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Mommy's Getting a Home Based Business Loan

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Article Word Count: 1061 [[View Summary](#)] [Comments \(0\)](#)

Have your kids started school? Finding yourself with more time between 9am-2pm and getting excited about having personal time again? Once you have a few days of taking a really long shower, shopping and lunching with friends, and indulging in various home projects "just because," you may also be considering re-entering the workforce and putting your skills and talents to use again **for profit**. Perhaps you've been tossing around a business idea in your head for the last couple of years in between Barney, Dora and potty training. If you're ready to get your feet wet in more than spilled milk, consider taking the plunge and getting a home based business loan for your exceptional business idea. I recently interviewed a friend who is now the Vice President of Commercial Lending at a small community bank. Here's what he recommends before dumping the diaper bag and strutting your stiletto's into the nearest bank for a loan.

When Creating a Business, It's "Marketing, Marketing, Marketing"

Loan officers ask themselves and ask you, why would I use your product or service? If they sniff a bit of competition for you, and sense you're offering more or less the same product or service that consumers can easily source at a cheaper rate, they'll always want to know what your own unique selling proposition is. This is why crafting a well-intentioned business plan is crucial.

Specifically a loan officer considers the following key factors:

- Do you have a strong mission statement? This is especially important in a home based business plan, because it takes extra motivation and a really goal-oriented individual to have the discipline to succeed in what can be a much more chaotic environment than a corporate office.

- Is your business realistic? Nothing says passion & enthusiasm like doing your research & homework. For example, even the most credentialed dentist is going to have a rough time making profits when there are 50 other dentists within a five-mile radius of where he plans to practice. Identify your target market, consider how big a group they comprise, and really think through why they will want to do business with you versus the competition.
- Are your goals attainable? Remember that not every hour you spend is going to be reaping income. In the first year alone, plan for at least 50% of your time to be invested in educating your customer base and implementing marketing strategies. How will you reach your customers and market to them? For example, will you have a website presence, write a blog, place an ad in the yellow pages, post a flyer at your grocery store, or pound the pavement with good ol' fashioned networking?
- What quantitative benchmarks are in place to allow flexibility to adjust as business demands? Let's say your child didn't take too well to pre-school and you're back to in-home daycare. Or your service isn't doing so well with your friends and family, but has the potential to be a boon with local area businesses. Is your plan flexible enough to adapt to real-life quandaries?
- And here's what you bring that's not anywhere on paper. YOU! The loan officer asks, "Do I believe in this person, is she motivated and enthusiastic, does she know the marketplace, and is she someone I'd personally want to do business with?" Think of speed dating where the potential mates are sizing each other up in five minutes or less.

A Business Plan, Not War & Peace

The good news is that even a small community bank typically has a minimum of ten loan officers, so your business plan will likely be forwarded to someone who has at least a vague interest in what you have to offer. Still, think about your audience - this is a loan officer who is deciding whether or not you have the business acumen to pull off a business, not necessarily the end user of your product / service. My friend suggests the ideal home based business plan can be effective even with as few as 20 pages, with an average reading time 15 minutes. Make it engaging with lots of pictures and graphs that sell the story of your unique value proposition. Be sure not to focus on the intricacies of your product / service - save that for the in-person interview. Here you're just selling the "big picture" idea about your business, and the details are in the business / marketing strategy, rather than in the product or service you're selling to customers.

Benefits of Banking Loan vs. Opening a Credit Card

With a plethora of credit cards on the market catering to the home based business owner, with no business plan needed to get a decent line of credit, why bother with

the investment of a business plan?

The most obvious reason is that that a plan just makes good sense. It helps you focus your ideas, considers the possibilities and allows you to strategize before you dive in head first without a pool.

But let's say your business idea is a sure thing, why go to a bank for a loan instead of opening a credit card? To establish a relationship with a bank, early on in your business. Let's say you do great the first year, but in the second find yourself strapped for cash. Or best case scenario, you're doing even better than expected and find yourself in a position to expand the business. This is where an established relationship and credit history with a bank really works in your favor. As a small business owner, you'll mostly likely work with an accountant, a lawyer, a web designer. Add a trusted financial advisor to your circle of resources - you want to have financial means in your corner and watch your gem of an idea grow into a profitable endeavor.

Where Can I Get Help Writing My Plan?

[SCORE](#) is a free comprehensive online resource to help you get started in developing your plan. Looking for more custom guidance? That's where coaching comes into play. Look to a trusted coach who can help you decide on your next steps in formulating a business plan that expresses your best talents, interests and expertise. You are ultimately the expert on the business you want to create, but a coach can help you through the decision-making process as you consider why and how you want to launch your home-based business.

Cheers to your success!

Go Mommy! Nichole Santoro is a Life Coach & Career Coach who inspires working moms to design rewarding family-friendly careers and work-life balance. You went to school, launched a successful career, got promoted, got the paycheck. You had kids, you love them more than you thought possible, you want to spend more time with them. You love being intellectually challenged, and you love going on field trips and being a room mom. Balancing career and family is more than a dream. Visit me @ [Career Salon](#) to make it your reality!



Article Source: http://EzineArticles.com/?expert=Nichole_Santoro

This article has been viewed 83 time(s).
Article Submitted On: January 31, 2007