

Money Talks

4 steps to boost financial readiness when approaching lenders



Do you know what you need to prepare for a successful meeting with a lending institution?

Are you sure about all the questions you need to have answered beforehand?

Check out these detailed tips to strengthen your preparation for lenders.

STEP 1

Understand your timeline.

- When do you plan to break ground on construction of your site, or begin renovations to an existing space?
- When should you begin hiring staff, installing equipment, and implementing workplace software systems?
- When can you reasonably plan to start making appointments and then treating patients?

STEP 2

Perform a feasibility study.

What is the total budget required to fund your facility?

Be prepared with historical financial data.

Lenders may require:

- The applicant's complete financial statements from the prior three years.
- A year-to-date interim balance sheet and income statement.
- A complete debt schedule.

STEP 3

Consider options for alternative funding.

Research availability of and eligibility for grant funding through the state:

- Tax Increment Financing (TIF) is a resource to direct funds toward improvements in underdeveloped communities.
- Property assessed clean energy (PACE) programs:
<https://www.energy.gov/scep/slsc/property-assessed-clean-energy-programs>

STEP 4

Develop a strong, detailed business plan. Provide additional context.

Remember, you're painting a picture for the lender. The more detail you can provide to support your case, the better.

Consider adding details relevant to your project and financing request, for example:

- What you, the borrower, plan to invest upfront into the business, as it relates to pre-opening expenses and initial working capital

Pro Tip: Lenders tend to look at applicants more favorably when they have enough working capital to cover at least the first six months of expenses.

- Month-to-month projections for the first year, and annual projections for the first five years.
- How you will get patients, including how you will establish referral pathways.
- How you will differentiate your practice from the competition within the market.



Have more questions?

Connect with an Outpatient Development Architect at Siemens Healthineers today! ➔