FINANCING

GET APPROVED FOR A BUSINESS LOAN

Lenders are not buying your story. They are buying your ability to pay them back.

WHAT YOU'RE UP AGAINST

In the Federal Reserve's latest small business credit survey, 60% of firms applied for some type of financing over the prior year. Among applicants, 42% received the full amount they sought, 36% received some or most of it, and 22% received nothing. Of those who didn't receive everything they sought, 46% said lender requirements were too strict.

Getting a yes is often less about the idea than about how ready your paperwork is.

WHAT LENDERS USUALLY LOOK AT

Cash flow. Can the business cover its existing debts and this new one, with room left over? Ask the lender which debt coverage ratio they require and how they calculate it.

Credit. Your personal credit may count as much as the company's, especially at smaller loan sizes.

Collateral. Equipment, vehicles, receivables and real estate. Trucks lose value quickly, so don't expect to borrow against their purchase price.

Time in business and management. A lender wants to know that someone other than you can run the shop for a week.

Industry. Seasonal revenue isn't a problem if you can explain it and show how you manage it.

PUT YOUR FINANCIAL HOUSE IN ORDER

A year before you plan to borrow, if you can:

- Close your books within two weeks of each month's end.
- Separate personal expenses from business expenses.
- File taxes on time, and make sure your statements match them.
- Clear up payroll tax and sales tax problems first, since these can stop a deal.
- Age your receivables and collect what's past due.
- Check your personal and business credit reports for errors.

If you've been running personal expenses through the company to lower taxes, your statements will show less profit than you really earn. A lender may give credit for some add-backs but not all of them. Be sure to discuss this with your CPA before you apply.

BUILD THE PACKAGE

Most lenders ask for some version of this list:

- Three years of business tax returns
- Three years of personal tax returns for major owners
- Year-to-date profit and loss and balance sheet
- Accounts receivable and payable agings
- A debt schedule, listing every loan, balance, payment and rate
- A personal financial statement
- A use-of-funds statement, showing exactly where the money will go
- A monthly projection of 12 months or more, showing how the loan will be repaid
- Licenses, insurance certificates, and your organizing documents

Hand over a complete, neat package and you've already separated yourself from most applicants.

WRITE THE ONE-PAGE STORY

Explain the business in plain English:

1. What you do, how long you've done it, and who runs it
2. What the money is for

3. What it'll produce, in numbers
4. How you'll pay it back if things go slower than planned
5. What happened in any bad year, and what you changed

Don't hide a rough year. Lenders will find it. A clear explanation of what went wrong and how you fixed it builds more confidence than silence.

SHOW THE SEASONALITY

Give the lender a month-by-month view of the last two or three years. Point out your slow months, and show how you get through them: maintenance agreement revenue, outbound campaigns to past customers, reserves, or a line of credit. Recurring revenue is especially reassuring, because it shows income that doesn't depend on the weather.

ASK GOOD QUESTIONS

- How long does a decision take, and who actually makes it?
- What's the total cost, including fees?
- Is the rate fixed or variable, and how often can it change?
- Is there a prepayment penalty?
- What covenants apply, and how often will you check them?
- What must I personally guarantee or pledge?

Apply to more than one lender. Find a bank that handles a lot of SBA loans if you're going that way. If you're denied, ask exactly why, and write down what would need to change.

PLAN FOR THE PAYMENT

Once the loan closes, the payment arrives every month, including the slow ones. Add it to your 13-week cash forecast. A loan that fits on your best month and strangles your worst month is too big.

Sources: Federal Reserve Banks, 2026 Report on Employer Firms; Service ProCall program guidance. General information, not financial advice.

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MAKE IT A HABIT

What good looks like

> A handful of numbers reviewed every week.

> Prices built from your real costs and target margin.

> Cost per booked job known for every lead source.

The habits

1. Pick five weekly numbers: answer rate, booked jobs, close rate, average ticket and revenue per tech.
2. Price from your true hourly cost, including drive time and overhead.
3. Review prices at least once a year and when costs change.
4. Track every job back to the source that created it.
5. Cut the lead sources that cost more than they bring in.
6. Share the numbers with your team, so everyone knows the score.

Signs it's time to get help

- You learn how a month went when the accountant tells you.
- You can't say which lead source pays best.
- Prices haven't changed in over a year.

Where we fit: ProCall Field reports by source, tech and job type, and Service ProCall reports every campaign from call to sold job.

More on pricing and knowing your numbers