

Biz2Credit[®]



Women-Owned Business Outlook 2016 on International Women's Day

with

Anita Campbell (Moderator), Founder and CEO, Small Business Trends
Karma Hara, VP of Strategy & Business Development

Tues., Mar. 8, 2016 from 3-4 PM (EST)

Today's Presenters

2



Anita Campbell

**Moderator: Entrepreneur, Founder and CEO
Small Business Trends (SmallBizTrends.com)**



Karma Hara

Guest Speaker: VP of Strategy & Business Development

- Results of Biz2Credit's 2015 Women's Small Business Finance Survey
- Ways to improve your creditworthiness
- Things to be mindful of when considering small business loans



Anita Campbell

Founder, CEO and Publisher of Small Business Trends

Frequent guest speaker and panelist at small business seminars and conferences

Widely regarded as an authoritative voice on small business issues, Anita publishes several successful online media properties reaching more than 2 million small biz owners each month and 10 million annually

She shares her voice on the OpenForum.com and is an invited contributor at the SBA.gov Community site, among others



Karma Hara

VP of Strategy & Business Development at Biz2Credit

Business Development and Product Strategist for platform and data providers

Co-founder of a technology consultancy; Author and Co-inventor of a proprietary process for data aggregation US Patent No. 8,930,383

M.B.A. in Finance & Marketing from Kellogg School of Management

Discussion Topics

5

- Growth of women-owned businesses in 2015
- Gender gap in small business financing
 - Funding available for women small business owners
 - Tips for improving business credit scores
- Small business initiatives for women entrepreneurs
- Other topics related to entrepreneurship and small biz growth



Realities for Women Business Owners

6

- **More women graduate from college than men (Source: White House)**
 - Nearly 40 percent of women (ages 25-34) have at least a Bachelor's Degree
 - More than 10 percent of women in this age bracket have some graduate school experience
- **Women-owned businesses are an important source of job-creation in the U.S. economy**
 - The Guardian Small Business Research Institute projects women-owned businesses will create 5 million new jobs by 2018
 - One-third of the 15.3 million total new jobs anticipated by the Department of Labor.
 - An estimated 9.1 million women-owned businesses generate more than \$1.4 trillion in revenue
 - Number of women-owned firms has increased 68% since 1997
- **Access to capital has been a challenge, but situation has improved since startup costs of all types of businesses are low at this point in time**



Anita Campbell, Entrepreneur & Founder of Small Business

Trends

7

- There are nearly 9.1 million women-owned enterprises that employ nearly 7.9 million workers and generate over \$1.4 trillion in revenues.
- Between 1997 and 2014, the number of women-owned firms grew at 1½ times the national average.
- Revenue and employment growth among companies owned by women top that of all other firms—except the largest, publicly traded corporations.
- On average over the 1997–2014 period, there has been a net increase of 591 women-owned firms each day with an average of 1,288 per day during the past year.
- Since 1997, the growth in the number and economic contributions of firms owned by women of color is remarkable.
- Comprising just 17% of women-owned firms 17 years ago, firms owned by women of color now account for almost one-third(32%) women-owned firms in the U.S.

- American Express OPEN Women-Owned Businesses Report 2014



Anita Campbell, Entrepreneur & Founder of Small Business

Trends

8

According to Biz2Credit data, the states with the highest numbers of women applying for small business funding are:

- ▣ California
- ▣ Texas
- ▣ Florida
- ▣ New York
- ▣ Georgia
- ▣ North Carolina
- ▣ Illinois
- ▣ New Jersey
- ▣ Ohio
- ▣ Virginia



About the Biz2Credit Women in Business Study

9

- **Third year Biz2Credit has done this study**
- **The study was based on data collected from 35,000 loan applications from male and female business owners**
- **Findings are based on data from nearly 10,000 female entrepreneurs who sought funding on the Biz2Credit platform in 2015**

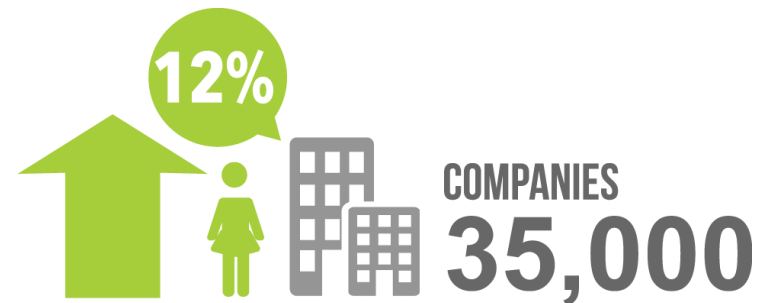


This year's Women in Business Study revealed good news as well as challenges

10

Annual Revenues, Profits, and Credit Scores of Women-Owned Businesses Improved in 2015

- Study of 35,000 Companies Finds Average Revenues of Women-Owned Businesses Increased 12% in a Year-to-Year Comparison
- Average annual revenues and loan approval percentages of women-owned companies increased
- 130% more women-owned businesses applied for credit in 2015 than in 2014
- Retail trade businesses represented 17.5% of women-owned companies

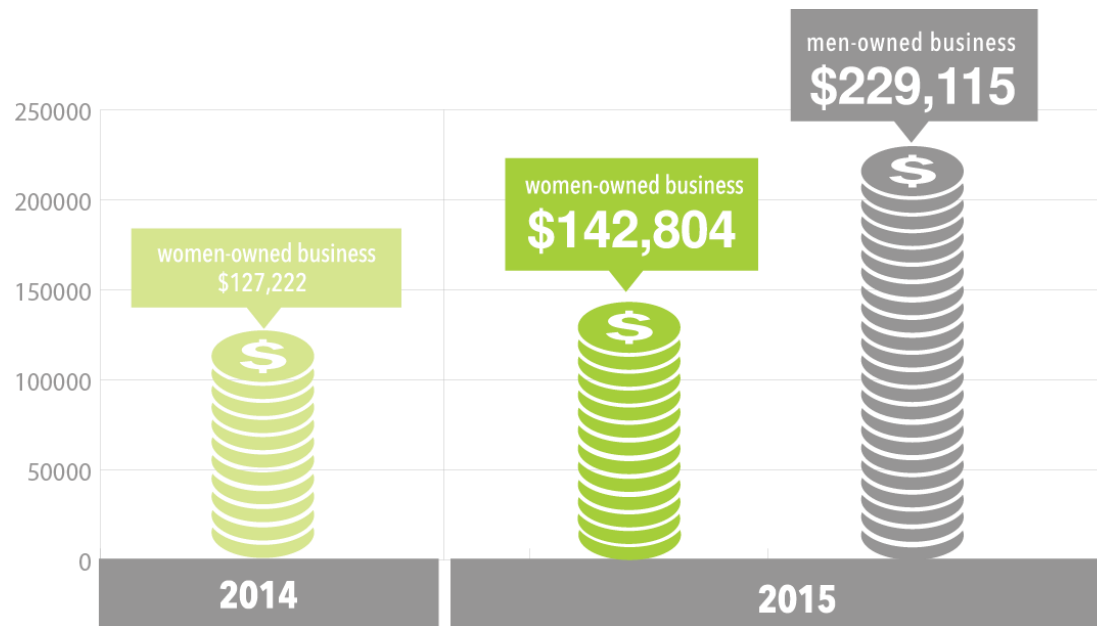


Biz2Credit's Annual Women Business Study

11

Annual Revenues

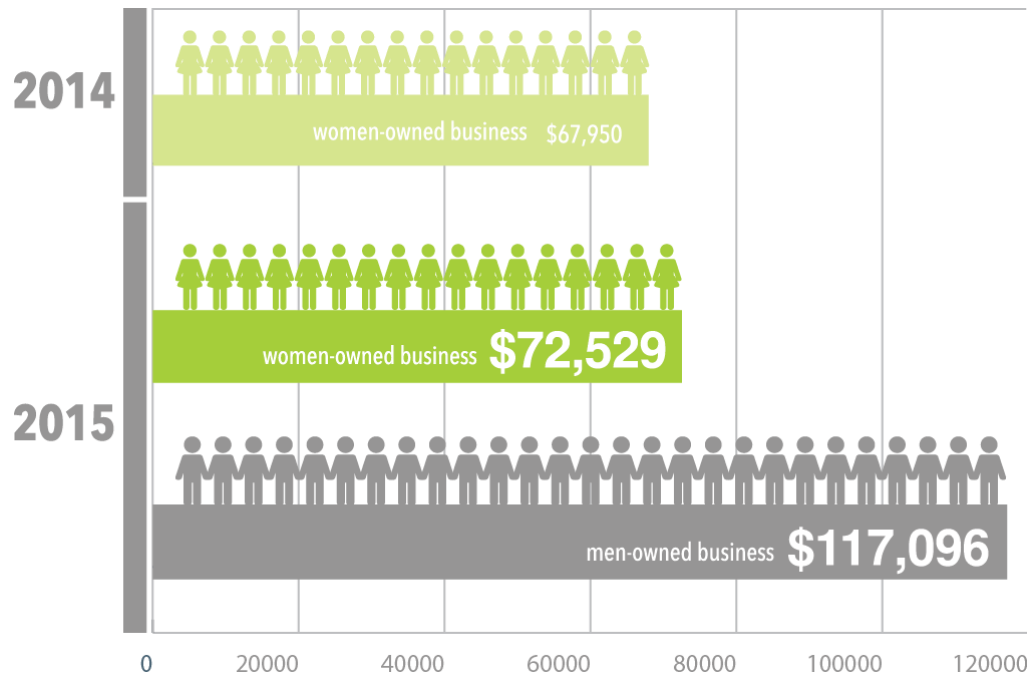
Average annual revenues of women-owned business jumped to \$142,804 in 2015, up from \$127,222 in 2014.



Biz2Credit's Annual Women Business Study

Annual Earnings

Average earnings rose to \$72,529 in 2015, up from \$67,950 in 2014.



Biz2Credit's Annual Women Business Study

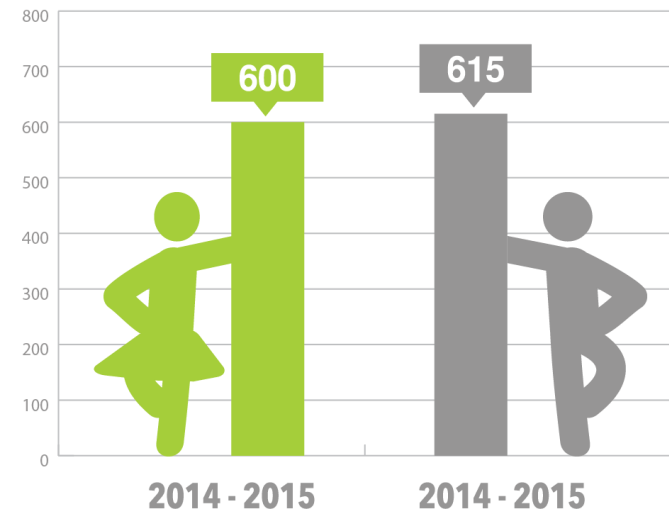
13

Annual Credit Scores

Average credit scores for women-owned companies remained flat in 2015, coming in at 600. At the same time, average credit scores were 15 points higher for businesses owned by men (615) in 2015.

"Favorable economic conditions in 2015 resulted in good credit scores overall, on average, for both men- and women-owned businesses. A credit score of at least 600 points is the benchmark of where entrepreneurs should want to be, if they are in the market for funding. Basically, if you have a lower credit score, loans will be more expensive. In other words, interest rates will be higher."

- Rohit Arora, CEO of Biz2Credit



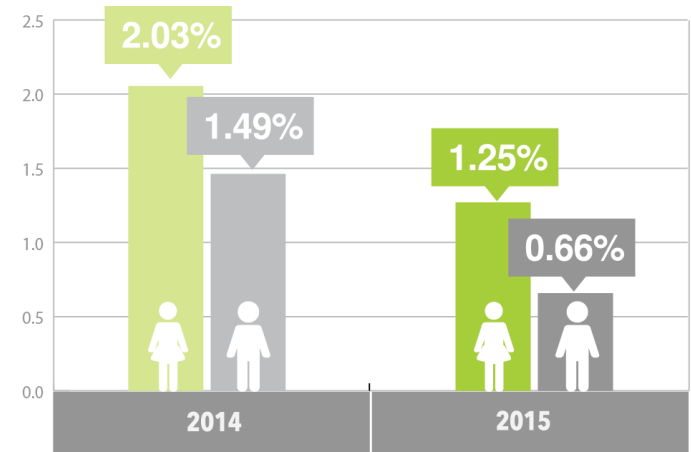
Biz2Credit's Annual Women Business Study

14

Approval rates for Businesses

Approval rates for women-owned businesses were 33% lower than for male-owned businesses. One aspect of this may be that the default rate of female owned businesses is higher than those of male owned operations.

"There are many factors that come into play when considering loan approval rates, a business's track record of revenue and credit scores are among the most important, the wide margin is cause for concern and the SBA, among other organizations have implemented initiatives in recent years to help narrow the gap and inspire better financial health." - Rohit Arora, CEO of Biz2Credit



A few things we'd like to see change

15

- **Male-owned companies generated more than 60% revenue, earnings**
 - Average male business revenue in 2015 was \$229,115
 - Average earnings for businesses owned by men were \$117,096
- **Average credit scores of women entrepreneurs remained relatively stagnant in 2015**
 - Study found business credit scores were 16 points higher for men
- **Approval rates 26.2% lower for women-owned companies**
- **Average Age of Business: Female-owned = 35 months vs. male-owned = 40 months**

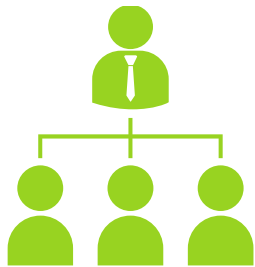
“Our analysis shows that a gender-gap still exists, despite the increased profitability that we are seeing with women-owned business in recent years.”



Challenges many small business owners face

16

SMALL BUSINESS OWNERS



- What product is best for me?
- Where do I go?
- Am I getting the best rate?
- Process too cumbersome

LACK OF TRANSPARENCY



BANKS & OTHER LENDERS



- How do I find good borrowers?
- How risky are they?
- How do I retain customers?
- How do I manage declines?
- Process too cumbersome

How Biz2Credit 's solution can help

17



How long does the Biz2Credit process take?

18

- Create an account for free in just a few minutes!
- Complete application online
No need to gather tons of documentation or fill out paper forms at a number of banks
- Select the best product and finish application online (Help from a Loan Specialist is available)
- Approvals within 24 hours
- Funding within 72 hours



Advantages of the Biz2Credit solution

19

- Save time applying
- Spend less time shopping for lenders
- Spend less time waiting to get the loan
- Reduce the number of credit pulls- which can negatively impact your credit score
- Review a range of loan options that are suited to your needs
 - Short-term working capital
 - Equipment financing
 - Commercial Real Estate financing
 - SBA loans through banking partners



Tips for improving your credit

20

- **Avoid revolving credit**
 - **Pay your debts in full**
 - **Prioritize making sure that other people pay you!**
- Review your business credit reports quarterly
- Establish a company credit card, use that card for your business expenses and pay it off in full frequently
- Pay bills in advance if possible
- Use Biz Analyzer tool to monitor and improve your creditworthiness
- Operate a lean business

For more help:

Use Biz2Credit's Biz Analyzer and Virtual CFO to monitor the financials of your business <https://www.biz2credit.com/business-essentials/bizanalyzer>



Tips for starting (or growing) your business

21

- Consider ways to manage fixed costs
 - An online store rather than a traditional store reduces monthly obligation for rent
- Consider operating models that require little inventory
- Consider a professional services businesses– where your service is different than those others are offering in the industry or space
 - Services business tend to benefit from technology and internet advances, whereas retail trade may be disrupted or undercut by them
- Look for opportunities to take advantage of advances in technology that reduce upfront costs and support your businesses growth
 - E.g. Amazon Web Services



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THANK YOU!



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