

BUSINESS PLAN SECRETS REVEALED!

7 Special Bonus Reports

From Starting Your Business to Free Publicity

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Table of Contents

SECRETS TO SUCCESSFULLY STARTING YOUR OWN BUSINESS	4
HOW TO PREPARE A BUSINESS PLAN THAT GUARANTEES BIG PROFITS....	11
HOW TO RAISE MONEY FOR STARTING A BUSINESS	18
YOUR MONEY GUIDE TO FREE GOVERNMENT GRANTS	22
CHECKLIST OF QUESTIONS TO ANSWER BEFORE YOU BUY A FRANCHISE.	28
HOW TO RAISE MONEY FOR YOUR FRANCHISE.....	30
THE INSIDE SECRETS OF FREE PUBLICITY FOR YOUR BUSINESS	35

SECRETS TO SUCCESSFULLY STARTING YOUR OWN BUSINESS

The American Dream is, and always will be, to come up with an idea, start a business and become rich from your own efforts. Based upon this motivation, thou sands of businesses fail each year, due primarily to not being familiar with the basics involved in running a business.

This report will enlighten you, and give you a number of suggestions you can use to better guarantee your chances for success. This report is written with the warning that any and every business venture contains certain inherent risks, and any number of alternatives. We do not espouse that any one way is the right way or that our suggestions are the only way. On the contrary, we advise that before investing any money in a business venture you seek counseling and help from a qualified accountant and/or attorney.

Just about the first thing you should consider before deciding to start or purchase a business is the legal form you'll be operating under. There are basically four choices: sole proprietorship, partnership, limited partnership, and/or corporation.

Each has a number of advantages and disadvantages. We'll try to enumerate some of them for you.

As much as anything else, for many people, starting a business is a form of ego-gratification, and they form a corporation for some sort of prestige gain - just to say, "I own a corporation."

With just a little bit of observation, you'll find that one of the major causes of business failures is due to the founder wasting start-up capital on frills, such as an impressive store-front office, expensive furnishings, and corporate legal costs.

One of the basic traits you must develop if you're going to be successful in business, is a tight hold on your expenditures. In fact, good rule of thumb is that any thing that does not make money for you or protect your investment, should not be purchased at this time. Very definitely, this applies to the expense of setting up your own corporation.

Unless you have a partnership and start your business as such, the only real advantage to forming a corporation would appear to be that a corporate structure will semi-protect the property you personally own.

As an example, you own a home and car. You form a corporation to protect these possessions from business losses. Yet, if you can be found guilty of misusing corporate funds, your business creditors can pierce the corporate shield and come after your possessions.

Basically, if you invest everything you have in your business, as most newcomers do, you don't usually need a corporation because you have nothing to protect. Your house hold possessions, personal belongings, generally your car, and even a portion of the

equity in your home is protected by the homestead provision of the Federal Bankruptcy Act, and cannot be taken away from you.

As a sole proprietor or partner of a business you'll be paying taxes on your over all earnings, much the same as if you were holding down a salaried or hourly paid job. Whether you do or don't take out money as a salary will have no bearing on the earnings of your business and tax return.

The often advertised advantage of incorporating, that you can manipulate your salary in order to save on tax dollars, is real because of corporation laws. However, the IRS frowns on this practice. When your business is successful and making a lot of money, definitely check with your accountant on the advantages of incorporating.

As a corporation, you'll be subject to a number of other drawbacks as well: generally higher state taxes, stricter laws concerning the operation of your business, more elaborate accounting procedures, and legal papers that are required just about every time you make a major move or sign almost any contract. Thus, your legal and accounting fees will be much higher as a corporation than will those required for a sole proprietorship type of business.

As a sole proprietor or partnership, you'll find many areas require the registration of your business name. The cost however, is minimal, ranging from \$5 to \$100. About the best way to find out what laws apply in your area, is to call your bank and ask if they need a fictitious name registration card or certificate in order for you to open a business account.

Selecting a name for your business is quite important to you and particularly relative to advertising. Your business name should describe the product or services you offer. Fancy names such as, Linda's Clipping Service will lose potential "walk-in and passing" customers to the beauty shop across the street that calls itself, Patti's Beauty Salon or Jane's Hair Styling shop.

The advantage of using your full name in the title of your business, such as Johnny Jones' Meat Lockers, has the advantage of making credit somewhat easier to come by - provided you pay your bills on time - but it also includes the disadvantage of confining your services to a local or at most, a regional area.

Should you buy, lease, or rent space for your business? Think twice before you make any decision along these lines. Most businesses tend to grow quickly or they never get off the ground. There are a few exceptions, but only a very few, that tend to grow at a modified rate.

So, buying a piece of property and setting up your business on or within that property, obligates you to ownership regardless of what happens to your business.

Leases are almost always very strong contracts written by attorneys to the advantage of the property-owner. When you sign an agreement to pay someone for the use of their space over any length of time, you're "nailed in" to paying for that space regardless of what happens to your business.

In the beginning, it's wise to either get the shortest-term lease possible, or arrange to rent with an option to lease at a later date. This does not apply to a retail business, unless your particular business happens to be an untried one.

Definitely, you should open a business bank account. In selecting a bank for your business, scout around and look for one that can, and will help you. Determine what your banking needs will be, and then via telephone, interview the managers of the banks in your area. The important thing is to be discretionary and not select just the most convenient bank to your business location.

A point to remember: the closer you can make the relationship between you and the bank manager, the better your chances are going to be for approval on loans and/or special favors you may need at a later date.

Try to become acquainted with as many of the bank employees as possible. The better you know them, the more courtesies they'll be extending especially to you in the course of your association.

Just as a doctor is a specialist in his field, and you go to him for medical problems, your banker is a specialist in his field and you should go to him for your money problems. In business, you'll have to learn that everyone is an expert in his own line of work, and in your associations with other business people, refrain from acting like a "sharpie" and/or pretending that you know exactly how everything works in someone else's specialty.

You'll find that very often, different banks specialize in different types of businesses. As an example, you're sure to find banks that specialize in real estate transactions, export-import businesses, and even manufacturing operations only. What I'm saying here is that if you're planning to sell a fairly expensive item, your customers will probably need and/or want financing. It will behoove you to select a bank familiar with your type of product that will afford your customers, through you, contract financing.

Some of the questions you should ask of your banker include the following:

Is it necessary to maintain a certain balance in your account before the bank will approve a loan for you?

What qualifications must you have in order to obtain a line of credit with the bank?

Does the bank limit the number of loans, or types of loans it will approve for small businesses?

What is the bank's policy regarding the size of a check you might deposit that requires holding for collection?

And what about checks less than that amount - will they be immediately credited to your account?

In almost all types of businesses, it will be to your benefit to set up with your bank a method of handling VISA, Master Charge, and regional credit cards. The important thing here is to ultimately set up your account in the bank that will service all of these credit transactions for you - one stop for all your banking needs. In most instances, you'll find that having the capability to fill orders/make sales via credit card transactions, will increase your volume of sales appreciatively.

Once you've made the decision as to which bank is going to handle your account, you'll need your Social Security Number or you Federal Employer's Identification Number, your driver's license, the fictitious name certificate, and if you're requesting a VISA or Master Charge franchise, you'll also need a financial statement. For corporations, you'll also need a corporate resolution approving of the opening of your business account.

There are different policies exercised in just about every state regarding installation/hook-up charges by the telephone and utility companies. Some require a deposit, and some don't.

You'll find that a great number of city business license departments are there solely for the purpose of collecting another tax. Depending on the type of business you're asking a license for, the building and zoning people may inspect your premises for soundness of structure and safety. Generally, you won't encounter any difficulties - you simply pay your fee to operate your business in that city, and the clerk types your name onto a city license certificate.

Relative to sales tax permits and licenses, each state's rules and regulations vary widely. The best thing to do is call your state offices and ask for information concerning registry and collection procedures. Many states require an advance deposit or bond, and you'll find that some wholesalers or manufacturers will not sell to you at wholesale prices until you can show them your sales tax permit or number.

Should your business entail selling your products or services across state lines, in an other state, you're not required to collect taxes except in those where you have offices or stores.

You may find also that your particular business requires the collection of Federal Excise Taxes. For information along these lines, check in with your local office of the Internal Revenue Service.

Some states also require certain businesses to hold state licenses, such as those required in many states for TV Repairmen. These are known as "occupational permits" and are most often required of barbers, hair stylists, real estate people and a number of other consumer oriented businesses. If you have any doubts, check with your state offices for a list of those occupations that require licensing.

Any business doing business in any type of interstate commerce is subject to federal regulations, usually through the Federal Trade Commission. This means that any business that shops, sells or advertises in more than one state is subject to such regulation, and this includes even the smallest of mail order operations.

Normally, very few business people ever have any contact with the federal regulatory agencies. The only exceptions being when there is a question of your operating your business unethically or illegally.

Any business that sells or distributes food in any manner almost always requires a county health department permit. If your business falls into this category, simply call the county health department and invite them out to your place of business for an inspection. The fees generally range from about \$25, depending on the size of your business when they first inspect it for permit approval.

There are also a number of businesses that require inspection by a fire marshal, and fire department approval. Generally, these are those that handle flammable materials or attract large numbers of people, such as a theater. Overall, the local fire department has to be allowed to inspect your premises whenever they desire to do so.

You may also run into a requirement for an air and/or water pollution control permit. These specifically apply to any business that burns anything, discharges any thing into the sewers or waterways, or use any gas-producing product, such as a paint sprayer.

Without a doubt, you'll need to check on local regulations relating to advertising display signs. Each city or township makes its own rules and then enforces those rules according to its own thinking - check before you contract to have a sign made for your business.

The design and placement of your sign is very important to your business - specifically to retail establishments - but let me remind you that your business sign is usually the first thing a potential customer sees and as such, it should catch his eye and leave an impression that lasts. It would be a good idea to ride around your town and take a look at the signs that catch your eye, and try to determine the impression of the business that sign leaves on you. This is a basic learning formula for determining the design, size and placement of your business sign.

Some of the other things to consider before opening for business - If you intend to employ one or more employees, you'll be required to deduct Federal Income Taxes, and

Social Security payments from their checks. This will involve your filing for a Federal Tax Number and necessitates contact with your local IRS Office.

Most states have "unemployment taxes" which will have to be deducted from the pay checks of any employees you hire. And there are a number of states that have income taxes - disability insurance - and any number of other taxes. Again, the best thing to do is check with your local office of the IRS. And above all else, don't forget to ask for the rules of the minimum wage law, and comply.

When your business grows to the point of needing additional help, don't be afraid to look for and hire the help you need. When you're ready to hire someone, simply run an ad in your local paper and/or register your needs with the local office of your state's employment service. Businesses either grow or die, and those that grow eventually need more people in order to continue growing. When that time comes, hire the additional people you need, and your business will continue growing. If you don't, for whatever reason, you'll find yourself married to your business and your business growth stymied.

Regardless of how small your business is when you begin, never walk in with the thought in mind that it's something to keep you busy. Anyone with an attitude of that kind is a fool. You begin and make a business successful in order to realize financial freedom. Establish your business. Put it on its feet, and then hire other people to do the work for you. And those businesses that require an operations manager, or some one to run a phase of the business you're too busy to handle, hire the person needed or the business will surely suffer.

To protect the investment of your business, you need business insurance. If you've never had any experience with business insurance, simply look under the heading of "business insurance" in your phone directory. Ask for bids from several different companies or agents... Primarily, you should have a policy that gives you general liability, fire, workmen's compensation, business interruption, and vehicle coverage. You may also want coverage against possible losses related to burglary, robbery, Life & Accident, Key Man, and Fidelity Bonds.

As the sole proprietor of a business, you won't be paid as an employee, so there will be no income tax deducted from whatever you withdraw from the company's earnings. What you'll have to do is again check with the IRS Office for a Tax Guide For Small Businesses Handbook, and probably end up filing an estimated tax return on a quarterly basis.

The minute you open your doors for business, you'll have to spend some time engaged in the work of book-keeping. Exactly how, and using what forms, you keep books, should be on the recommendations of a good tax counselor... The same holds true for your overall business and/or payroll accounting system. Look for an experienced CPA that knows the accounting problems to your particular kind of business, and solicit his advise/counseling.

If your business is going to involve the possible purchase or lease of operating equipment, again seek the help of your tax counselor for the most advantageous method of obtaining the needed equipment.

Basically, arranging for your suppliers to give you materials on credit will depend upon your honesty and personal financial statement. The best way is usually a personal visit to the person with the power to approve or disapprove of credit at the company where you want to set up a credit account. Show him your financial statement, and explain your prospects for success. Then assure him that you've always honored all of your obligations, and that if ever there's a question or problem, you'd like for him to call you at home. And of course, give him your home phone number.

We won't go into the exigencies of advertising your products, services or business here, but there is something along these lines you should always keep in mind. The best kind of advertising your business can receive is that that you don't really pay for - publicity. When something unusual happens to you, your business, or your employees - that's news, so be sure you tell the news media in your area about it.

In closing, let me say that the most important ingredient of your eventual success will be the soundness of the planning you did before you started your business. Any number of bad things can really throw your business into a tailspin, but if you've done your homework well - really set up a detailed business plan before starting - your losses or setbacks will be minimal. Success takes planning, and within this report, you've got a basic checklist... The rest is up to you... Good luck, and may your life overflow with success in all that you undertake from this moment forward.

HOW TO PREPARE A BUSINESS PLAN THAT GUARANTEES BIG PROFITS..

Success in business comes as a result of planning. You have to have a detailed, written plan that shows you what the ultimate goal is, the reason for the goal, and each milestone that must be passed in order to reach your goal.

A business plan is a written definition of, and an operational plan for achieving your goal. You need a complete business tool in order to define your basic product, income objectives and specific operating procedures. **YOU HAVE TO HAVE A BUSINESS PLAN** to attract investors, obtain financing and hold onto the confidence of your creditors, particularly in times of cash flow shortages - in this instance, the amount of money you have on hand compared with the expenses that must be met...

Aside from an overall directional policy for the production, sales efforts and profit goals of your product - your basic "travel guide" to business success - the most important purpose your business plan will serve, will be the basis or foundation of any financial proposals you submit. Many entrepreneurs are under the mistaken impression that a business plan is the same as a financial proposal, or that a financial proposal constitutes a business plan. This is just a misunderstanding of the uses of these two separate and different business success aids.

The business plan is a long range "map" to guide your business to the goal you've set for it. This plan details the what, why, where, how and when, of your business - the success planning of your company.

Your financial proposal is a request for money based upon your business plan - your business history and objectives.

Understand the differences. They are closely related, but they are not interchangeable.

Writing and putting together a "winning" business plan takes study, research and time, so don't try to do it all in just one or two days.

The easiest way is to start with a loose leaf notebook, plenty of paper, pencils, pencil sharpener, and several erasers. Once you get you mind "in gear" and begin thinking about your business plan, "10,000 thoughts and ideas per minute" will begin racing through your mind... So, it's a good idea when you aren't actually working on your business plan, to carry a pocket notebook and jot down those business ideas as they come to you - ideas for sales promotion, recruiting distributors, and any other thoughts on how to operate and/or build your business.

Later, when you're actually working on your business plan, you can take out this "idea notebook" - evaluate your ideas, rework them, refine them, and integrate them into the overall "big picture" of your business plan.

The best business plans for even the smallest businesses run 25 to 30 pages or more, so you'll need to "title" each page and arrange the different aspects of your business plan into "chapters." The format should pretty much run as follows:

- Title Page
- Statement of Purpose
- Table of Contents
- Business Description
- Market Analysis
- Business Location
- Management
- Current Financial Records
- Explanation of Plans For Growth
- Explanation of Financing for Growth Documentation
- Summary of Business & Outlook for The Future
- Listing of Business & Personal References

This is a logical organization of the information every business plan should cover. I'll explain each of these chapter titles in greater detail, but first, let me elaborate upon the reasons for proper organization of your business plan.

Having a set of "questions to answer" about your business forces you to take an objective and critical look at your ideas. Putting it all down on paper allows you to change, erase and refine everything to function in the manner of a smoothly oiled machine. You'll be able to spot weaknesses and strengthen them before they develop into major problems. Overall, you'll be developing an operating manual for your business - a valuable tool which will keep your business on track, and guide you in the profitable management of your business.

Because it's your idea, and your business, it's very important that YOU do the planning. This is YOUR business plan, so YOU develop it, and put it all down on paper just the way YOU want it to read. Seek out the advice of other people; talk with, listen to, and observe, other people running similar businesses; enlist the advice of your accountant and attorney - but at the bottom line, don't ever forget that it has to be YOUR BUSINESS PLAN!

Remember too, that statistics show the greatest causes of business failure to be poor management and lack of planning - without a plan by which to operate, no one can manage; and without a direction in which to aim its efforts, no business can attain any real success.

On the very first page, which is the title page, put down the name of your business - ABC ACTION - with your business address underneath. Now, skip a couple of lines, and write in all capital letters: PRINCIPAL OWNER - followed by your name if you're the principal owner. On your finished report, you would want to center this information on the page, with the words "principal owner" offset to the left about five spaces.

Example:

ABC ACTION
1234 SW 5th Ave. Anywhere, USA 00000

PRINCIPAL OWNER: Your Name and contact information

That's all you'll have on that page, except the page number...

-1-

Following your title page is the page for your statement of purpose. This should be a simple statement of your primary business function, such as: We are a service business engaged in the business of selling business success manuals and other information by mail.

The title of the page should be in all capital letters across the top of the page, centered on your final draft - skip a few lines and write the statement of purpose. This should be direct, clear and short - never more than two (2) sentences in length.

Then you should skip a few lines, and from the left hand margin of the paper, write out a subheading in all capital letters, such as: EXPLANATION OF PURPOSE.

From, and within this subheading, you can briefly explain your statement of purpose, such as: Our surveys have found most entrepreneurs to be "sadly" lacking in basic information that will enable them to achieve success. This market is estimated at more than 100 million persons, with at least half of these people actively "searching" for sources that provide the kind of information they want, and need.

With our business, advertising and publishing experience, it is our goal to capture at least half of this market of information seekers, with our publication, MONEY MAKING MAGIC! Our market research indicates we can achieve this goal, and realize a profit of \$1,000,000 per year within the next 5 years...

The above example is generally the way you should write your "explanation of purpose," and in subtle definition, why you need such an explanation. Point to remember: Keep it short. Very few business purpose explanations are justifiably more than a half page long.

Next comes your table of contents page. Don't really worry about this one until you've got the entire plan completed and ready for final typing. It's a good idea though, to list the subjects (chapter titles) as I have, and then check off each one as you complete that part of your plan. By having a list of the points you want to cover, you'll also be able to skip around and work on each phase of your business plan as the idea or the interest in organizing that particular phase, stimulates you. In other words, you won't have to make your thinking or your planning conform to the chronological order of the "chapters" of your business plan - another reason for the loose leaf notebook...

In describing your business, it's best to begin where your statement of purpose leaves off. Describe your product, the production process; who has responsibility for what; and most importantly, what makes your product or service unique - what gives it an edge in your market. You can briefly summarize your business beginnings, present position and potential for future success, as well.

Next, describe the buyers you're trying to reach - why they need and want or will buy your product - and the results of any tests or surveys you may have conducted. Once you've defined your market, go on to explain how you intend to reach that market - how you'll alert these prospects to your product or service and induce them to buy. You might want to break this chapter down into sections such as... publicity and promotions, advertising plans, direct sales force, and dealer/distributor programs. Each section would then be an outline of your plans and policies.

Moving into the chapter on competition, identify who your competitors are their weaknesses and strong points - explain how you intend to capitalize on those weaknesses and match or better the strong points. Talk to as many of your "indirect" competitors as possible - those operating in different cities and states.

One of the easiest ways of gathering a lot of useful information about your competitors is by developing a series of survey questions and sending these questionnaires out to each of them. Later on, you might want to compile the answers to these questionnaires into some form of directory or report on this type of business.

It's also advisable to contact the trade associations and publications serving your proposed type of, business. For information on trade associations and specific trade publications, visit your public library, and after explaining what you want, ask for the librarian's help.

The chapter on management should be an elaboration on the people operating the business. Those people that actually run the business - their job titles, duties, responsibilities and backfilled resumes. It's important that you "paint" a strong picture of your top management people because the people coming to work for you or investing in your business, will be "investing in these people" as much as your product ideas. Individual tenacity, mature judgment under fire, and innovative problem-solving has "won over" more people than all the AAA Credit Ratings and astronomical sales figures put together.

People becoming involved with any new venture want to know that the person in charge - the guy running the business knows what he's doing, will not lose his cool when problems arise, and has what it takes to make money for all of them. After showing the "muscle" of this person, go on to outline the other key positions within your business; who the persons are you've selected to handle those jobs and the sources as well as availability of any other help you might need.

If you've been in business on any kind of scale, the next chapter is a picture of your financial status - a review of your operating costs and income from the business to date. Generally, this is a listing of your profit & loss statements for the past six months, plus copies of your business income tax: records for each of the previous three years the business has been an entity.

The chapter on the explanation of your plans for the future growth of your business is just that - an explanation of how you plan to keep your business growing - a detailed guide of what you're going to do, and how you're going to increase your profits. These plans should show your goals for the coming year, two years, and three years. By breaking your objectives down into annual milestones, your plans will be accepted as more realistic and, be more understandable as a part of your ultimate success.

Following this explanation, you'll need to itemize the projected cost and income figures of your three year plan. It'll take a lot of research, and undoubtedly a good deal of erasing, but it's very important that you list these figures based upon thorough investigation. You may have to adjust some of your plans downward, but once you've got these two chapters on paper, your whole business plan will fall into line and begin to make sense. You'll have a precise "map" of where you're headed, how much it's going to cost, when you can expect to start making money, and how much.

Now that you know where you're going, how much it's going to cost and how long it's going to be before you begin to recoup your investment, you're ready to talk about how and where you're going to get the money to finance your journey. Unless you're independently wealthy, you'll want to use this chapter to list the possibilities and alternatives.

Make a list of friends you can approach, and perhaps induce to put up some money as silent partners. Make a list of those people you might be able to sell as stockholders in your company - in many cases you can sell up to \$300,000 worth of stock on a "private issue" basis without filing papers with the Securities and Exchange Commission. Check with a corporate or tax attorney in your area for more details. Make a list of relatives and friends that might help you with an outright loan to furnish money for the development of your business.

Then search out and make a list of venture capital organizations. Visit the Small Business Administration office in your area - pick up the loan application papers they have - read them, study them, and even fill them out on a preliminary basis - and finally, check the costs, determine which business publications would be best to advertise in, if you were to

advertise for a partner or investor, and write an ad you'd want to use if you did decide to advertise for monetary help.

With a listing of all the options available to your needs, all that's left is the arranging of these options in the order you would want to use them when the time comes to ask for money. When you're researching these money sources, you'll save time by noting the "contact" to deal with when you want money, and whenever possible, by developing a working relationship with these people.

In your documentation section, you should have a credit report on yourself. Use the yellow pages or check at the credit department in your bank for the nearest credit reporting office. When you get your credit report, look it over and take whatever steps are necessary to eliminate any negative comments. Once these have been taken care of, ask for a revised copy of your report and include a copy of that in your business plan.

If you own any patents or copyrights, include copies of these. Any licenses to use someone else's patent or copyright should also be included. If you own the distribution, wholesale or exclusive sales rights to a product, include copies of this documentation. You should also include copies of any leases, special agreements or other legal papers that might be pertinent to your business.

In conclusion, write out a brief, overall summary of your business - when the business was started, the purpose of the business, what makes your business different, how you're going to gain a profitable share of the market, and your expected success during the coming 5-years...

The last page of your business plan is a "courtesy page" listing the names, addresses and phone numbers of personal and business references - persons who have known you closely for the past five years or longer - and companies or firms you've had business or credit dealings with during the past five years.

And, that's it - your complete business plan. Before you send it out for formal typing, read it over once a day for a week or ten days. Take care of any changes or corrections, and then have it reviewed by an attorney and then, an accountant. It would also be a good idea to have it reviewed by a business consultant serving the business community to which your business will be related. After these reviews, and any last-minute changes you want to make, it'll be ready for formal typing.

Hire a professional typist to type the entire plan on ordinary white bond paper. Make sure you proofread it against the original. Check for and correct any typographical errors then one more time - read it through for clarity and the perfection you want of it.

Now you're ready to have it printed and published for whatever use you have planned for it - distribution amongst your partners or stockholders, as the business plan for putting together a winning financial proposal, or as a business operating manual.

Take it to a quality printer in your area, and have three copies printed. Don't settle for photocopying... Have it printed! Photocopying leaves a slight film on the paper, and will detract from the overall professionalism of your business plan, when presented to someone you're trying to impress. So, after going to all this work to put it together properly, go all the way and have it duplicated properly.

Next, stop by a stationery store, variety store or even a dime store, and pick up an ordinary, inexpensive bind-in theme cover for each copy of your business plan. Have the holes punched in the pages of your business report to fit these binders and then slip each copy into a binder of its own.

Now you can relax, take a break and feel good about yourself... You have a complete and detailed business plan with which to operate a successful business of your own... A plan you can use as a basis for any financing proposal you may want to submit... And a precise road-map for the attainment of real success...

Congratulations, and my best wishes for the complete fulfillment of all your dreams of success!!!

HOW TO RAISE MONEY FOR STARTING A BUSINESS

The task of raising money for a business is not as difficult as most people seem to think. This is especially true when you have an idea that can make you and your backers rich. Actually, there's more money available for new business ventures than there are good business ideas.

A very important rule of the game to learn: Anytime you want to raise money, your first move should be to put together a proper prospectus.

This prospectus should include a resume of your background, your education, training, experience and any other personal qualities that might be counted as an asset to your potential success. It's also a good idea to list the various loans you've had in the past, what they were for, and your history in paying them off.

You'll have to explain in detail how the money you want is going to be used. If it's for an existing business, you'll need a profit and loss record for at least the preceding six months, and a plan showing how this additional money will produce greater profits. If it's a new business, you'll have to show your proposed business plan, your marketing research and projected costs, as well as anticipated income figures, with a summary for each year, over at least a three year period.

It'll be advantageous to you to base your cost estimates high, and your income projections on minimal returns. This will enable you to "ride thru" those extreme "ups and downs" inherent in any beginning business. You should also describe what makes your business unique - how it differs from your competition, and the opportunities for expansion or secondary products.

This prospectus will have to state precisely what you're offering the investor in return for the use of his money. He'll want to know the percentage of interest you're willing to pay, and whether monthly, quarterly or on an annual basis. Are you offering a certain percentage of the profits? A percentage of the business? A seat on your board of directors?

An investor uses his money to make more money. He wants to make as much as he can, regardless whether it's a short term or long term deal. In order to attract him, interest him, and persuade him to "put up" the money you need, you'll not only have to offer him an opportunity for big profits, but you'll have to spell it out in detail, and further, back up your claims with proof from your marketing research.

Venture investors are usually quite familiar with "high risk" proposals, yet they all want to minimize that risk as much as possible. Therefore, your prospectus should include a listing of your business and personal assets with documentation - usually copies of your tax returns for the past three years or more. Your prospective investor may not know anything about you or your business, but if he wants to know, he can pick up his telephone and know

everything there is to know within 24 hours. The point here is, don't ever try to "con" a potential investor. Be honest with him. Lay all the facts on the table for him. In most cases, if you've got a good idea and you've done your homework properly, an "interested investor" will understand your position and offer more help than you dared to ask.

When you have your prospectus prepared, know how much money you want, exactly how it will be used, and how you intend to repay it, you're ready to start looking for investors.

As simple as it seems, one of the easiest ways of raising money is by advertising in a newspaper or a national publication featuring such ads. Your ad should state the amount of money you want - always ask for more money than you need so you have room for negotiating. Your ad should also state the type of business involved (to separate the curious from the truly interested), and the kind of return you're promising on the investment.

Take a page from the party plan merchandisers. Set up a party and invite your friends over. Explain your business plan, the profit potentials, and how much you need. Give them each a copy of your prospectus and ask that they pledge a thousand dollars as a non-participating partner in your business. Check with the current tax regulations. You may be allowed up to 25 partners in Sub Chapter S enterprises, opening the door for anyone to gather a group of friends around himself with something to offer them in return for their assistance in capitalizing his business.

You can also issue and sell up to \$300,000 worth of stock in your company without going through the Federal Trade Commission. You'll need the help of an attorney to do this, however, and of course a good tax accountant as well wouldn't hurt.

It's always a good idea to have an attorney and an accountant help you make up your business prospectus. As you explain your plan to them, and ask for their advice, casually ask them if they'd mind letting you know of, or steer your way any potential investors they might happen to meet. Do the same with your banker. Give him a copy of your prospectus and ask him if he'd look it over and offer any suggestions for improving it, and of course, let you know of any potential investors. In either case, it's always a good idea to let them know you're willing to pay a "finder's fee" if you can be directed to the right investor.

Professional people such as doctors and dentists are known to have a tendency to join occupational investment groups. The next time you talk with your doctor or dentist, give him a prospectus and explain your plan. He may want to invest on his own or perhaps set up an appointment for you to talk with the manager of his investment group. Either way, you win because when you're looking for money, it's essential that you get the word out to as many potential investors as possible.

Don't overlook the possibilities of the Small Business Investment Companies in your area. Look them up in your telephone book under "Investment Services." These companies exist for the sole purpose of lending money to businesses which they feel have a good chance

of making money. In many instances, they trade their help for a small interest in your company.

Many states have Business Development Commissions whose goal is to assist in the establishment and growth of new businesses. Not only do they offer favorable taxes and business expertise, most also offer money or facilities to help a new business get started. Your Chamber of Commerce is the place to check for further information on this idea.

Industrial banks are usually much more amenable to making business loans than regular banks, so be sure to check out these institutions in your area. Insurance companies are prime sources of long term business capital, but each company varies its policies regarding the type of business it will consider. Check your local agent for the name and address of the person to contact. It's also quite possible to get the directors of another company to invest in your business. Look for a company that can benefit from your product or service. Also, be sure to check at your public library for available foundation grants. These can be the final answer to all your money needs if your business is perceived to be related to the objectives and activities of the foundation.

Finally, there's the Money Broker or Finder. These are the people who take your prospectus and circulate it with various known lenders or investors. They always require an up-front or retainer fee, and there's no way they can guarantee to get you the loan or the money you want.

There are many very good money brokers, and there are some that are not so good. They all take a percentage of the gross amount that's finally procured for your needs. The important thing is to check them out fully; find out about the successful loans or investment plans they've arranged, and what kind of investor contacts they have - all of this before you put up any front money or pay any retainer fees.

There are many ways to raise money - from staging garage sales to selling stocks. Don't make the mistake of thinking that the only place you can find the money you need is through the bank or finance company.

Start thinking about the idea of inviting investors to share in your business as silent partners. Think about the idea of obtaining financing for a primary business by arranging financing for another business that will support the start-up, establishment and development of the primary business. Consider the feasibility of merging with a company that's already organized, and with facilities that are compatible or related to your needs. Give some thought to the possibilities of getting the people supplying your production equipment to co-sign the loan you need for start-up capital.

Remember, there are thousands upon thousands of ways to obtain business start-up capital. This is truly the age of creative financing.

Disregard the stories you hear of "tight money," and start making phone calls, talking to people, and making appointments to discuss your plans with the people who have money to invest. There's more money now than there's ever been for new business investment. The problem is that most beginning "business builders" don't know what to believe or which way to turn for help. They tend to believe the stories of "tight money," and they set aside their plans for a business of their own until a time when start-up money might be easier to find.

The truth is this: Now is the time to make your move. Now is the time to act. The person with a truly viable business plan, and determination to succeed, will make use of every possible idea that can be imagined. And the ideas I've suggested here should serve as just a few of the unlimited sources of monetary help available and waiting for you!

YOUR MONEY GUIDE TO FREE GOVERNMENT GRANTS

Anyone thinking about going into business for themselves, or wanting to expand an existing business should rush for the world's largest "one-stop-money-shop" where FREE MONEY to start or expand a business is being held for you by the Federal Government.

It sounds absolutely incredible that people living right here in the United States of America wouldn't know that each year the world's largest source of free business help delivers:

- * over \$30 billion dollars in free grants and low-interest loans;
- * over one-half trillion dollars in procurement contracts; and
- * over \$32 billion dollars in FREE consulting and research grants.

With an economy that remains unpredictable, and a need for even greater economic development on all fronts, the federal government is more willing than it ever has been before to give you the money you need to own your own business and become your own boss!

In spite of the perception that people should not look to the government for help, the great government give-away programs have remained so incredibly huge that if each of the approximately 8 million businesses applied for an equal share, they would each receive over \$70,000.

Most people never apply for a FREE GRANT because they somehow feel it isn't for them, feel there's too much red-tape, or simply don't know who to contact. The fact is, however, that people from all walks of life do receive FREE GRANT MONEY and other benefits from the government, and you should also.

HOW TO FIND FUNDING SOURCES WORTH BILLIONS

As with all grant seeking, the key to obtaining grants is preparation and knowledge about funding sources. Preparation means identifying programs that are available, and then determining if you fall within their restrictions.

The following sources will be invaluable to you in locating thousands of sources of FREE MONEY!

FEDERAL REGISTER: This daily publication contains changes, proposed changes, and notices about rules and regulations affecting all government agencies and their programs. Federal agencies must publish the program description, eligibility requirements, and program

guidelines in the Federal Register. For current subscription costs write to: Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

CATALOG OF FEDERAL DOMESTIC ASSISTANCE: This publication lists a complete description of every program in the federal government that makes funds available to private business. Write to the U.S. Government Printing Office, Washington, DC 20402.

COMMERCE BUSINESS DAILY: This publication contains a daily listing of U.S. Government procurement invitations, contract awards, subcontracting leads, sales of surplus property, and foreign business opportunities. For current annual subscriptions costs write to the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

FREE FEDERAL MONEY GIVEN AWAY TO ASSIST BUSINESSES

GRANT MONEY FOR BUSINESSES IN POOR ECONOMIC AREAS: Contact the Economic Adjustment Division, Director, Economic Development Administration, Herbert Hoover Bldg., Rm. H7217, Washington, DC 20230.

GRANT MONEY FOR MINORITY BUSINESS DEVELOPMENT: Grants are awarded up to \$2 million dollars to stimulate growth. Contact the Minority Business Development Agency, Department of Commerce, Washington, DC 20230.

FREE MONEY TO PROVIDE ASSISTANCE TO ECONOMICALLY DISADVANTAGED BUSINESSES: Management and technical assistance is provided free to disadvantaged businesses. Contact the Associate Administrator for Small Business, 1441 L Street, NW, Rm. 602, Washington, DC 20416.

GRANT MONEY FOR INVESTORS IN RENTAL APARTMENT BUILDINGS WHO ARE IN FINANCIAL TROUBLE: Contact the Chief, Program Support Branch, Management Operations Division, Office of Multi-Family Housing Management, Department of Housing and Development, Washington, DC 20420.

GRANT MONEY FOR WOMEN'S ENTERPRISES: Up to \$200,000 dollar grants are awarded to women in business annually. Contact the Office of Women's Business Ownership, U.S. Small Business Administration, 409 Third Street, SW, Washington, DC 20416.

GRANT MONEY FOR REAL ESTATE INVESTORS WHO RENT TO ELDERLY OR HANDICAPPED PEOPLE: Contact the Director, Office of Multi-Family Housing Management, Dept. of Housing and Urban Development, Washington, DC 20410.

GRANT MONEY FOR INDIAN-OWNED BUSINESSES: Contact the office of Tribal Services, Bureau of Indian Affairs, 1849 C Street NW, MS #4603-MIB, Washington, DC 20240.

FREE STATE GRANT MONEY

There simply isn't enough room in this report to begin listing all the FREE MONEY programs that are available from the federal and state governments. We can tell you however, the general types of programs that are available and where to begin.

As you contact different agencies for grant money, learn not to accept "no" as a final answer. There are so many new programs being offered each year that often an agency's own employees won't be aware they are offering the one you ask about. If being persistent doesn't help, get in touch with your congressman and let them track down a program that meets your needs.

TYPES OF PROGRAMS AVAILABLE THROUGH STATE AND FEDERAL AGENCIES

FREE MONEY: Usually through direct grants that do not have to be paid back.

BUSINESS CONSULTING: Free management advice is offered on almost every business subject by the Department of Economic Development to minimize new business start-up management costs.

BUSINESS SITE SELECTION: State hired specialists are available to assist new entrepreneurs select the best possible location for their new business.

MANAGEMENT TRAINING: Most states will assign specialists to work with a new business with one-on-one management training.

EMPLOYEE TRAINING ASSISTANCE: This program provides FREE MONEY to train employees. FREE MONEY is also available to send employees to school.

RESEARCH & DEVELOPMENT GRANTS: FREE MONEY is available to attract high-tech related companies.

PROGRAM CONSULTANTS: States have highly trained management consultants who will locate Federal Grant Programs and help you through the application Process.

FORMS & DOCUMENTS: State professionals will help a new business owner apply for permits, licenses, or any other legal document a business may require.

VENTURE CAPITAL FINANCING: This method can provide FREE MONEY in the sense you wouldn't have to pay it back. You would, however, probably have to give up part of the ownership of your business in order to receive financing. Most states have their own venture capital finance terms that invest in high risk businesses.

MINORITIES & WOMEN: FREE MONEY grants are available in most states for women or

minorities who want to start a business.

LOW INTEREST LOANS: A state may raise money through industrial revenue bonds to buy your fixed-asset equipment. The public, which invests in these bonds, do not pay taxes on the earned interest. When a low interest loan is granted, the states does not guarantee that investors will get their money back if the business fails. If a state issues a general obligation bond, a public investment is then guaranteed. The states will also make direct loans at low interest, or even co-sign a commercial bank loan. If a state co-signs a loan for you, it may subsidize your interest and reduce an already low-interest rate lower yet.

SMALL BUSINESS DEVELOPMENT CENTERS

Every state has Small Business Development Centers who can match you up with the right FREE MONEY grant program. All development centers offer free counseling to anyone wishing to start or expand a business. Their services are varied but include: FREE seminars, workshops, business planning, feasibility studies, marketing research, management analysis, sales technique, financing, exporting, inventory control, accounting, record keeping, and grant applications. Whatever your questions about FREE MONEY grants or starting a business, refer to your telephone directory under State Offices and contact your Small Business Development Center.

GETTING FREE MONEY FROM VENTURE CAPITAL SOURCES

A venture capital company is another source for FREE MONEY in financing your business plans. But since they are willing to assume some risk by investing in your business, they also expect some equity in the business itself.

Venture capital companies invest in projects they feel will be successful and bring a return on their investment. If you are interested in asking a venture capital company to invest in your business refer to your telephone directory under Venture Capital Companies or Investment Companies, and contact those who are in the same area you want to start your project in.

SMALL BUSINESS INVESTMENT COMPANIES

Small business investment companies can provide your business with the capital it needs by; 1) giving you a free loan; 2) making a stock investment in your business; or 3) offering a combination of the two.

Small business investment companies are in the business of making money just like any other business. The biggest difference between them and another investor is:

- 1) They are privately managed firms who are licensed and partially financed by the

federal government's Small Business Administration.

- 2) All of its transactions are regulated by the government.
- 3) Their success depends on the growth and profits of companies they own stock in. They often give money in exchange for stocks.
- 4) Their loans usually carry lower interest rates than commercial banks.
- 5) Straight loans repayments are carried over a longer period of time.
- 6) Most businesses are eligible, especially if they are 50% minority owned.

For a complete listing of the thousands of Small Business Investment Companies, visit your local library and ask for the SBIC Catalog. Study the catalog and note the companies that specialize in your area of interest. Then write them and request more information on what they have to offer.

WRITING A SUCCESSFUL GRANT APPLICATION

To write a successful grant application for FREE MONEY it should be well planned. You should be familiar with exactly how a particular agency prefers to have their grant proposals completed. If you have no prior experience in writing grant proposals, this is another area where your State Small Business Development Centers can help.

WORK CLOSELY WITH THE FREE MONEY GRANTOR AGENCY

Once you decide which government agency you want FREE MONEY from, contact them and ask for a grant application kit. Get to know some of the grantor agency personnel. Experts love to talk about their programs, so ask for advice, suggestions, and criticisms about your proposed project.

In most cases, the more an agency knows about your grant proposal, the better your chances will be of getting support from the personnel who ultimately approve your FREE MONEY request.

Often it is a grantor's advantage to send their grant proposal summary to an agency official they have developed a contact relationship with, and ask them to review and return it to you with their comments. Be certain this approach is acceptable with your agency contact. You wouldn't want a first draft mistakenly processed before it was finished.

Making a personal visit to the agency's office in your area is also important. Face to face contact will help you understand eligibility requirements, deadlines, maximum FREE MONEY amounts you can apply for, and other details you want to know about. You can

also utilize an agency's library and determine through books, brochures, and conversation if there are other agencies you could apply to for FREE MONEY. There is nothing that says you can't apply for two, three, or more FREE MONEY grants at one time!

ESTABLISH YOUR OWN PROFESSIONAL NETWORK

Do some networking and maintain continuous contact with people who can gather information for you about FREE MONEY GRANTS. Nothing can be substituted for personal contact with the decision makers who are in charge of grant programs. Learn to use your personal influence (and theirs) to achieve your goals.

The U.S. Government Printing Office maintains a wealth of information that people never take advantage of! Write to them and ask for a copy of the "U.S. Government Directory" and ask for a list of books, brochures, and documents that covers your field of interest. Tell them you are especially interested in obtaining information about FREE FEDERAL MONEY that's available to private citizens.

Remember, "FREE FEDERAL MONEY" doesn't mean you have to travel to Washington, DC. It just means finding out where the agencies are within your own states and local governments. The contacts you want to make may only be minutes away.

CHECKLIST OF QUESTIONS TO ANSWER BEFORE YOU BUY A FRANCHISE

Franchise businesses such as Wendy's, McDonald's and Jack-In-The-Box are booming. The people setting up franchise ideas and businesses know a good thing, and are really promoting this idea. Franchises for just about every conceivable kind of business are being sold in ever increasing numbers.

Some franchises are very good. They treat both the franchisor and the franchisee very well. Others are very one-sided. Still others are almost total rip-offs that trap one into paying ten to fifty times the actual value of the business idea, equipment, or what ever it is they are trying to get you to buy.

Before putting any money into a franchise, you should investigate everything completely. We've prepared a list of questions you should be asking, and should get satisfactory answers to before investing.

1. Has your attorney studied the franchise contract, discussed it completely with you, and do you both approve it without reservations?
2. Does the franchise require you to take any steps which are either illegal or even border on illegal, or are otherwise questionable or unwise in your state, county or city?
3. Does the franchise give you an exclusive territory for the length of the franchise period, or can the franchisor sell a second or third franchise in your territory?
4. Is this franchisor connected in any way with any other franchise company handling similar products or services?
5. If you answered yes to the above question, what is your protection against the second franchising company?
6. Under what circumstances can you end the franchise contract, and at what costs to you?
7. If you sell your franchise, will you be compensated for your goodwill or will it be lost to you?
8. How many years has the firm offering you the franchise been in operation?
9. Does the company offering you this franchise have a reputation for honesty and fair dealing among its franchisees?

10. Has the franchisor shown you any certified figures indicating exact net profits of one or more of its members, and have you personally checked the figures with these people?
11. Will the franchisor assist you with:
 - a) A management training program;
 - b) An employee training program;
 - c) A public relations and advertising program;
 - d) Capital;
 - e) Credit;
 - f) Merchandising ideas?
12. If needed, will the franchisor assist you in finding a suitable location?
13. Is the franchising firm adequately financed so that it can carry out its stated plans?
14. Does the franchisor have experienced management, trained in-depth?
15. Exactly what can the franchisor do for you that you cannot do for yourself?
16. Has the franchisor investigated you carefully enough to assure itself that you can successfully operate at a profit to both of you?
17. Does your state have a law regulating the sale of franchises, and has the franchisor complied with that law to your satisfaction?
18. How much equity capital will you need to purchase the franchise and operate it until your income equals your expenses?

If you can get the answers to each of these questions, and those answers satisfy you, then you're probably thinking about buying a pretty good franchise deal. However, if you're in doubt about any of these points, be sure to check it out and know the answers for certain before you invest or sign anything.

Buying a franchise can give you a measure of security, and in some cases, sure-fire profits. Business surveys show that fewer than 20 percent of all new franchised businesses fail. This is in comparison to a 60 to 80 percent failure rate for all new businesses started in this country each year.

Information regarding specific franchising ideas can be found in the franchising directories, which are generally available at the local library. Often there will be a notice posted in franchise outlets themselves.

If you can afford the entry into this business, statistics are on your side. You are now armed with some CAUTION and STOP and GO signs!

HOW TO RAISE MONEY FOR YOUR FRANCHISE

How often have you thumbed through a business opportunity magazine, noticed a franchise opportunity advertisement, and felt you'd really like to get in on that... if only you had the money? If you're like most who are seeking greater opportunity and wealth, this probably happens with you more often than you care to admit, except perhaps in strictly private conversations.

When the average person sees one of these opportunities, or comes up with a similar idea of his own, the problems of start-up capital may seem formidable. But in reality, they may not be. In fact, just about anyone with a good credit record and an "insider's sense of business" can get the capital he or she needs, whenever it's needed. The secret is in knowing how to put together a proper proposal, and to present it to the right person. These are the "how-to" instructions we're going to give you in this report.

The first thing you're going to need is a complete business plan. This is a complete and detailed description of exactly how you intend to operate the proposed business. Your business plan should detail precisely the product or products you plan to sell; how you're going to produce or manufacture the product; your costs (inventory costs if you're purchasing them from a supplier); who is going to sell those products for you; how they're going to be sold; the attendant costs; when you expect to recoup your initial investment; your plans for growth or expansion; and the total dollar amount you're going to need to make it all work according to your plan. Your business plan must be detailed - complete with projected income and expense figures - through at least the first three years of business. For more details, and "how-to" instructions, see our report, REORGANIZE YOUR TIME TO ACCOMMODATE A HOME-BASED BUSINESS #2001.

Now, assuming you have your business plan all worked out, put together and ready for presentation with your request for capital, let's talk about your capitalization proposal.

First, keep in mind that whenever you ask somebody for money whether it's for a small personal loan or a large amount of money to finance a business, you're involved in a selling situation. You have to prepare a "sales presentation" just as if you were getting ready to sell an automobile or refrigerator. Within this sales presentation you must have all the facts and figures; you must anticipate the questions and the possible objections of the prospective lender with answers or explanations; and you must "package" it as impressively as you would yourself for an audience with the president of IBM or General Motors.

The more money you ask for, the more "in-the-know" will be the people you want to borrow from, and so the more detailed and organized your proposal must be. This shouldn't cause you too much worry however, because you can hire a CPA to help you put it together properly, once you've got the facts and have a business plan he can work from.

Look at it this way: The more money you request for your business, the more your lenders or prospective investors are going to want to know about you, your planning, and your business. They want to be impressed with the fact that you've done your homework; they want to see that you've researched everything and documented your facts and figures; they want to be assured by your presentation that investing in your business will make money for them. It's just that simple at the bottom line. Unless you can instill confidence in them with your business plan and loan or investment proposal, they're just not going to give much positive thought to your request for capitalization.

So you'll need a balance sheet describing your net worth - the worth of what you own compared to the amount of money you owe. You'll also have to prove your stability and money-management talents relative to how successful you've been in paying off past obligations. If you have had credit problems in the past, get them "cleaned up", or at least explained on your file at your local credit bureau office. Under the law, credit bureaus are required to give you all the information they have about you in their files, and it's your right to correct any errors or either explanations regarding negative reports on your credit. Do this without fail because prospective lenders or investors will definitely check your credit history.

So, now you have your balance sheet prepared; your credit history organized in a light that's favorable to you your business plan (with costs and income projected over the coming three years), you're ready to start looking for lenders or investors.

Almost all franchisors offer help in setting up with one of their franchises. Most will go out of their way to assist you in getting the financing you need. Some will lend you the entire amount, with payments coming out of the income they expect you to make from their franchise operation. Many will carry this loan themselves, while others will carry part of it and find you a lender to finance the remainder.

Franchisors have two objectives in mind when they offer franchises to the public: They are trying to expand their operation, thus increasing their profit, and they are trying to raise capital for themselves. Generally speaking, if you have a good credit history, and if they feel you have the necessary business personality to achieve success with one of their operations, they'll do everything within their power to get you in a franchise outlet. Keep this in mind the next time you see an advertisement for a promising franchise opportunity requiring a substantial amount of cash outlay. You don't necessarily have to have all the money. They want you, and they'll help you!

Many people seem to be unaware that most of today's largest corporations started on a shoestring - on borrowed money. Many people seem to feel that unless they've got it all "in hand" in savings, then they'll just have to keep plugging away until they can save up enough to take the big plunge. Nothing could be farther from the truth. Just a quick bit of research will show that 999 out of every 1,000 businesses were begun on borrowed money.

Look to your family and friends for financial help. Approach them in a business-like manner; tell them about your idea or plans, and ask them for a loan. Agree to sign a formal statement to pay them back in three, five or ten years, with interest.

When you have your proposal assembled, you might even want to think of a limited partnership or even a general partnership arrangement as a way to finance your project. In any kind of partnership, each partner shares in the profits of the company, but in a limited partnership, each person's loss liability is limited to the amount of money he initially invested. The truth is, in this kind of a situation, you'll be doing all the work and sharing your gain with your partners, but then it's a fairly sure way to obtain needed financing.

Another common method of obtaining business financing is through second mortgage loans on a home or existing piece of property. Say you purchased a home ten years ago for \$35,000, and today the assessed valuation is \$85,000, with a mortgage of \$25,000 still outstanding. A lender may consider your home to be security or collateral for a loan up to \$60,000. In many instances, this is the easiest and surest way of getting the money needed for franchise or other business investment. And, it makes sense; you've got "net worth" available that is doing nothing but sitting there. Take this equity and invest it in a worthwhile business, and you could double or triple your net worth each year for the rest of your life.

Deciding to obtain a second mortgage on your home in order to finance a business opportunity is without doubt a major decision, but if you are sure about your investment project, and are determined to succeed, you owe it to yourself to go ahead. You could incorporate yourself, borrow money from your family through a second mortgage on your home, and protect against the loss of your home through the Federal Homestead Act. The important point here is that all business opportunities involve risk and sacrifice. It's up to you to determine the feasibility of your success with your proposed venture, then decide on the best way possible to proceed.

In every instance where you run into reluctance on the part of a lender to lend you the money you need, explore the feasibilities of "two-name" or "co-signed" loans. You can have the franchisor sign with you, or one of your suppliers, a business associate or even a friend. Oftentimes you can borrow or rent collateral such as stocks, bonds, time certificates, business equipment or real estate, and in this way give greater confidence to the lender in your abilities to repay the loan. Whenever you can show a contract from someone who has agreed to purchase a certain number of your products or services over a specified period of time, you have another important piece of paper that most lenders will accept as collateral. Still another possibility might be to get a bank or a firm that has loaned you money in the past to guarantee your loan. They simply guarantee that they'll lend you money in the future if ever the need should arise.

Going straight to your neighborhood bank, applying for a business loan and walking out with the money is just about the most unlikely of all your possibilities. Banks want to lend money, and they must lend money in order to stay in business, but most banks are notoriously conservative and extremely reluctant to lend you money unless you have a "regular income" that guarantees repayment. If and when you approach a bank for a business loan, you'll need all your papers in order - your financial statement, your business plan, credit history and all the endorsements you can get relative to your succeeding with your planned enterprise. In addition, it would be a good idea to take along your accountant just to assure

the banker that your plan is verifiable. In the end, you'll find that it all boils down to whether or not the bank officer studying your application is sold on you as a good credit risk. Thus you must impress the banker - not only with your proposal, but with your appearance and personality as well. In dealing with bankers, never show an attitude of doubt or apology. Always be positive and sure of yourself. However, don't come on so strong to them that you're either demanding or overbearing. Just look good, know your stuff, and project an attitude of determination to succeed.

Your best bet, in attempting to get a business loan from a bank, is to deal with commercial banks. These are the banks that specialize in investment loans for going businesses, real estate construction, and even venture programs. Look in the yellow pages of your telephone or business directories; call and ask for an appointment with the manager; and then explore with him the possibilities of a loan for your project. One of the "nice things" about commercial banks is that even though they may not be able to approve a loan for your business ideas, they will almost always give you a list of names of business people who might be interested in looking over your proposal for investment purposes. A lot of commercial banks stage investment lectures and seminars for the general public. If you find one that does, attend. You'll meet a lot of local business people, some of whom may be able to and interested in helping you with your business plans.

When you're looking for money to move on a business deal, it does not really matter where the money comes from, or how it all comes about. It's important that you get the money, and at terms that are suitable to you. Thus, don't overlook the possibilities of an advertisement for a lender or investor in your local papers. Place your ad as well in national publications reaching people looking for investments. Other avenues to seriously consider are foundations that offer grants, local dental and medical investment groups, legal investment groups, business associations, trust companies and other groups or organizations looking for tax shelters.

Basically, it isn't a good idea to go to a finance company or other commercial lender of this type for a business loan. The most obvious reason is the high interest creates you have to pay. These companies borrow money from larger money lenders, and then turn around and lend it to you at a higher interest rate than they pay. Herein lies the means by which they make money from granting loans to you. The more it costs them to provide the money for you, the more it's going to cost you to borrow their money. The only element in your favor when borrowing from one of these agencies is that most will generally lend you money against collateral other lenders just won't accept. Insurance companies, pension funds, and commercial paper houses are not too out of sight with their interest rates, but they generally will not even consider talking to you unless you're requesting \$500,000 or more. They'll also pretty much require that your business proposal be backed by the best possible plan.

Finally, the bottom line is this: You must have a well-researched and detailed business plan; you must have all your documents and projections put together in an impressive presentation; and then, you will have to be the one who does the final selling of your proposal to the investor or lender. This means your appearance, personality and attitude, because - make no mistake about it - before anyone lends you any sizeable amount of money,

they're going to want to take a close look at you personally before they hand over the money.

Actually, the different ways of financing a franchise opportunity are as many and varied as your own creativity. The sources of obtaining money are virtually limitless, and available to anyone with an idea.

One word of caution before you jump into any franchise purchase agreement: The price you pay to participate in a franchise operation is not always the total cost involved in getting the business off the ground. With some franchise operations, you may find other costs such as down payments on the purchase of property, building construction costs, remodeling or site improvements, equipment, fixtures, signs, advertising, and training. Virtually all franchise deals require that in addition to the purchase price or the license fee of the franchise, you're required to give a certain percentage of your gross business income to the franchisor, plus extra payments for promotion and administrative costs. Above all else, before you get involved in a franchise, or any business venture for that matter, make sure you've conducted a complete and thorough investigation of the opportunity presented. If it's a good deal, then go with it; but if you have any doubts or feel as though you're getting in over your head, back off and look around for something not quite so ambitious, or perhaps expensive.

There a lot of good franchise opportunities, and some not so good. It's important that you be sure of what you're investing in, and that you can make money with it. From there, preparing the proper business plan and the necessary financing, while not always a snap, can be done. Now's the time to do it! We wish you outstanding success with your franchise business.

THE INSIDE SECRETS OF FREE PUBLICITY FOR YOUR BUSINESS

Product publicity is the "secret pathway" to business success everyone wants. In simple terms, product publicity is a kind of advertising that costs you nothing, yet brings in the orders for you.

Regardless of what kind of business you are operating, you should want, and strive for, as much publicity for your business and your products or services, as possible. After all, it's "free advertising" that is essential to the growth of your business. However, your publicity efforts should be well thought out, and pre-planned for maximum results.

The first, and basic form of obtaining publicity is through what is known as the press or news release. This is generally a one page story about your business, your product/service or an event happening related to your business that is about to, or has recently occurred. These publicity stories are generally "shotgunned" to all the various media: local newspapers, radio and TV, and trade publications.

Problem number one is getting the people to whom you've sent these publicity stories, to use them, publish or broadcast them. And this leads us back to the "right way" of writing them and sending them in.

In every case, send a short cover letter addressed to the person you want your material to be considered by... This means that you send your story to the city editor of the newspapers' the news directors of the radio & TV stations: and the managing editors of the various trade publications. It will do you no good whatsoever, to send your material to the advertising, circulation or business managers - describing how you're a longtime advertiser, subscriber or listener. The most important thing is that you make contact with the person who has the final say as to what is to be published or; broadcast, and at the bottom line - this person's use of - your material will somehow make him a "hero" to his or her readers, viewers or listeners.

The cover letter should be a short note. Go to a paper supplier - tell them you want a hundred or so sheets of good bond paper - 8 1/2" by 11" preferably in a pastel color such as blue or ivory - and that you want this paper cut into quarters, giving you a grand total of 400 sheets of note paper "From the desk of..." note sheets are too elaborate until the people you're contacting get to know you - first time around, and until they use your material, don't use these semi-formal note sheets...

On this note sheet, begin with the date across the top - skip a couple of spaces and then quickly tell the recipient of the note, the attached material is new and should be of real interest to his readers, viewers or listeners. We advise our dealers and distributors of MONEY MAKING MAGIC - our regular publication for serious wealth builders and extra income seekers - to send the following note to the editors and news directors of the media in their areas:

"Here's something that's new, and for a change, truly helpful, to people trying to cope with inflation - the soaring costs of living - and those engaged in building extra income businesses of their own. Should be of real value - interest - to your readers. Please take a look - any questions, or if you need more info, give me a call at: (503) 666-5824..." Then, of course, you skip about four spaces, type your name, your business name, and your address - sign your name above where you've typed it, and staple this note in the upper right hand corner of your news release. This note should be typed and double-spaced.

So now, you've got a cover letter, and you know who to send it to... We type up one such note, and take it to a nearby quick-print shop. They xerox the note 4 times, paste these 4 copies onto one sheet of paper, print 50 to 100 copies, and cut the paper into individual notes, all for less than \$10... Do not try to save money by photocopying or xeroxing - a photocopy is a photocopy is a photocopy, and will not do the job for you...

Now you need the actual publicity release, which also must be "properly" written if you expect it to be used by the media. Above all else, there's a proper form or style to use, plus the fact that it must be typed, double-spaced, and short - about a half page in total length.

About an inch from the top of the paper, with an inch and a half margin on each side of the paper; from the left hand margin, type in all capital letters: PRESS RELEASE: Then, underline these words. Immediately following the colon, but not in all capital letters, put in the date. Always set the date forward by at least one day after the day you intend to mail the release.

On the same line, but on the right hand side of the page, and in all capital letters, write the words, FOR FURTHER INFORMATION: Underline this, and immediately below, but not in all capital letters, type - your name - your phone number - and your address...

Skip a couple of spaces, then in all capital letters - centered between the margins - type a story headline, and underline it... Skip a couple of spaces, and from the left hand margin, all in capital letters, type the words, FOR IMMEDIATE RELEASE: From there on, it's the news or publicity story itself.

You can write the headline before the, story, and then a story to fit the headline - or the story before the headline, and then a headline to fit the story - either way, it's basically the same as writing a space ad or a sales letter... You attract attention and interest with the headline and fill in the details with your story.

Here's an example of the headlines we use on publicity blurbs for MONEY MAKING MAGIC:

HELP IN MAKING ENDS MEET
NEW PUBLICATION FOR EXTRA INCOME SEEKERS

Notice how we continue to sell or involve the editor - His readers are always looking for better ways to make ends meet, and he's specifically interested as to what our promise involves... He wants his readers to "think well" of him for enlightening them with this source of help, so he reads into the story to find out who, what and how... An actual copy of one of our publicity releases is contained as an appendix to this report...

Suffice it to say that your headline, and the story you present to the editor, must sell him on the benefits of your product or service to his readers. Unless it specifically does this, he'll not use it. You must sell the first person receiving your materials. Keep this fact uppermost in your mind as you write it. The person you send your press or publicity release to, must quickly see and understand how your product or service will benefit his readers - thereby making him a hero to them - and he must be assured it will do what you promise in your headline.

Come right to the point and say your product is lower in price, more convenient to use or in what way your product or service is useful to the people in general. It's also a good idea to include a complimentary sample of your product or an opportunity for him to sample your services.

Remember, the editors receiving your information are fully aware of your purposes - Free Advertising! They are not in the least interested in you or your credentials - If you've sold them on the benefits of your business to the readers, and they want background details, they'll call you. That's why you list your telephone number and address...

These people are busy people. They have not got the time nor the interest in reading about your trials and tribulations or plans for the future. They want only "a flag" that alerts them to something new and of probable real interest to their readers.

Sell the editor first. Convince him that you've found the better mousetrap. Show him that your product or service - that your business - fills a need and/or will interest a large segment of his readers, his viewers or listeners.

When an editor uses your publicity release, always follow-up with a short thank you note. Never, but never send a publicity release to an editor and then call or write demanding to know why he didn't use it, use it as you wrote it, or only gave you a quick mention. Do this once, and that particular media will "round-file" any further material received from you, unopened! If your first effort is not used, then you should review the story itself, perhaps write it from a different angle; make sure you're sending it to the proper person - and try again!

As stated earlier, these people are busy, with hundreds of publicity releases passing across their desks every day - They only have so much space or time -therefore, your material has to stand out and in some way, fit in with the information they - the editors- want to pass along to their readers, viewers or listeners. Regardless of your business, product, or service, you must build your press release - write it - around that particular angle or feature

that makes it beneficial or interesting to the readers, viewers or listeners of the media you want to run your press release. Without this special ingredient, you're lost before you begin.

The timing of your press release is always important. Try to associate your press release with current events in the news. A story on job layoffs and increased unemployment carried in the newspapers, on TV and radio would prompt us to get a publicity release out to all the media on the help and opportunity offered by MONEY MAKING MAGIC! Say there's a deluge of chain letters and pyramid schemes making the rounds - the media picks up on it and attempts to warn the people to beware... Within 5 days, we would get a publicity release out, explaining the availability of our report on chain letters and pyramid schemes - a report that explains everything from A to Z - who are the winners and who are the real losers.

There's another kind of timing also to keep in mind... Publication Deadlines... For best results, always try to time it so your material reaches the editor in time for the Sunday paper. This is because that's when the papers have their greatest circulation; the most space is available, and the people, the most time to read the paper.

For articles you'd like to appear in the Sunday paper, you'll generally have to get your releases in at least nine days prior to the date of publication. If you're in doubt, call and ask about the deadline date.

IN SUMMARY:

Choose the media most likely to carry your press release. Select those that carry similar write-ups on a regular basis.

Always use a cover letter of some kind. It pays to call ahead to find out the name of the person you should be sending your press release to.

Use the proper press release form, complete with a headline that will interest the man deciding whether or not to use your item.

Be sure your press release is letter perfect - no typos nor misspelled words - and don't photo-copy - always have each letter or press release individually typed or printed.

When your item is used, send a thank you note or call the editor on the phone and thank him for using your press release.

Never, but never call or write an editor demanding to know why he didn't use your press release, why he had it rewritten or cut it short - just try, and try again!