

5 Signs Your Business Is Ready For A Loan

Think about it – what’s holding your business back? Every company could benefit from an increase in cash flow, but could business financing transform your operations? While you may not be in need of immediate funding, you might be in the perfect place to apply for a business loan that will set you up for long-term success.

If you’re wondering whether your business is ready for a loan, consider the following five signs:

1. Your business is strong and you don’t *urgently* need one

When your business is in a financial hard place and you’re in need of extra funds, it’s not always the right time to invest in a business loan. You’re actually best suited for a loan when business is booming. While this may seem counter-intuitive, you want to plan ahead when your expenses are low and cash flow is high. This approach better sets you up for success before you hit your off-season. Not to mention, lenders will be more likely to look favorably on your business when you can demonstrate growing revenues and a positive credit profile.

2. You’re turning away business

If opportunity is knocking and you can’t answer, it’s likely a good sign that your business is ready for a loan. Perhaps there’s a chance to take on a big project or expand your practice to a new location that would take you to the next level. Without the right financing, your business may not be able to keep up with the pace of demand and missed opportunities will become more frequent. Envision how you see your company growing and accomplishing its goals. If you can’t make the leap organically, it may be time to apply for a business loan in order to take on those game-changing opportunities.

3. You have a great credit score

Pay close attention to your credit score. While you make important financial decisions throughout the lifetime of your business, your credit is always keeping track. Great credit doesn’t happen overnight. It takes an active approach to build a reputable borrowing history, diversified lines of credit, and dependable payment schedules. If your credit score falls within the “Excellent” range (around 690 or higher), it may be time for you to consider a business loan. With a great score, your business can enjoy more affordable loans, fewer fees, and better rates and terms.

4. You’ve outgrown your space

Expansion can mean more than just adding office space or a new location; it can include increasing inventory, new equipment to complete orders, or funds to invest in your next big project.

One major sign that it's time for a business loan is that you're running out of space to successfully operate your business. The key here is *successfully*. Simply wanting an upgraded office or facility isn't enough. Practically look at your business structure and determine if space is holding you back. If you find there's no room to house a new hire, no space for added inventory, or operations are limited due to lack of physical space, then it may be time to consider applying for that loan.

5. You're in the research phase

If you're curious about a business loan, there's likely some internal roadblocks you're facing that financing could help streamline. Maybe you've crunched the numbers, conducted the studies, and done your research. Yet, setting a plan in motion can be a feat in itself. Consider what major factors are holding you back from making the plunge to evaluate your business.

Applying for a loan can seem like a big step, but getting in touch with a lender can be a great way to get the conversation going. Find a lender that fits your business dynamics. If you still have hesitation, make a list of questions that express your concerns to help determine what challenges you anticipate along the way. Our experienced team of lenders at PlainsCapital are equipped to help navigate your business' next step. Reach out to one of our lenders at 866.762.8392 or visit plainscapital.com for more information on applying for a business loan.