

MEET THE NEW BOSS

DIFFERENT FROM THE OLD BOSS

Tips for Women-Owned Businesses



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 eBook

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Stats, Facts & Trends

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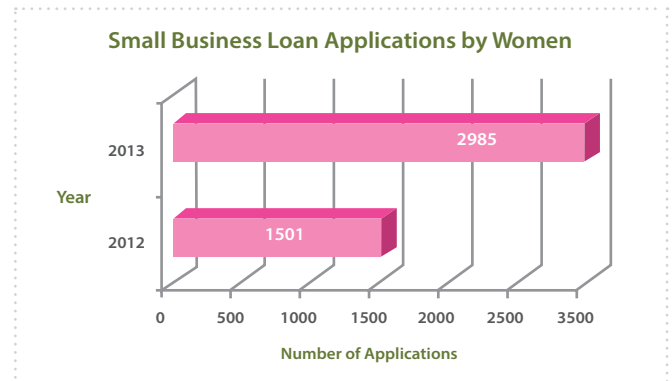
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WOMEN-OWNED BUSINESSES

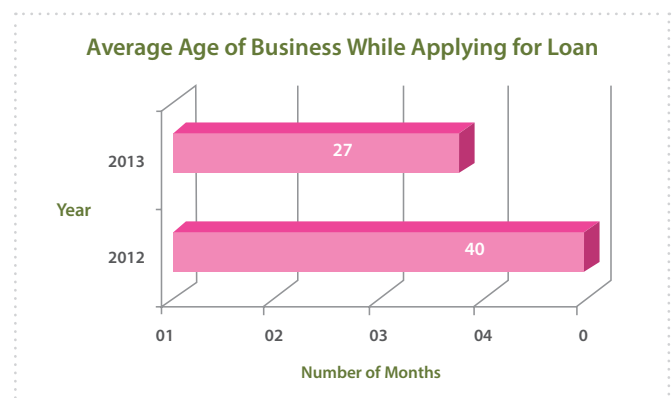
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Key Statistics About Female Entrepreneurs in U.S.

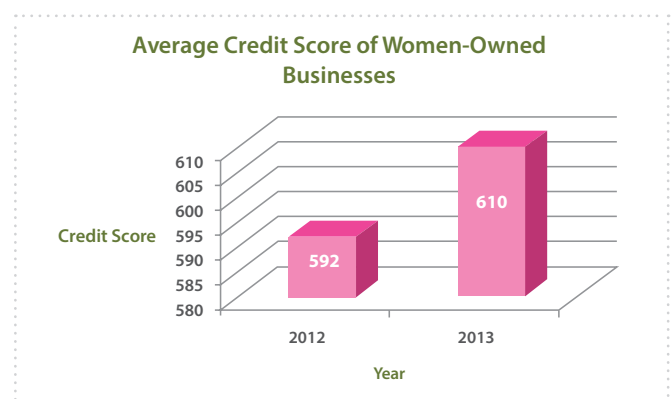
1 Increasing numbers of women-owned businesses are applying for credit.



2 Women-owned companies are applying for credit at an earlier stage in their life cycle. These figures reflect confidence in the ability to pay back loans.



3 The average credit score for women-owned businesses climbed from 592 in 2012 to 610 in 2013. The quality of companies applying for funding has improved. Having a credit score below 600 is a major hurdle for any business seeking capital.

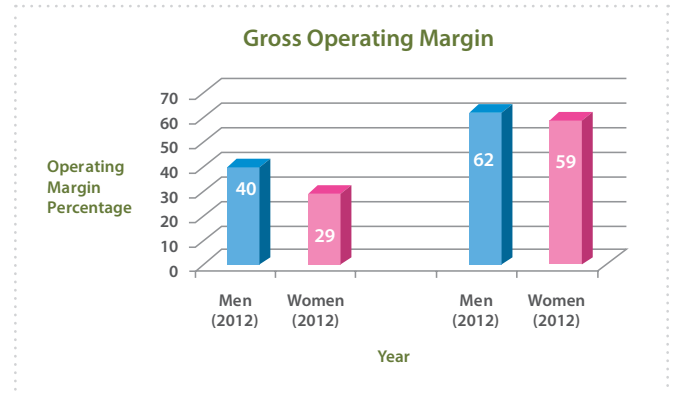


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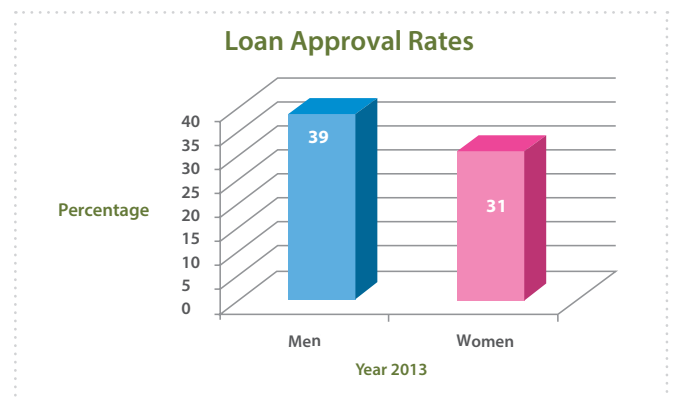
WOMEN-OWNED BUSINESSES

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4 The gross operating margin of women-owned businesses was much lower than male-owned businesses in the year 2012. Though, by 2013, female entrepreneurs almost matched up with their male counterparts with only 3 points difference.



5 Approval rates of women-owned businesses are 8% lower than approval rates for male-owned businesses. On an average, the approval rate for male-owned businesses across all categories of lenders was 39% in 2013; for women-owned businesses, across all categories of lenders, the approval rate was 31%.



4

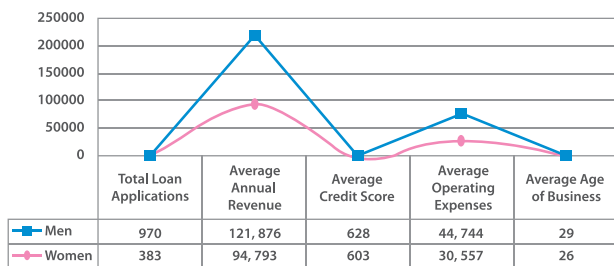
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State Statistics on Women-Owned Businesses

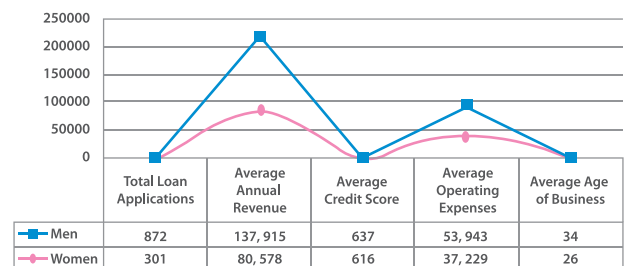
Florida | New York | California | Texas | Illinois | Pennsylvania | Georgia | New Jersey | North Carolina | Ohio | Virginia | Massachusetts | South Carolina | Louisiana | Connecticut | Washington | Kansas

FLORIDA



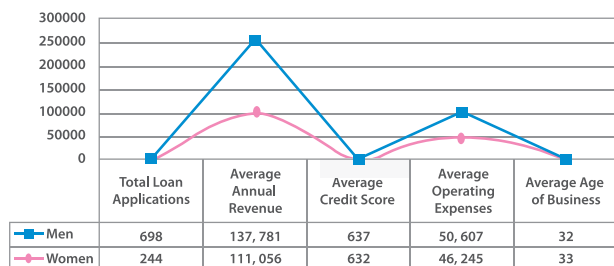
In Florida, the average business credit score for a woman-owned firm is 603, while for a male-owned firm, it is 628. Both figures are higher than the national averages (592 and 610 respectively), which suggests strength in the Florida economy.

NEW YORK



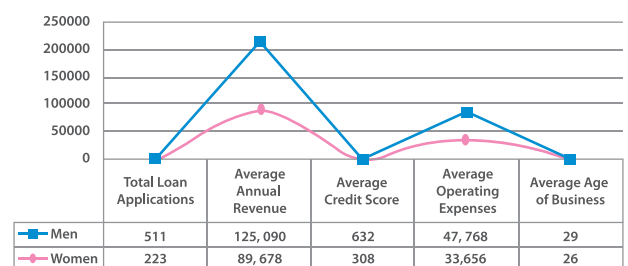
In New York State, the gap in the average annual revenue between men-owned and women-owned businesses is more than \$57,000 — much wider than a \$24,617 gap registered nationally.

CALIFORNIA



In California, the average credit score for a female-owned business is 632, while for a male-owned company, the figure is 637 which is much higher than the national averages of 610 for female-owned companies and 630 for businesses owned by men.

TEXAS



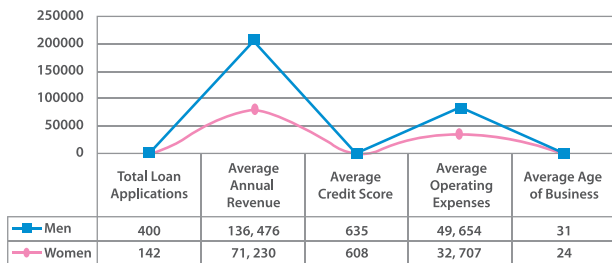
In Texas, women are an example of a massive commercial surge. The average revenue of women-owned companies here is \$89,678 while the national average stands at \$54,114. Interestingly, companies owned by Texas women had higher average revenues than male-owned firms nationwide (\$78,731).

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WOMEN-OWNED BUSINESSES

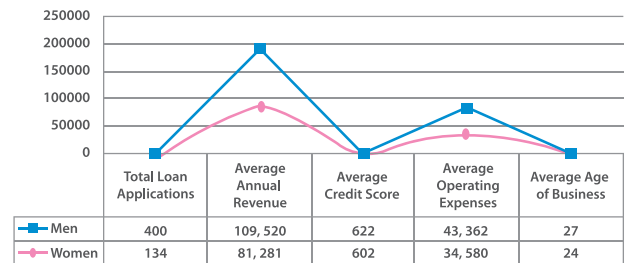
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ILLINOIS



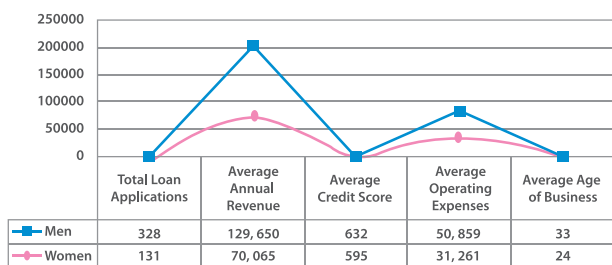
Women-owned companies, which totaled 26 percent in applications *in Illinois*, list a credit score of 608, compared to the credit score of 635 for male-owned firms. These figures are close to the national figures of 610 for women and 630 for men nationally. Just a year earlier, there was a 40-percent gap between the two.

PENNSYLVANIA



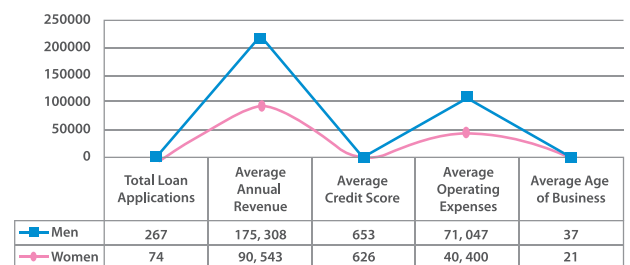
The average credit score for women-owned businesses *in Pennsylvania is 602*. It is significant because applicants for small business funding who have scores below 600 find it extremely difficult to secure bank loans and often have to resort to high interest loans from cash advance companies.

GEORGIA



In Georgia, companies owned by females are on a rapid pace when it comes to applying for loans. The average time period when a woman-owned company applied for a loan was just over two years at 26 months while for male-owned firms it averaged at 31 months.

NEW JERSEY



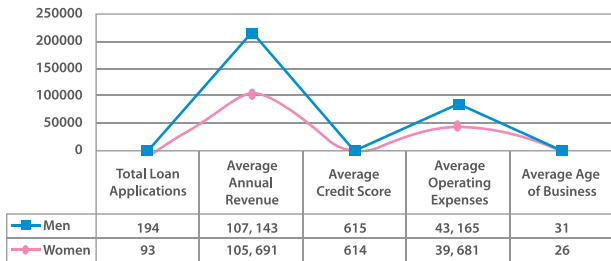
In New Jersey, only 21 percent of the total loan applications were filed by female entrepreneurs. The average credit score of women-owned businesses was 626, which is a little less than men-owned businesses.

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WOMEN-OWNED BUSINESSES

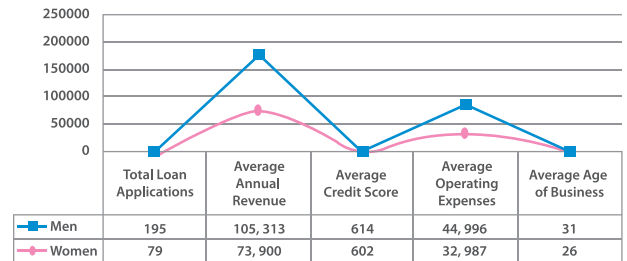
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NORTH CAROLINA



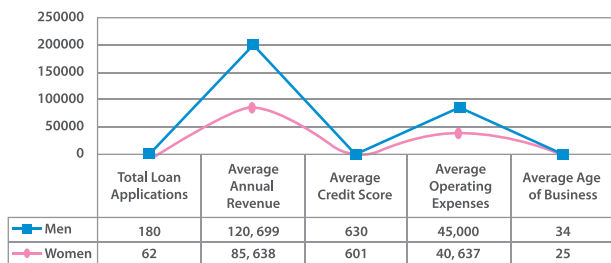
In North Carolina, 32 percent of businesses that put in for loans are owned by women. Also, female entrepreneurs have greater confidence in the economy and in the ability to repay loans as they apply for loans quicker than their male counterparts.

OHIO



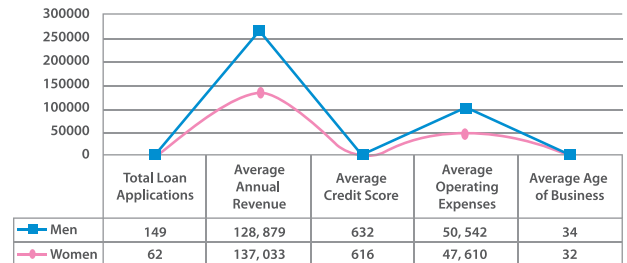
In Ohio, the average annual revenue of women-owned businesses stands short by \$31,413 as compared to men-owned businesses. Meanwhile, 29 percent of the women-owned businesses that applied for funding did so after just 26 months of operation.

VIRGINIA



Female entrepreneurs *in Virginia* are more controlled with the operating expenses as compared to male entrepreneurs but, they still need to do better on the average annual revenue part. They need to score higher on the average credit score, which currently stands at 601.

MASSACHUSETTS



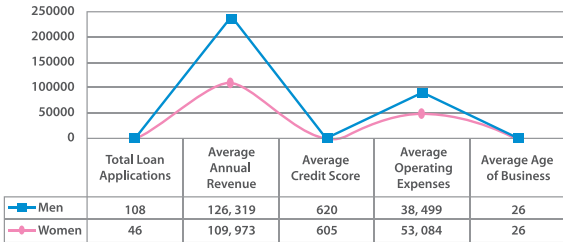
Massachusetts is the only state where women-owned businesses registered higher average annual revenues as compared to men-owned businesses. Controlled operating expenses and a high credit score speak volumes about the credibility and expertise of female entrepreneurs in Massachusetts.

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WOMEN-OWNED BUSINESSES

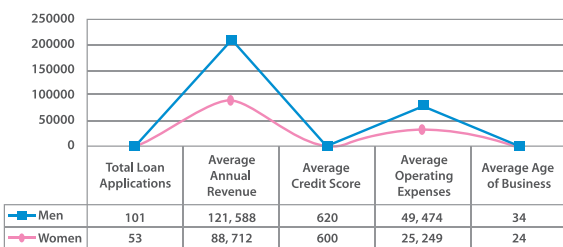
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SOUTH CAROLINA



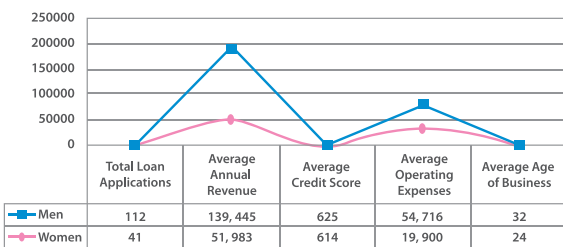
Women entrepreneurs *in South Carolina* registered much higher average operating expenses compared to their male counterparts. With 29 percent of the total loan applications, businesswomen in this state applied for loans at the same pace as that of their male peers.

LOUISIANA



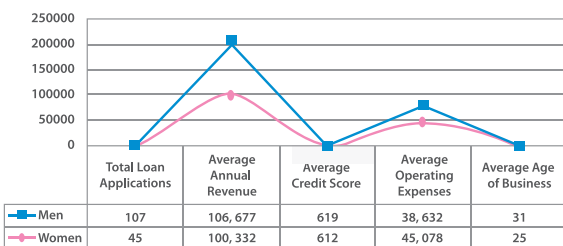
Almost 50 percent of the total loan applications submitted *in Louisiana* were by women-owned businesses. Though, female entrepreneurs are yet to catch up on the average annual revenue with their male counterparts as it stands at a gap of \$32,876.

CONNECTICUT



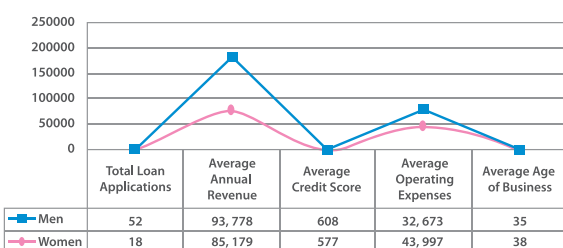
Connecticut businesswomen registered a strong average credit score of 614, which was only marginally less as compared to their male peers. Also, they were quicker at applying for loans and formed 26 percent of the total loan applications submitted.

WASHINGTON



Female entrepreneurs *in Washington* showcased a credit score of 612; only 7 points less than the male-owned businesses. Besides, they garnered a whopping average annual revenue of \$100,332 which was just \$6,300 short to match the average revenue of men-owned businesses.

KANSAS



Women-owned businesses *in Kansas* lag behind on the average credit score, which currently stands at 577. It is a critical issue as businesses with a credit score of less than 600 find it hard to acquire loans.

Reasons for the Paradigm Shift

Better Educated Females

Women are performing exceedingly well in academic fields. With professional degrees and rigorous training, they are making a real difference in the growth of the economy.

Technological Advancement

Today technological advances like cloud computing, smart phones, laptops etc. have changed the traditional office environment. Flexible working conditions allow females to maintain a healthy work-life balance.

Women Being Better Professionals

The female workforce has become more competitive, more efficient and more cost effective than ever before. They are proving their mettle in the professional sphere with successful business ventures and great profit margins.

Easy Credit Availability

Easy availability of start-up loans, expansion loans, lines of credit and low lending rates has made the idea of venturing into business a lucrative prospect. Women are increasingly applying for small business loans these days.

Low Operational Costs

With technological advancements, the marketing and operational costs for every business have reduced considerably. Low cost advertising mediums like mobile marketing, social media marketing, etc. are increasingly becoming a preferred choice.



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Small Business Loans: 6 Quick Tips for Women

1 ***Do Not Mix Your Personal Credit with Business Credit:***

Experts often advise against using money out of your own pocket to start a business because you will end up mixing your personal credit with that of your business. Obtaining a small business loan is crucial for success.

2 ***Apply for Women Special Loans:***

The SBA has programs, such as the Office of Women's Business Owners, that are designed specifically for women. Keep in mind that low-risk business ventures are more likely to receive the small business loan that they need, but this does not mean that you shouldn't take any risks!

3 ***Seek Professional Advice:***

There are many women centric organizations that can recommend various loan programs that may be catered to your specific needs. Such organizations include Women Impacting Public Policy (WIPP), NAWBO, National Women's Business Council, SCORE, Gateway for Women-owned Businesses Selling to the Government, and many more.

4 ***Low-Risk Ventures Are More Likely To Obtain a Loan:***

Low-risk business ventures have a higher chance of obtaining that small business loan than high-risk ventures do. After all, banks need the reassurance that they will indeed be paid back in a timely fashion.



5 ***Be Realistic About How Much Money You Need:***

Never underestimate the capital requirement. In order to have a clear sense of how much money is required to run your business, plan exactly what outlays you'll need before your company can open its doors. This can be a time-consuming process, but it will be beneficial in the long run.

6 ***Consider Debt Funding:***

Venture capital investments are sexy, but they often are not the best option for entrepreneurs. The screening process is brutal, and venture capital firms may ask for so much equity that the founder loses control. Instead, look for traditional bank loans. As the economy has improved, approval rates are rising.

Myths about Business Loans for Women



Myth 1

Being a Woman Can Guarantee Businesswomen Centric Loans

Being a woman is most certainly not enough. It is necessary for business owners to present a compelling business plan and professional presentation to convince lenders to offer up loan funds for the specific business.

Myth 2

Unlimited Funds Available for Females

Although there are loans earmarked specifically for the women business owners, at the same time, increasing numbers of women are starting their own companies. Thus, there is competition in the marketplace for women-specific loans.

Myth 3

Lenders More Lenient with Women

The risk factors associated with the approval decision of women centric loans are just as much considered as with general business loans. There may be some leeway with the fact that many of these loans are backed by the SBA, but there is still a limit as to how much risk will be accepted.

The Woman-Owned Small Business (WOSB) Designation

1 *What is 'Woman-Owned Small Business' (WOSB) Designation?*

Woman-Owned Small Business, or WOSB is an official designation offered by the Small Business Administration (SBA) that works with certain lenders to secure loans specifically for women in small business.

2 *Who Can Apply for WOSB Designation?*

Any business that is 51% owned and controlled by a female (or females) can apply for designation as a WOSB. In addition, the owner(s) must be U.S. citizens, and the business must be designated as "small" by SBA standards.

3 *What are the Benefits of Becoming an Official WOSB?*

The greatest benefit is being eligible for special "set asides." A certain number of government contracts must go to WOSBs. With this designation, a business is eligible for government set asides as a part of this plan.



Management Tips for Women in Small Business



1 *Do the Math*

Entrepreneurs should have a strong understanding of their company's numbers. Successful business owners must have complete knowledge of the company's balance sheets, expenses, revenues, cash flow, and tax payments.

2 *Have an Advisory Group*

An advisory group allows entrepreneurs to get together, offer marketing strategies, discuss plans for vendors and suppliers, and exchange expertise. Collaborating with other entrepreneurs is a great way to get fresh ideas for your small business. Having a support group is helpful.

3 *Don't Shy Away From New Technology*

Things like social media and cloud computing can do wonders for your small business. Social media will help you spread the word about your business and enable you to gain new customers and maintain current ones. Cloud computing can help you streamline things like data-storage. Find out how technology can improve your company's operation.

Tips for Using Social Media to Your Advantage

1 *Think Before You Post*

The downside of the internet is that anonymity can lead to criticism and rude remarks. So think before you post; once something is posted, it may be difficult to remove. Once you have garnered attention, the damage has already been done.

2 *Have A Point*

Don't post personal things on your professional social media platforms. Make sure that everything you post has a point that is about your business and that customers will be interested in reading.

3 *Use Everything Available*

It is important to use the social media platforms that would work best for your business. For example, Pinterest and Instagram can be great for sharing design samples of a graphics company. Retail outlets can utilize Twitter and Facebook to send out updates about promotions and company events.



4 *Stay Connected*

The internet is a fast-paced place, and web surfers often have short-term memory. Stay on your followers' radar by posting frequently. Don't overdo it, though—once or twice a day is generally a good idea.

The Decisive Factors for Being a Business woman

Question 1: *Can You Quit Your Day Job?*

If not, can you start your business around it? If the answer to both of these is no, then you may need to wait. If you do not have the means to make ends meet without your current job, you may need to save up a little until you can.

Question 2: *Are You Eligible to Get a Business Loan?*

Is your credit good enough? Do you have the needed collateral? Do you now or will you later qualify for funding under a small business loan for women or a women business start up loan? The type of funding you can qualify for or whether or not you qualify for any funding at all can all depend on the timing.

Question 3: *Is the Demand There?*

If the demand is there for what you are selling, you may want to jump in before someone else does. If you are not sure, you may need to do a little research first, and maybe even create a little demand. Build a name for yourself and for your product or service with word of mouth marketing and free samples.

Other than that, networking at various events, Facebook related groups or communities can prove helpful in finding potential investors and experts relating your business domain.



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Loans from Private Lenders

Lora Brown in Tampa, Florida purchased the Fantastic Sams Hair Salons franchise in May 2013 and realized a few months later that she would need additional capital. With Biz2Credit's help, Brown was able to borrow \$11,000 from an accounts receivable financier for various important expenses. "I am so thankful for the loan which will allow me to help people look good, and feel good about themselves," says Brown, who found Biz2Credit through Google.

Line of Credit for Business Expansion

Amie Teague studied and worked in the field of speech pathology then finally opened the Piedmont Regional Feeding and Oral-Motor Clinic in Danville, Virginia, eight years ago. Amie's credit suffered when she first opened the business. She was told that without an excellent personal and business credit score and two years of profit, she didn't qualify for a loan; despite the success of her new business. Amie was pleasantly surprised with its ease of loan application process and with her working relationship with the Biz2Credit representative. Initially Amie was helped to secure a line of credit, which she used for working capital and debt consolidation.

Then later Biz2Credit found her a lender who approved a \$154,000 loan to expand her business.

Bank Loans for Business Acquisitions

Nisha Khanna was looking to acquire a franchise of Sweet & Sassy (a children's salon, spa and party place) in New Jersey. Despite having an excellent credit score and an established business, Khanna was denied by funding by numerous banks. After being turned down from all traditional providers, Khanna approached Biz2Credit to source financing for her franchise. Biz2Credit matched Khanna with RomAsiaBank in Monmouth Junction, NJ that provided her with funding of \$300,000 to build her store and fulfill her dream.

Putting Together Impressive Loan Applications

Ramona Almanzar moved to the U.S. from the Dominican Republic and her dream has always been to start her own business in America. Her business was fast growing, and a big challenge for her was shortage of working capital. She approached her local bank but was immediately turned down after which she approached Biz2Credit. Biz2Credit was able to help her put together an impressive loan application package and secure working capital in less than a week.

Thank You !

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mail us at **info@biz2credit.com**

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