

TOP 5 MISTAKES

THAT KILL YOUR
CHANCES OF GETTING A
\$1M - \$10M BUSINESS
LOAN FUNDED

... AND HOW TO FIX THEM



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BUSINESS LOAN STATS

31%

Only 31% of business loan applications received all of the funding they needed in 2021.

82%

of businesses expected to fail in securing a loan this year.

85%

of businesses had financial challenges but had no access to capital.

74%

of small and midsize businesses have outstanding debt that need restructuring.

**SOURCE: SMALL BUSINESS CREDIT
SURVEY, 2022 REPORT**

THE PROBLEMS

Most Business Loans Are Denied or Not Fully Funded

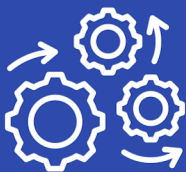
Small and medium businesses (“SMBs”) have a very low chance of getting loans approved and receive full funding. Only 37% of SMB applicants got funded in 2021. (Source: Small Business Credit Survey 2021 -- Report on Employer Firms, Federal Reserve). Often, business owners don’t know what type of loan or lender is best for their business needs – the market changes! They need resources to find real-time, relevant information on lenders and loans they.

Loan Applications Are Too Complicated and Take Too Long

It takes too much time and is too complicated to submit a business loan application, even to apply to just one lender. Each bank or lender has their own application process requiring the submission of different business documents that are often too difficult to obtain and submit. Feedback and communications from banks and lenders can be difficult to follow leaving business borrowers confused, particularly on decision-making criteria.

The Loan Process is Cumbersome and Outcome is Unknown

Business lending processes take too long, frequently many months, and it often remains unclear if or when your business is likely to receive funding. A lot of paperwork is required, and manual evaluation and verification steps take too long to meet business needs. In the meantime, companies need to maintain a thriving workforce and product line to meet demands, which continues to increase expenses – without sufficient capital.



TOP 5 MISTAKES



Not being prepared for the loan application process

Applying for a business loan can be a time-consuming and complicated process. Businesses may not be prepared for the amount of documentation and information that lenders require. It's important to be organized and have all the necessary documentation ready before applying for a loan.



Not fully understanding how lenders view your business's financial situation

A common mistake businesses make when applying for a loan, is not having a clear understanding of their financial situation through the eyes of lenders. Lenders will want to know about the business's cash flow, revenue, and other financial metrics. It's important for businesses to have accurate and up-to-date financial records and be able to explain any fluctuations or irregularities in their financials.



Not knowing the different loan types that fit your business needs

Midsized businesses may not be aware of the different types of loans available to them, and may apply for the wrong type of loan. It's important to do research on the different types of loans and understand which one is the best fit for your business needs.



Failing to know the best loan rates and terms

Midsized businesses may be in a hurry to secure a loan and may not take the time to research best rates or terms. It's important to compare loan terms, interest rates, and fees from different lenders to find the best option for each business need.



Not showing your full market potential and the future path of your business

Showing the direction of your business is important when applying for a loan. Lenders want to see that the business has a clear understanding of its market, customers, competition, and growth potential. A business plan should include financial projections, marketing strategies, and a clear proposal for how the loan will be used. Often companies are too busy or focusing on the now, on the immediate needs and don't take the time to create a business plan that looks into the next phase of development.

5 KEY STEPS TO SECURE A BETTER LOAN AND GET YOUR BUSINESS FUNDED



Get your books in order



Ensure access to your business and personal financial information



Create a business strategy for the future



Understand what lenders require to approve a loan (loan checklist)



Know your "borrowability" and your loan options before you apply



Get your books in order

Before applying for a loan, it's important to get your financial records in order. It is important that your books represent your business and are not including personal expenses. Make sure to categorize your expenses appropriately. This means keeping all necessary financial statements up-to-date, such as balance sheets, income statements, and cash flow statements. ConnexMarkets™ can provide resources and help businesses get their books in order and understand what lenders look for.



Make sure you can access your business and personal financial information

Lenders will want to see a variety of financial information, such as credit scores, bank statements, and tax returns. Make sure you have access to all of this information and that it is up to date. ConnexMarkets™ can help businesses understand what financial information is needed and how to access it.



Show lenders that you have a business strategy for the future

Showing how your business is positioned for the future is essential for getting approved for a loan. It should outline your business goals, strategies for achieving those goals, and financial projections. ConnexMarkets™ loan specialists can review business plans and provide feedback to help businesses create a clear and compelling plan for the future.



Understand what lenders require to approve a loan (loan checklist)

Every lender has their own set of qualification criteria for loans. It's important to understand what these criteria are so you can focus on meeting them. ConnexMarkets™ can help businesses understand the qualification criteria for different lenders and provide guidance on how to meet these requirements. And importantly, our platform lets you submit one common application that reaches across every matched lender so you don't have to customize different applications and qualification criteria. One app does it all!



Know your company's "borrowability" and loan options available in the marketplace

You absolutely need to know your borrowing options and what lenders are looking for in a business borrower. ConnexMarkets™ uses technology to provide instantaneous feedback on a company's borrowing ability. We offer education and resources that address borrowing needs and show available options. This information can help businesses find the right loan for their needs and increase their chances of approval – while cutting down on time!

Checklist Before Applying for a Loan

General Information

- Company Organizational Chart
- Driver's Licenses for Employees that have over 10% Equity Interest in Company.

Financial statements and tax audits

- Last Three-Years of Company Tax Returns, i.e., 2020-2022 Company Tax Returns
- Last Three-Years of Personal Tax Returns, i.e., 2020-2022 Company Tax Returns if providing Personal Guarantee
- Last Twelve Months of all Bank Statements connected with the Company (Labeled by Month)

Bank statements/QuickBooks' Reports

- P&L and Balance Sheet by Month from January 2020 through last completed Month (in Excel)
- P&L by Customer by Month from January 2020 through last completed Month (in Excel)
- Forecasted P&L by Month (or by year) for CY2023 and CY2022 (in Excel)
- If there are assumptions, please provide as well
- AR Aging Report for last completed Month (or the 15th if the past that date) (in Excel)
- AR Aging Report for last completed Month (or the 15th if the past that date) (in Excel)
- Cash Flow Statements by Month or Quarter from January 2020 through last completed Month (in Excel)

Future Business Strategy

- Showing how your business is positioned for the future; outline your company's goals, strategies for achieving those goals, and financial projections.

Legal documents

Business licenses, permits, and any other legal documents relevant to the company's operations.

Debt schedule

- A schedule of all outstanding debts, including the balance owed and the interest rates.

Collateral

- A list of any collateral that could be used to secure the loan, such as real estate, equipment, or inventory.

References

- A list of references, such as business partners, vendors, or customers, who can vouch for the company's reliability and creditworthiness.

Business Overview

- A brief summary of the company's history, mission, and goals, as well as the amount of the loan requested and its purpose.

Having these documents ready can help expedite the loan application process and increase the likelihood of approval. ConnexMarkets™ loan specialists can offer guidance and assistance throughout the application process to ensure that all necessary documents are in order and that your loan application is as strong as possible.

About ConnexMarkets™: We have revolutionized commercial lending

We created CXM Loans -- a powerful new resource for business communities to solve some of the biggest challenges that exist in commercial lending today.

Our platform reduces time from application to funding from months to weeks by using a common loan application reaching a wide spectrum of local and national lenders matched to your business needs.

ConnexMarkets™ is a technology-driven marketplace providing small and medium-sized business owners and lenders with better funding options and business analytics through its CXM Loans platform – a resource every business should have at their fingertips!

www.cxmloans.com



KEY BENEFITS FOR BUSINESSES

- Know your business borrowing ability immediately.
- See how your business matches to lenders in real time.
- Utilize a simple application process streamlined through automated checklists and uploads.
- Use one common loan app engaging every matched lender.
- Select the loan options, terms and lender that best suits your business needs.
- Talk to ConnexMarkets Loan Specialists who will help you complete the process from application to funding.
- Reduce the time from application to funding from months to weeks using the CXM Loans platform.

Know Your Borrowability™ before applying for a loan...even if you don't need funding right away!



There's no cost and we don't require contact information for you to use the "What-If" screens which lets you determine your company's "borrowability". You can see the number of lenders in real time who want to receive your common loan application.

THE SOLUTION

FOR \$500,000 TO \$10 MILLION+ BUSINESS LOANS:
CXM LOANS

The best resource every business should have at their fingertips to analyze their capital needs and secure funding...the right amount, at the right terms and at the right time!

www.cxmloans.com

The screenshot displays the CXM Loans website interface. On the left, a sidebar titled "HOW TO USE BUSINESS METRICS" lists various financial metrics with sliders and input fields, such as "Previous 12 Months Revenue" and "Loan Amount". The main content area features a form with "INDUSTRY" (Wholesale Trade) and "ZIP CODE" fields, and a "CALCULATE" button. Below the form is a circular diagram with segments for different loan types: ABL, A/R Factoring, SBA, Equipment, SBAic, Cash Flow, Junior/Mezz, and Venture/Rev. On the right, a summary box shows the "CXM SCORE" as 0, "PERCENT CHANCE OF SECURING A LOAN" as 0%, and "TARGET BOX" results: "LOAN AMOUNT: \$0", "MATURITY: 0 MONTHS", "INTEREST RATE: 0%", and "MONTHLY PAYMENT: \$0". A "SEE MATCHED LENDERS" button is located at the bottom of the summary box.



TIM CLORITE

CEO, ConnexMarkets™

www.connexmarkets.com

Timothy Clorite is an accomplished financial expert and successful entrepreneur with over three decades of experience in both development and managerial positions. He commenced his career at Salomon Brothers, where he served as a Director in their New York and Tokyo offices. Tim subsequently joined Merrill Lynch's Tokyo offices, where he established Merrill's electronic trading platform from the ground up, providing service to the Asian markets. The platform's success led to its replication across Merrill Lynch's global offices, with Tim serving as the Head of Global Portfolio Trading.

Tim's expertise led to his subsequent appointment as Co-Head of Equity Derivatives, Convertible Bond, and Portfolio Trading for the US, Canada, and Latin America. He led Merrill Lynch's global financial trading business for these products, responsible for all aspects of risk management, operations, and systems development, achieving annual revenue exceeding \$100 million and a multi-billion-dollar balance sheet.

Subsequently, Tim became the Global Head of Portfolio Trading and Head of US Equities at Dresdner Bank in London and New York. He then ventured into several entrepreneurial investments in the data and healthcare space. In addition to his entrepreneurial ventures, Tim founded ConnexMarkets™ Inc. where he serves as CEO and oversees all aspects of the firm's business and operations.

Tim holds a B.A. from Union College. His extensive experience, entrepreneurial drive, and proven track record of innovation and success make him a valuable asset in the financial industry.

CONTACT US

cxmloans.com



connexmarkets.com



info@connexmarkets.com



833-296-5363



9 West Broad Street,
Stamford, Connecticut
06902, United States

