours is less than half that amount with a simplified crystallization frequency.

Frequently Asked Questions (continued)

- Why would a small business want to enroll?
 1. If they want/need funding to start and grow but do not currently qualify for SBA loans, we'll provide personalized assistance to become "capital ready" and even **guarantee at least a \$100,000 capital raise.**
 2. We exclusively received grant funding to assist small businesses in becoming "capital ready" for free **saving participants ~\$10,000.**
 3. Plus, the **business credit building portion** of the Capital Ready Program is worth ~\$5,000 alone providing access to capital with NO personal guarantees (only under the EIN).
 4. **Access to the Opportunity Fund**—grant funding of up to \$10,000 per month (not debt—does NOT have to be paid back).

Frequently Asked Questions (continued)

- What if I or my business doesn't qualify?
 - This is missing the point...We've received grant funding to assist ANY (legal and compliant) business in qualifying for a SBA loan.
 - We received grant funding to explicitly avoid this as we help all participants navigate any and all hurdles to become "capital ready" and receive a SBA loan.
 - We can guarantee any (legal and compliant) business at least a \$100,000 capital raise.

Let's Get Started...

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