



Getting Started

To secure financing for your business, start at the beginning: how much money do you need and for what?

Counselors at your local Small Business Development Center can help estimate your financial needs for both startup and expansion.

The U.S. Small Business Administration (SBA) offers some [tips on estimating startup costs](#).

[Bplans.com](#) has an [online startup costs calculator](#).

Funding for startup and growing businesses often depends on your stage of business and the amount of money you need. The Business Owner's Toolkit offers an [overview of business financing](#) and their [Quick Pick](#) chart identifies funding sources based on your stage of business.

You know how much money you need and the most likely funding source. Now get more information about loans, grants, and other business financial resources.

Additional Funding Sources

Angel funding and venture capital - Angels provide seed money to business startups—to the tune of tens of thousands to a million dollars or more—in exchange for convertible debt or ownership equity. Some angel investors come together to form angel groups or angel networks to share research and pool investment dollars.

Venture capitalists (VC), on the other hand, usually make their capital investments later in the business cycle. They exchange their investment and their expertise for a significant portion of the company's ownership and significant control over company decisions.

Before you approach an angel investor, angel network, or VC firm, ask yourself and your partners these questions:

- Am I willing to give up some amount of ownership and control of my company?
- Can I demonstrate that my company is likely to realize significant revenues and earnings in the next three to seven years?
- Can I demonstrate that my company will produce a significant return for investors?
- Am I willing to take the advice from investors and accept board of director decisions I may not always agree with?

43777 Central Station Drive • Suite 300 • Ashburn, VA 20147
Tel: 703-777-0426 • Fax: 703-771-5363

- Do I have an exit plan for the company that may mean I'm not involved?

You'll need to follow those answers with a solid business plan and an executive summary that includes:

- Financial overview for at least three years out
- Sales and marketing plans
- Three-to-five year goals and your action steps to get there
- Exit strategy

[Small Business Investment Company](#) - SBIC works to stimulate the national economy and small businesses by supplementing the flow of private equity capital and long-term loan funds for the sound financing, growth, expansion, and modernization of small business operations while insuring the maximum participation of private financing sources.

Find a list of Virginia [SBIC programs](#) on the Small Business Administration website.

[Gust](#) - Gust provides a listing of many angel groups across the country. You can also use the site to submit your business plan for review.

State Financing - The [Virginia Small Business Financing Authority \(VSBFA\)](#) is the Commonwealth of Virginia's business and economic development financing arm. Aligned within Virginia's Department of Small Business and Supplier Diversity, the VSBFA offers programs to provide businesses, not-for-profits, and economic development authorities with the financing needed for economic growth and expansion throughout the Commonwealth

[Industrial Development Bond Programs](#)

[501 \(c\) 3 Tax-Exempt Bond Program](#)

[SSBCI Capital Access Program](#)

[Loan Guaranty Program](#)

[Cash Collateral Program](#)

For more information on these program connect with the VSBFA using their main number at: [804-371-8254](tel:804-371-8254)