



Show

Me The

Money



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**HARDWARE  
Retailing**

# Panel



*T.J. Comstock, Owner  
Billings Hardware  
3 Locations in Montana*



*Mark Boswell, Assistant V.P.  
Hendricks County Bank & Trust Co.  
Avon, Indiana*



Loan Types



# Picking the Right Bank



# Relationship





# Bank Day Checklist

## "BANK DAY" CHECKLIST

We compiled some of the top statements, records and questions you'll want to be familiar with and bring on the day you meet with your lender. While each bank will

require different sets of information, below are some general documents and ideas you'll want to be prepared to display on the day of your presentation.

### ☐ Business Statements Including:

- Executive Summary, Business Profile, Management Experience/Resumes, Loan Request, Loan Repayment Plan, Collateral, Succession/Exit Plan

### ☐ Business Projections for One to Three Years

### ☐ Income Tax Returns for the Past Three Years

### ☐ Industry Stats from NRHA's Cost of Doing Business Study

### ☐ Anecdotal Evidence from Retail Peers

### ☐ Credit History Including Personal and Business

### ☐ Accountant-Compiled Report or Financial Statements

- Balance Sheet, Income Statement, Cash Flow, Accounts Receivable and Accounts Payable

### ☐ Legal Documents if Applicable Including:

- Business licenses and registrations required to conduct business, Articles of Incorporation
- Copies of contracts you have with any third parties, Franchise agreements, Commercial leases

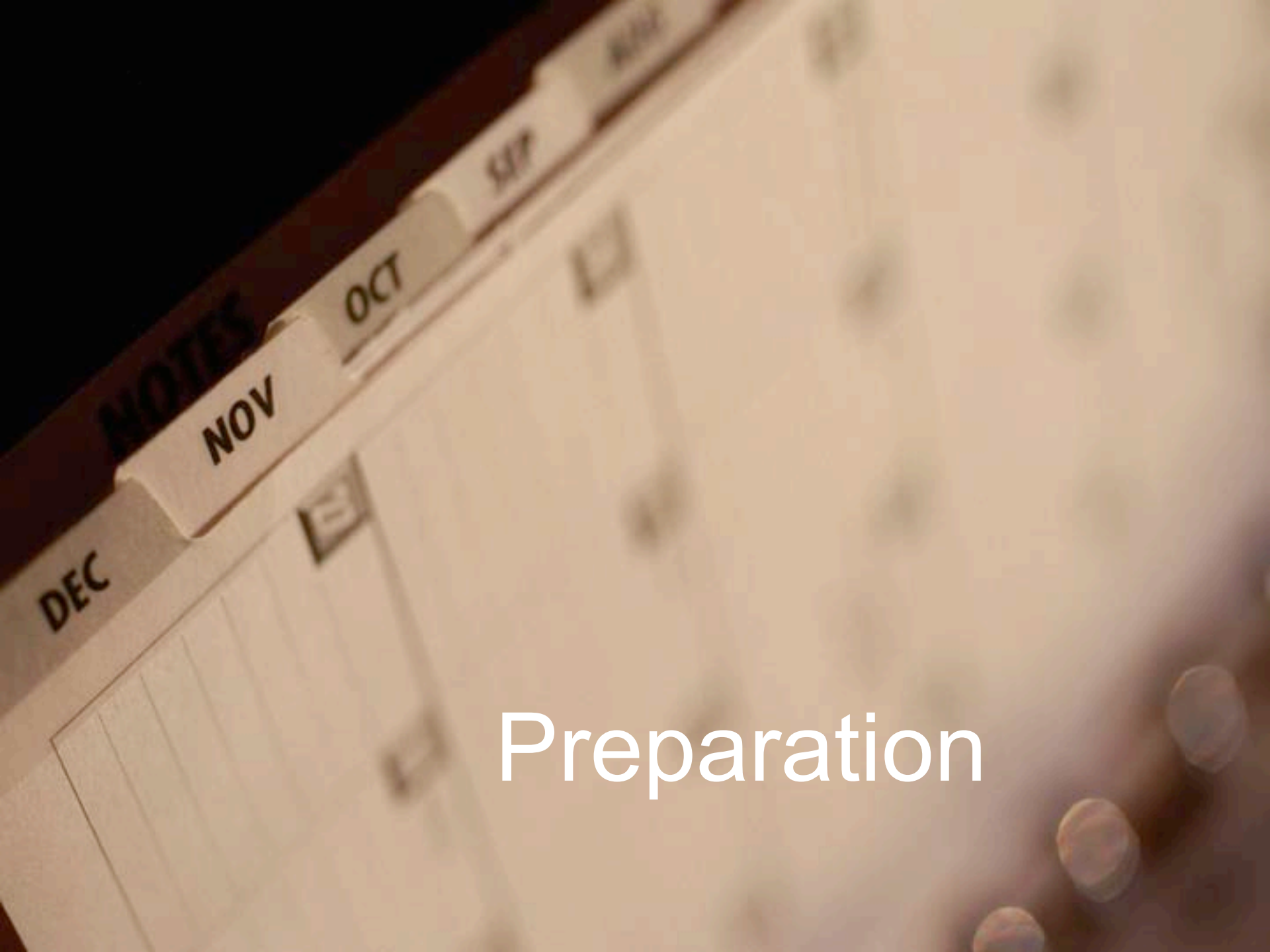
### ☐ Other Items to Think About:

- Purchase agreements
- Plans/specifications
- Letters of reference, Letters of intent
- Contracts
- Partnership agreements

### ☐ Be Prepared to Answer the Following Questions:

- Why are you applying for this loan?
- How will the loan proceeds be used?
- What assets need to be purchased, and who are your suppliers?
- What other business debt do you have, and who are your creditors?
- Can the business repay the loan? (Is cash flow greater than debt service?)
- Can you repay the loan if the business fails? (Is collateral sufficient to repay the loan?)
- Does the business collect its bills?
- Does the business pay its bills?
- Does the business control its inventory?
- Are the officers committed to the business?
- Does the business have a profitable operating history?
- Does the business match its sources and uses of funds?
- Are sales growing?
- Are profits increasing as a percentage of sales?
- Is there any discretionary cash flow?
- What is the future of the industry?
- Who is your competition and what are their strengths and weaknesses?





Preparation



# Industry Challenges



# Tips From Other Retailers

- 1. Be Honest and Transparent**
- 2. Practice**
- 3. Learn the Lenders' Language**
- 4. Give them the Goods.**
- 5. Have a Causal Pre-Meeting**
- 6. Make sure you are raising capital for the right reasons**
- 7. Invest in a trusted accountant.**
- 8. Do your Own Research**
- 9. Be Prepared to Answer the FAQs**
- 10. Identify where you are at in your career**

# Thank You!

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