



## RISK

Either you are seeking debt or equity financing risk is the ultimate calculation that will determine that funding. What are you doing to minimize the risk for that funder?

### Potentially:

- Do you own the land the project is going on?
- Is it an existing business with positive returns over the previous years?
- Do I have a down payment due at closing?
- Collateral injection towards the project?

These are some of the examples that if the answer is yes, those will help alleviate the risk for the funder.



You have to put yourself in the funding sources shoes because they calculate in risk. Any funder is thinking what is going to happen if the borrower defaults on the investment what are they left with.

**Is it going to be:**

- Non-proven commodities?
- Start up with zero income?
- Is it going to be land?
- The down payment?
- Possible patents?
- A tangible item that they can use to make up for the default loan?

These are just some of the questions you have to ask yourself before your seeking capital.



I myself at minimum see 5-10 Executive Summaries which are anywhere from 10-60 pages. Pro Forma's with anywhere from 3-5 years with various funds allocated and profit and loss projections. The funders must see in the hundreds every single week. What are you doing to separate yourself from the pack?

**Items that can help you:**

- Get yourself a who will assist you by an additional capital injection
- An already existing business.
- Land to develop on.
- A form of tangible collateral.

That will give you the risk you need to get over the hump and automatically add actual value to your project. That will give you the skin in the game you need to get you over that hump.



There is nothing wrong with having a dream but you have to have your feet on the grounds at all time. In the words of my favorite motivational speaker:

“If you are not willing to risk the unusual, you will have to settle for the ordinary.” – Jim Rohn

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