The “Black Box” of Financing

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Access to Capital:
  Food, Beverage and Agricultural Enterprises
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Small Business
View of the Credit Process

Application → Black Box → Commitment or Decline
M&T Bank’s Credit Process

- Initial Meeting
- Information Gathering
- Analysis
- Decision
- Closing
- Relationship
Initial Meeting

► Meet with the client
► Learn the client’s business
► Understand their goals and objectives
► Become familiar with their financial needs
Information Gathering

♦ Business Credit Application

♦ Financial Statements
  Business
  Personal
  Projections

♦ Business Plan
  Start-ups vs. Relationship
  Expansions
  Acquisitions

♦ Situational Information
  Invoices / Sales Contracts
  Appraisals
  Account Agings
Analysis

♦ Verify information
♦ Validate credit history
♦ Analyze financials
♦ Resolve open issues / questions
Analysis (5 C’s of Credit)

♦ Character
  Historical use of business and personal credit
  Prudent business practices
  Employment background

♦ Capacity (Cash Flow)
  Ability to service projected debt
  Historical vs. projected cash flow

♦ Collateral
  Matching maturity
  Establish value

♦ Capital
  Owner’s investment
  Business retained earnings

♦ Conditions
  Industry
  Competition
M&T Bank Decision Process

♦ Recommendation
♦ Decision
♦ Second look
♦ Other considerations
  ► Agency participation (NYBDC, NCA, IDA, LDC, etc)
  ► SBA guarantee
  ► Additional collateral, guarantors, capital
  ► See following slide for flow chart
Why Do We Use the SBA?

► Flexibility
► Shortfall in collateral
► Start-up
► Non-traditional businesses
Types of Credit Products Offered

- Term Loan/Business Installment Loan
- FlexLine of Credit
- Business Access Line of Credit
- Equipment Leasing
- Business OverDraft Line of Credit
- Letters of Credit
- SBA Guaranteed Loans
- Participation Loans
- Home Equity Loans
- AND LAST BUT NOT LEAST….. Commercial Mortgage
VALUE ADDED for our clients:

A Banker who knows, utilizes & assists with ED programs.

- SBA (Small Business Association) –
- NYS Linked Deposit – rate reduction up to 2%/ 4 yrs
- NYSERDA and National Grid Grants
- IDA (Industrial Development Agencies) – low interest loans, PILOTs, Sale-Lease backs
- GSBDC (Greater Syracuse Business Development Corp) –
- NYBDC (New York Business Development Corp)
- EDGE
- NCA