MAXIMIZE BUSINESS VALUE PODCAST - EPISODE 48 Transcript

Announcer (4s):
Welcome to the Maximize the business value podcast. This podcast is brought to you by mastery partners, where our mission is to equip business owners, to maximize business value so they can transition their business on their terms. Our mission was born from the lessons we've done from over 100 business transactions, which fuels our desire to share our experiences and wisdom. So you can succeed. Now, here's your host CEO mastery partners, Tom Bronson.

Tom Bronson (35s):
Hi this is Tom Bronson. And welcome back to maximize business value. A podcast for business owners who are passionate about building long-term sustainable value in their businesses. In this episode, I'd like to welcome our guest Joshua Kim he's the principal at seven a accelerator. They are a business that helps business owners understand, find and secure SBA seven, a financing. Josh reached out to me recently and knowing about the recent time-sensitive changes to SBA lending. I preempted some other planned podcasts to get this information out as quickly as possible.

Tom Bronson (1m 15s):
It is a crazy time with the SBA lending right now, and we're going to dive deep into it and do our best to help you understand it during this podcast. So welcome to maximize business value, Josh.

Joshua Kim (1m 28s):
Hey Tom. Great to be on. So

Tom Bronson (1m 31s):
Glad to have you with us. Tell us about your business. Seven a accelerator.

Joshua Kim (1m 36s):
Yeah. So thanks again. Thanks for having me on. I think that, you know, it it's, you've got a great audience and I hope I'm able to bring value by, you know, everything we've covered here. So my business seven, eight accelerator, I identified that there was a tremendous knowledge gap in, in, in the general business marketplace about the, the, the opportunities that you have with SBA financing. Now, obviously everyone's hearing about the EIDL loans, the PPP loans, the, the stimulus specific disaster relief that, you know, Congress and the SPS put together. But what, what there's a big knowledge gap about is that the SBA has a ton of great loan programs that have been around for 60 to 70 years, that are tremendously underutilized.

Joshua Kim (2m 21s):
You know, the main loan program they have is seven a and that's where seven a, seven a accelerator got its name. But what we do is I identify that there's a huge gap in knowledge, among most business owners, about what you can really do with SBA financing. There's a lot of misconceptions. There's a lot of myths that get pounded in people's head. They hear, you know, they hear a piece of bad information from banker and they just keep it and, you know, they never bother. So, you know, what we do with seven a accelerator is we educate, consult with and assist small business owners with getting SBA lending. You know, one of the things is right now, you know, there's about 3,500 lenders in the country that SBA loans, but you know, really the top 5% of lenders handle North of 50, 60% of all lending point.

Joshua Kim (3m 9s):
So that's kind of what we do with seven a accelerator. We help educate business owners on not only what options are best for their unique situation in their business, but we also help them navigate and find the right kind of lender who can accommodate them because not all lenders are made equal and a lot of the misconceptions and, and problems that people run into are because they're going to the wrong lenders or they're going for the wrong type of loan for their business. So that's what we do with seven a

accelerator. It's, it's, it's an education piece first assistant second in, in, you know, educating and then assisting them in getting the right kind of financing for, for their company.

Tom Bronson (3m 43s):
I love that. I'm all about education. I'm all about helping business owners understand sort of complex issues. So what is your background and why did you start this business?

Joshua Kim (3m 53s):
Yeah, so my background, it's interesting if I told you what, you know, if I told most people out there, what I was able to do with SBA loans at the age, I did, they wouldn't believe me. You know, so I actually bought my first three businesses with SBA loans at 19 and 20. I bought my first one at 19 and a half and I bought my second and third one all with about a 14 months, 14 months span. And I got over two and a half million dollars in SBA financing to, to go do that. And, you know, I, I know this will probably be something that's of unique interest to your audience with, you know, exit planning and structuring business sales. Because one of the great things that you can do with SB lending is, you know, buy a business. I know bankers, they will not take my call unless I tell them I have a business acquisition that needs a loan request above a certain dollar amount.

Joshua Kim (4m 38s):
You know, there are bankers out there and there are net lenders in the SBA world. That's literally all they do. They, they do real estate acquisitions and business acquisitions. And so, you know, the process for me to go do that, it took a lot of time. There was a lot of missteps and a lot of bashing my head against the law. And I was really confused because I'm like, this is the same SB lending program. Why are every, why are all the banks that I'm talking to give me, giving me a different answer? You know? And obviously I was young at the time. I was, you know, initially when I was trying to get out and get a line of, you know, about to turn 19 and stuff. So I was kinda, then I always had in the back of my head, I'm like, I can only imagine what the average business owner is going through trying to try to navigate this. I mean, I had, you know, I had a lot more time on my hands because I wasn't running an active business at the time.

Joshua Kim (5m 23s):
I had some e-commerce businesses inside here and there nothing big, but you know, it was almost a full-time job trying to figure out which end was up. And so obviously I kind of figured it out. I figured out what lenders are looking for, what I, I kind of cracked the matrix and I consulted with and help people on the side here and there, you know, physician, friends of mine, other people who needed some capital for a partner buy it here or there, because they knew they could call me. And I would basically take 10 minutes, figure out where, you know, their, you know, where their loans should go would lenders should go to, and you know, more recently I exited my health care businesses and I said, you know, I think this is a great opportunity. There's, there's a lot of like, like you mentioned in the opening on the podcast here, there's a lot of time sensitive benefits to the SBA seven a and five Oh four program we have as don't help with just seven, eight.

Joshua Kim (6m 10s):
We also help with the five Oh four loans that are just for real estate to, to anyone who knows the difference. But, you know, everyone's focused on the stimulus efforts for PPP, any IDL. What they don't realize is the regular loan programs, the flagship loan programs got, you know, basically shot in the arm with steroids. I mean, they have a huge bunch of benefits, no fees on the front end, the guarantee fees are waived. They're paying a couple months of loans on the front end. The guarantee percentages are higher. So, you know, there's a lot of benefits. So that's really why I started this business. I said, look, you know, I have enough expertise and enough relationships with the industry to where I can help business owners. I can accelerate the time it takes for them to get properly financed because I can help them shortcut the process, educate them with everything they need to know.

Joshua Kim (6m 52s):
And then obviously just pair them up with the lenders instead of them taking three to six months of trying to find who's going to finance their deal. And, and, and that whole process, it takes me just a couple of minutes because I've, I've been through it before.

I've, I've worked with plenty of lenders and I know what everyone's credit boxes, so I can successfully refer a business owner over and make sure they get correctly financed. So

Tom Bronson (7m 13s):
Brilliant. That's brilliant. 19 years old, you know, I didn't start my first business until I think I was around 23 when I was 19. I had other things on my mind and business. Wasn't one of them. So

Joshua Kim (7m 24s):
I think I know you were going there. Sure, exactly.

Tom Bronson (7m 27s):
So let's back up and let's talk about what exactly is SBA financing. Are you borrowing money from the federal government and how does it work?

Joshua Kim (7m 37s):
Yeah. So this is actually one of the biggest misconceptions and, you know, understandably so because it's, you know, there's a federal agency involved. So right now, if you go get an Eid alone, you're actually borrowing that money straight from the SBA. You go on the online portal, you fill it out that comes straight from USB. And I'm sure there's people in your audience who were able to tap that. I encourage everyone to go online and tap that money because it's 3.7, 5% interest for a for-profit business. And it's a 30 year term. You're basically getting mortgage, you know, real estate secured mortgage level terms for up to 150 grand for your business. It's a no-brainer. So that in that, in those cases, radio, you are borrowing straight from the government, the way that it works, SBA lending, whether it's five of four, seven, eight, I'll break down each one they're a little bit different.

Joshua Kim (8m 25s):
7a is obviously the main program. The lending volume last year was about $25 billion actually down a little bit from, from prior, from, from prior years because of COVID, a lot of lenders were more focused on PPP and stuff, but the way it works with a 7a loan is that you will borrow that money from bank. The bank participates in the SBAs SBA

lending program. And so the way it works is let's say they give you a million dollars, you need a million dollars to go buy a business or buy real estate, whatever, whatever the use of funds might be for, for you and X situation, you borrow a million dollars normal circumstances. The SBA, the government is basically guaranteeing 75% of that loan. So the bank is actually giving you the money, but 75% of it comes with a government guarantee.

Joshua Kim (9m 6s):
So in the event that you default them alone, or you have a loss in the loan, the bank is really only out that, that Delta, that 25% right now, what I was mentioning about these programs, having a, you know, a steroid shot in the arm, the guarantee percentage is actually 90%. So if you go borrow a million dollars right now from a bank, 90% of it is guaranteed from the SBA. And 10% is, is basically quote at risk. And I know several lenders who've told me point blank. We are doing deals that we normally would not do because we have the 90% guarantee attached to it. So, you know, it's, it's a great time for, for people, especially if they've got more risky projects to, to go get financing.

Joshua Kim (9m 46s):
So you're not exactly borrowing it from the government, but you are, there are strings that come with it. You know, you know, one of the things is if, if you, you know, if you default on or cause a loss, like you've got to still pay that back before you go get any other federally guaranteed debt, they don't want people who are habitual, you know, loss and curves to the government. So, you know, that's just something to think about. And then, you know, for the five Oh four loans, they're a little bit different. Usually the way those work is, you know, because they're for real estate, only 50% of it will come from a bank. And then 40, 40% of that loan for your project will come from what is known as a certified development corporation. Those are non-profits licensed by the SBA to basically bridge that capital.

Joshua Kim (10m 26s):
So either way, you're not directly borrowing the money from the government, like you went through the IDL program, but the government is still involved because they're just guaranteeing it, you know, in the event of their loss, just, just like FHA loans or any other

kind of federally guaranteed mortgage that's, that's the easiest way to equate it for people.

Tom Bronson (10m 40s):
You're going through a lender. You don't reach out to the SBA in order to get a five Oh four loan, you're actually going through a lender. Okay. So that makes sense. So I've heard lots of bad things about the SBA loans. In fact, I've had a bad SBA loan experience myself, which was a little over 20 years ago, soured me on SBA. I had gone through the process and on the advice of a, one of my close friends and allies who was helping me with the business and went through a seven a process with a bank that we won't name their initials are, are Wells Fargo, but really, really bad experience there where we were, we were approved.

Tom Bronson (11m 22s):
I'd been told, we were approved. We were going to, everything was about to close and then nine 11 happened. So would it have been 2001? So nine 11, 2001. And, and then they denied that and there was no hope of pursuing it. And I gotta tell you, it was a disastrous experience for me. And I didn't look at SBA financing ever again until recently people like you, Josh had been educating on it. So in addition to my own, you know, bias against it, I've softened in that quite a bit, of course, as you've helped educate me as many as well as some other folks, but I've also heard other things like it takes a really long time.

Tom Bronson (12m 6s):
You gotta have a lot of capital. It's a complicated paperwork. There's all that.

Joshua Kim (12m 12s):
Yeah. So, you know, and this, this is kind of one of the biggest things we help clear up misconception wise with, with people. You know, one of the first things I cover in my online course is not all lenders are made equal and you know, unfortunately Wells Fargo does not have the greatest reputation. And, and I'll tell you why the banks that are the best with SB lending are the ones that are hungry. And when I say hungry, they want to make money. They want to make loans. Okay. And so the best lenders are ones that

have a vertical devoted to doing SBA lending because done it done correctly. SBA lending is very profitable for these banks. They take the government guaranteed portion, and this is more for the, you know, the nitty gritty, corporate finance people who would be interested in this, but the way the SBA lenders make a lot of money, they take the government guaranteed portion, whether it's 75 or now 90%.

Joshua Kim (12m 60s):
And they sell that on the secondary market at a reasonable premium, you know, 10 to 15%, sometimes higher, if it's like for a real estate loan and they sell it on the secondary market. So these loans are very profitable to them. But for banks like Wells Fargo and chase and bank of America, what do they care? You know, they're writing a hundred to 250 million, our credit facilities for publicly traded companies all the time. I mean, some, you know, some banks, their, their entire SB division, like, I mean, if you have an SBA division at your bank and you're doing 250 a year in London, you're probably in the top 20 top 30 SBA lenders in the country. So, you know, for them, it's like, well, are we going to go set up the entire infrastructure needed to do an SBA department? Or are we just go right.

Joshua Kim (13m 40s):
You know, a credit facility for Apple, it's a pretty, it's a pretty, it's a pretty, you know, explainable situation. So, you know, going back to what I'm saying, not all lenders are made equal, and I've heard that from a lot of people, even business brokers that I was dealing with when I was actively buying businesses and healthcare, I saw them actively tell me, you know, you can't buy a healthcare business, you know, hospice or home health with an SBA loan. And I said, well, I've already bought three. Like, what are you talking about? And like, Oh really? Like, how did you do that? I'm like, well, what you're probably dealing with is you had a situation where the banker in order to save face told you, Oh, the SBA policy prohibits us from doing this. And unfortunately, a lot of bankers at some of them, weren't scrupulous lenders out there.

Joshua Kim (14m 20s):
They do a tremendous disservice to borrowers and, you know, advisors such as yourself about, you know, misinforming them and educating them about what is really going on.

And really, they just don't want to tell you, I can't get it approved at my bank. The good SBA banks will tell you, Hey, here's my credit box. Here's what can I approve? If you have something that falls in the box, we'll do it. If not, I'll refer it out to someone who can, that's what you want to hear from an SBA banker. So, you know, so tell me a little bit about, a little bit more about it. They, they just, they basically pulled a force majeure clause and said, we can't do it of nine 11.

Tom Bronson (14m 52s):
Well, that's a, that's exactly what they said is that, Hey, SBA has stopped financing because of nine 11, you know, the economy at that time. And it wasn't true. It wasn't true, but it really, it really agitated me because we needed the financing and without it, so imagine if you will, for transport back in time, nine 11, you know, I had recently bought this business and I was, I was needing SBA financing to grow and we had a great growth strategy. And, and ultimately when they refused, it almost forced me into bankruptcy. And because it had been one thing, if they'd have said, Hey, we don't know. We don't know. But I had been told literally, like on, on nine, 10, nine, nine, that this was approved in this just now a matter of funding.

Tom Bronson (15m 42s):
And then a week later a week goes by another couple of days, go by and I'm calling and going, Hey, what gives? And my banker said, Oh, Oh, we didn't, we didn't tell you the SBA stopped lending. And so we're not gonna, we're not gonna, yeah.

Joshua Kim (15m 57s):
And the thing is, I guarantee you, that was, that was frankly, excuse my French, a load of shit, because right after nine 11, what were they doing? They were giving disaster loans to people. So, you know, in times of disaster and economic duress, the SBA is usually someone who's out there actively backstopping by lubricating the gears of the economy by financing small businesses. And that's what drives our economy really. And so, yeah,

Tom Bronson (16m 24s):
You're absolutely right. But if we, if we kind of break down the answer that they gave, what, what I heard from them was that the SBA underwriters said, this is not

financeable. What if they told me the truth that the bank decided not to underwrite this, I could have taken that package and gone to somebody else and probably did it. And what, what I was left was the misperception that the, the SB

Joshua Kim (16m 49s):
No bank was doing it. Yeah. Well, let me tell you, so, so one of that's, one of the misconceptions of clear up is the SP is not involved in underwriting at all for, for these 70 loans. For, for the, for the most part, there are a few exceptions. Most of the lenders out there that participate in the program, they, they qualify as a PLP. You know, it's basically the preferred lending program. And if they have a PLP status, it means the bank can underwrite and issue the loans on their own. And they, you know, they just get audited every now and then by the SBA, making sure that the loans they're writing are compliant, you know, they're being made to eligible businesses, all that. But I mean, what they told you was a total lie and the SBAs underwriters are not involved. They were not involved in your, in your loan at all.

Joshua Kim (17m 29s):
I, to you because Wells Fargo is a preferred lender. So you had, you had, it was well within your right and your ability to just go to one of the other, you know, 3,500 plus lenders in the country to, you know, to finance the deal. And, you know, there's a lot of lenders that I work with. They, they deal with situations like that all the time. I can't get done at one bank, so that bank will refer it over the package already, basically complete all the documents are there. So they're able to get it turned around and approved in like two weeks and close two weeks later. So, you know, as far as the other question to that part of your question, does, does it take a lot of time? What usually holds people up with getting an SBA it's themselves? They're not organized, they don't have the ducks in a row. It takes two, three weeks to get their tax returns back from their, from their accountants.

Joshua Kim (18m 11s):
It's like, how do you want to blame it? You know, how are you going to sit here and blame the bank for being slow when it's taking you two weeks to get them basic financial information that you should have on file for your requests? It's ridiculous. So,

Tom Bronson (18m 25s):
You know, interestingly enough, that is exactly the thing that causes many business transactions to fall apart because it's not necessarily the fault of the buyer. They need information, buyers need information in order to make sure that they're making the right decision and go forward. And when I hear that due diligence drags on and on and on for months, it is 99.9, nine seven pure just like ivory soap, that it is always the fault of the seller because they can't provide the information that the buyer needs. And the longer it takes you to do that, the longer the process goes.

Tom Bronson (19m 6s):
And so I totally get that. This is exactly the same story as selling a business and the things that we do to help businesses get ready, because the faster you can produce this information. Yeah.

Joshua Kim (19m 18s):
Well, and, and I, and I tell them, I said, listen, if you, if you work with an advisor, you know, someone such as yourself who helps prepare the business for sale by getting all that stuff together, you go stick. Every single thing that the, that the buyer and the bank will need for due diligence, in a folder, you can have a term sheet and approval in two to three weeks, and you can close two to three weeks after that. But you know what usually holds people up. It's almost always, you know, and, and here, here's the other thing. This is the other big, the big thing to think about for, you know, for your audience, to anyone who's contemplated getting an SB fans and keep in mind, SBA bankers, at least the ones, the good ones that produce a lot of money.

Joshua Kim (19m 59s):
They make a lot of money. And the reason they make a lot of money is they're getting between one and 2% of every single loan they close. So if you're a banker and you're closing $20 million a year of SBA loans, which I think based on Colson Colson services, they're kind of like one of the, they have a study. They publish every year with lender compensation and all that. The top, you know, the top 10% of lenders have know VPs, business development guys at these SV lenders. That's how much volume they're doing.

And you just do the math. If their bonus check alone is between one and 2% of the total loan volume, they're making a lot of money. So when you go to them and say, Hey, I need a million dollars for my business. Do you know when he sees, he asks you the basic questions, how's your credit?

Joshua Kim (20m 41s):
How's the cashflow. Okay. If you've got good credit, good cashflow in the business can support it. All he's thinking about is the next Rolex. He's going to go by with the 10,000, our commission check. He's like getting from your deal. Like, I'm not going to say that's what it is, but I know these guys like they have, you know, they have this mentality, like, look, I don't want to waste my time on shitty deals. I can't finance because you know, it's going to take me the same amount of time to go get a 200,000 loan out the door as it is a $3 million loan at the door. So do I want, you know, and do I want a 30, 40,000 commission check or do I want the tooth, you know, the $2,000 commission check. So just keep that in mind, when you're approaching a lender, those guys are paid, you know, they, they eat what they kill and you know, for you, you're, you're the, you know, they're a Hawk and you're, you know, you're a mouse, you know, so they, they want to get your deal done.

Joshua Kim (21m 24s):
Cause that's how they get paid. So, you know, that's, that's one of the big misconceptions I paint for people, you know, you know, some of the bankers, if they ever hear this, they might kind of begrudge me for giving out the inside scoop. But you know, that's how they get paid

Tom Bronson (21m 38s):
The truth. Sometimes the truth hurts right here. So yeah,

Joshua Kim (21m 41s):
It's, it's, you know, it's what it is, but you know, those bankers make money. You know, this bankers make money on, on, on doing the deals and, you know, full disclosure. That's how I make my money. I helped structured buys and put these deals together, you know? Cause, cause there's money in them, you know? So, but yeah. And into your other

question you had, do you need a lot of collateral or cash to get these deals done? Again, a lot of that comes down to, it depends on the lender. If you go to Wells Fargo, I'll tell you another story about Wells Fargo. And of course they don't care.

Tom Bronson (22m 7s):
They're like we're picking on Wells. I actually have lots of friends at Wells and have my notes.

Joshua Kim (22m 10s):
Well look, I, I bank with them. I bank with them. They're good for just having a checking account and being able to send wires in line. And if I want to go call and yell at somebody because something's not working that they're great for that. I mean, if you want to go borrow money from them, good luck. I mean, unless you know, they've got decent credit cards and Carlos, but that's, that's it. And anything business related. I have a friend of mine I'm actually helping him get some financing right now. He's in Vegas, he's got various healthcare businesses across, you know, a bunch of different sectors, PT clinics, DME companies, personal care agencies, you name it, he's involved in it. You know, it's top line is top line across. Everything's probably about 40, $45 million of which, you know, he's, he's got minority partners in a few of the businesses, but you know, he's the main guy with everything, any banks, everything at Wells Fargo.

Joshua Kim (22m 53s):
So he's got, you know, 20, 30 different businesses at the bank and Wells Fargo, they all see the money coming into his account. They all see how much money's flowing out to his personal accounts. He goes to them and says, Hey, you know, I don't want to tie up my personal cash with buying some partners out. I've got a bunch of real estate deals I'm working on. I'd like to be able to take advantage of SBA financing. They looked at everything and were like, Hey, we can give you $300,000. And he's like, I'm sorry, what? I run $40 million a year through your bank. You know, my name come on. That's like probably four. And you only want to give me 300 grand and they just shrug their shoulders and like, look, this is all we can do. This is what our ISP policies are. And unfortunately that's how it is with a lot of people. They go to one bank. And the thing is

the thing is the reason, the only reason that he's, he's actually trying to go do it again, go get SBA financing is because I happen to be talking about it.

Joshua Kim (23m 40s):
I mean, he told me about that nightmare situation. Like, yeah, they're just, they're bad at doing SBA lending. They're going to tell you had a bank. I won't name them. They told me something that was explicitly false. It's actually prohibited in SBA guidelines. They told me in order to go get an SBA loan with them, I would have to go get a certificate of deposit for like a hundred grand with their bank. Now, you know, it's kind of a technical nuance thing, but in the SBA policy, it actually explicitly prohibits a lender from basically doing a quid pro quo like that, where they're basically saying, in order for us to give you a loan, we have to have you hold deposits with our bank. They're not allowed to do that. So I actually pointed that out and, and I, I had someone from the SBA email, the banker to educate them on that.

Joshua Kim (24m 21s):
I've I've since never heard or responded to any deal. I've tried to refer that specific banker, that institution. So I had to go find someone else, but unfortunately that's a lot of what happens most of these bankers, like, you know, if they don't want to do a deal, you know, for that reason, collateral, shortfall, whatever, they're going to just kind of like, like, like I was talking about before, they're going to kind of just give you some BS answer just to hope you go away and hope you're ill-informed like 99% of the bars and they are to your other question. Do you need the collateral? I guess my roundabout way of answering it is no. I mean, I only had about 20 grand in the bank on my first deal. When I got $1.2 million to go buy this business in Chicago, you know?

Joshua Kim (25m 1s):
So obviously collateral is not a requirement and there's actually stuff in the SBA. The thing is with the SBA loans, they're required to take a lien on your collateral if it's available, but they are not allowed to decline you solely for the lack of it provided all the other merits of the request are good. And so that's, that's the thing that a lot of banks don't understand because yes, they have the SBA program, but they are, they're trying to underwrite SBA loans to their traditional credit box. And that's where people get hung up

and frustrated and they hear all this BS. So, you know, the lenders that really understand the SBA program, they are completely fine doing, you know, uncollateralized deals above 2 million bucks.

Joshua Kim (25m 40s):
You know, you're buying a business and the air ball above it, you know, less all the assets, you know, the tangible, basically the Goodwill, the uncollateralized Goodwill across everything is above $2 million. Those are those happen all the time. But it's with a smaller Rolodex of lenders who understand the program very well and understand the nuances of doing change and control deals. So they're, they're basically just many leveraged buyouts. That's all they are. So they just have to have people who understand like, Hey, what are all the factors that go into this business continuing to have this cashflow is the management involved, you know, the buyer, are they going to be able to maintain it and run it and, you know, provided all of those things, pencil out, they'll do the loan. But yeah, they, they can't decline people solely based in class.

Tom Bronson (26m 20s):
Wow. Wow. This is a lot of great information. We're going to have to take a break in just a second, but real quickly, what kinds of businesses are ideal for SBA financing and what kind of maximum amount are we talking in terms? Are we talking about here?

Joshua Kim (26m 33s):
Yeah. So if you're going to go through the seven a program, the maximum amount you can borrow is 5 million. I have some lenders that will do above that. Basically they'll do, they'll do 5 million SBA. I'm a friend of mine is getting financed through, through a lender. I recommended him recently, he's getting 8 million. So he's getting three through conventional bank from the bank and five SBA. There's only a couple of lenders that do deals kind of in that mid range, you know, between lower middle market and SBA. But you can, you know, 5 million is the cap for that. You can go more if you're doing five Oh four, so you can do like eight or $9 million project through five, a four. And the reason is because instead of the government on a five Oh four loan and Lincoln was talking about the government's only guaranteed 40%.

Joshua Kim (27m 13s):
So it's not, it's not actually based on the max that you can borrow is 5 million. The max amount is 3.7, 5 million of government guaranteed funds, which is 75% of the 5 million. So you can actually get about 9 million through a five Oh four project before you actually hit your cap. But really any, any for-profit business in the United States is, is eligible with a couple of exceptions. You know, there are some businesses and they have eligibility requirements on the website. You can't be, you know, you can't be, you can't be generating all of your, all of your income off like brothels and strip clubs. That's the, you know, the view, those as vice businesses, you can't can't get us pay financing for those. Unfortunately

Tom Bronson (27m 51s):
I was all excited. I was ready to go buy a brothel. Yeah,

Joshua Kim (27m 54s):
Yeah, yeah. So, you know, you can't, you can't do that. If your business is primarily engaged in, in money lending, you know, so short term financing factoring, you know, they don't want that. Or if it's purely speculative like oil and gas or, you know, trading funds, you know, financial advisors, I'm actually working with a guy who he needs East Capitol to actually go get all the compliance certification, everything done. So he can start his own, you know, financial advisory practice. But, you know, for, I'd say like 99% of businesses out there in the U S that are organized, our full profit will qualify just a few exceptions and we can't use it to flip real estate, but if you've got a property management company or you've got a bunch of, you know, vacation rentals, you know, that's different. So, you know, obviously if you've got any questions on, if your business has algebra, you know, feel free to reach out to me and I can answer, but I I'd say for the vast majority of the audience here that you know, they're going to qualify.

Tom Bronson (28m 44s):
Awesome. Well, we've got to take a quick break. We're talking with Josh Kim and we're having more fun than humans should be allowed to have. Let's take a quick break. We'll be back at two 30 seconds.

Announcer (28m 53s):
Like it or not eventually. You'll have to come to a point when it's time for your business to transition. Will you be ready? Will you be able to get the maximum value for your business. Brought to you by mastery partners. MasterYclass is a 12 month program designed specifically for business owners. We meet once a month as a group to work through our transition readiness assessment, expand your business. Toolbox through leadership presentations have live interaction with other business owners. This program determines vulnerabilities in your business will affect business value. And your ability to transition in the future. Whether that transition is in two or 15 years, what you do now has long-term effects on the future value of your business.

Announcer (29m 40s):
We have the know how you to get the results you want in your business to maximize the business value. To learn more and secure your spot in the program. Visit mbvmasteryclass.com. That's MBV mastery class, mastery with the Y mbvmasteryclass.com.

Tom Bronson (30m 1s):
We're back with Joshua Kim principal at seven a accelerator. And we're talking about SBA financing, if you haven't figured that out yet. So before the break, we talked about the mechanics of SBA financing, let's jump into how business owners can use the capital. What kinds of things can SBA financing be used?

Joshua Kim (30m 23s):
Yeah, so that's, that's, that's a great question. You know, it's and it's one of the, one of the main ones I get from people is they want to know what can I do with SBA financing and what can't I do with it? You know, one of the main things that you can use it for is obviously just any growth capital. If you're trying to buy out a partner, if you need working capital expansion, if you want refinance, you know, higher interest debt, if you need capital to renovate a, you know, a, a building that either you're in or you're buying, I'm working with a physician friend of mine right now, they're probably gonna end up buying their building and then they need additional capital to do renovations on it. There's, there's a lot of different options that you can, that you can use it with. But, you

know, the most common things I would say are just general expansion, capital, you know, working capital for a borrower that has outgrown outgrown their shoes, kinda like what you were talking about before.

Joshua Kim (31m 11s):
I mean, you bought a business and Wells Fargo screwed you over on, on, you know, Wells Fargo screwed you over on the, you know, on the working cap per project. But, you know, working capital is one of the biggest things that I see a general need for. And I tell people, SB is great for it because it's going to be, you know, if you just need a short-term loan just to cover bills for a little bit, SPS SBA is, you know, it takes a little bit time to get it. Obviously it's not going to be one of those things you get turned on and 72 hours, but it's, it's by far the cheapest and best long-term capital solution for your business. So, you know, if trying to buy a business, buy out a partner, you just need growth, capital working capital. And obviously there's many things you can do with real estate, you know, by real estate provided it's for your business.

Joshua Kim (31m 55s):
It can't just be a pure investment property, but yeah, I mean, pretty much anything in your business that you would need capital for this will cover. They also be financed. They also do finance startups, you know, franchise startups and this and that. But the, you know, the nuances that are a little bit trickier because they want wanna, the bank obviously wants to make sure you have the experience and the relationships in that industry to, to make that work.

Tom Bronson (32m 20s):
I've, I've got in fact that when you're talking about this, it brings up a couple of questions. Then I've got a couple of clients right now that are in kind of partnership arrangements. One of the partners wants out and the others want to stay. And let's, let's just for the sake of argument, let's say we've got four partners, they're all 25% owners and of the proposal would be okay. We establish the value and all the three other owners, right. A, the guy that they're buying out a check for the value, is this, is that something you could use SBA financing for?

Joshua Kim (32m 53s):
Yeah. Yeah. So a partnership, great options. So walk me through it. There's like how many owners now there's four and they wanna buy it

Tom Bronson (32m 59s):
Just for the purpose of this example, let's call it, there's four owners and they're each 25% owners, but one of them wants out. And so that'll leave three at 33 and a third each.

Joshua Kim (33m 11s):
Yeah, yeah. You could, you, you could use seven a for a buyout like that. And, and the thing is lenders really like partner buyouts because, you know, one of the main risks they have in, in like in a change of control on a businesses, if, if the management styles of the new owners don't match the old owners, you know, key salespeople leave, you know, that can obviously create issues. So, you know, one of the things that they really like to see is that it's like, okay, well, Hey, there's going to be continuity here. So yeah, you could, you could definitely use 7a for a partner buy like that. Obviously all three owners that the new proforma ownership structure would have a third, a third and a third. So they would all, you know, obviously one of the things, anytime you go borrow money, you know, regardless of the DSP or not 20% or more is that's the threshold that the bank wants to know, who's the owner.

Joshua Kim (33m 58s):
Cause that's, you know, that's where they're asking for the personal guarantees for and stuff. But, but yeah, in, in, in that case, it would be a perfect session, probably just want, you know, it would be much more efficient use of their capital to, to do that than it would to, you know, use their own cash. So that's definitely,

Tom Bronson (34m 17s):
That's the point, that's the point I was making you don't have to then dip into your own personal savings account, right? This, if you can get that finance then, and then the, then the business is actually borrowing that money and paying back that money. Then the, then the other owners don't have to actually come up with that capital if they can get it financed that way. That, that just correct. The good sense to me. So correct. So why are,

as I've heard you say before, SBA loans are great for business acquisitions below the eight to $10 million enterprise range. So now if they're only going to loan up to 5 million on seven As and eight to 9 million on, on a real estate pocket, how can they be a great vehicle for acquisitions below the seven to $10 million range?

Tom Bronson (35m 3s):
And then why is the opposite true? Why would they not be a good vehicle over that?

Joshua Kim (35m 9s):
Yeah, so the, the reason SBA loans are great is because, you know, below, you know, what, what you'll find is if your business hits that critical, you know, that critical mass of about three to $5 million of EBITDA, you can really start borrowing at an institutional level, purely based on cashflow. They don't base it on, you know, the owner's personal net worth and this and that, because the business itself, once the, I guess, bankers have kind of figured out over time, once it hits that dollar threshold, it's, you know, it's going to be stable on itself, right? So the reason that SBA financing is great for numbers below, you know, below the eight to $10 million range is because a lot of these bankers, you know, they're not going to, you know, the, the, the issue that they run into is, you know, it's, it's just a cashflow equation, right?

Joshua Kim (35m 57s):
They, they have concerns about, you know, cashflow and viability of, of, of these businesses below certain, you know, EBITDA number. And so by having SBA involved with the, you know, with the government guarantee and everything, it really alleviates that risk to the bank because now they're going in and basically saying, okay, we know that the government's going to be guaranteeing 75% of this loan. The cashflow looks good, the cashflow looks strong, and that's why, that's why it's a great option. And I, I really hate to characterize it as such, but it's a great option because, you know, if you go through any other conventional financing mechanism for, for most of these lenders, they're going to want like 40% equity into the deal.

Joshua Kim (36m 39s):

And, you know, and they're going to want, you know, collateral coverage for this and that. So, you know, a lot of it comes down to that's. I mean, part of it's like, that's just how banking regulatory is, you know, they have to, you know, they're subject to certain rules, what, you know, what they can and can't do, you know, with stuff. So, you know, you got to keep that in mind as well, but, you know, they are subject to certain laws around, you know, unsecured, unsecured debt, right. But with, with SBA, it's great because the government guarantee is, is, is a credit enhancement. That's strong enough for them to be able to get around some of those issues. So it's really just, it's overall, it's a great option because it allows these lenders to minimize the downside risk while being able to still take part in, you know, in, in deals like this.

Joshua Kim (37m 26s):
And that's, that's really why the SPS around, because there's this, you know, there's this gap of, of, of what banks can do below a certain dollar amount, unless they have significant collateral or credit enhancements behind it, they wouldn't be able to do these kinds of deals without, without the, the SBA guarantee behind it.

Tom Bronson (37m 42s):
Awesome. So as I set up this podcast at the beginning, you, our audience heard me say that, that I preempted other podcasts in order to get this information out, because it is time sensitive. So, so let's, we've already talked, we've danced around some of this and the answer to the other questions, but let's get real clear. Why is now the best time to borrow through this program and what incentives are in place now that normally aren't there?

Joshua Kim (38m 9s):
Yeah. So normally I think I touched on them earlier, but normally you've got a 75% guarantee versus a 90% guarantee. That's not directly a borrower facing benefit outside of the fact that it will make your deal easier to approve. If it's one of the ones that's kind of shake you're on the fence, the lender wouldn't normally do. I was working with a guy just the other day, and then they've got a lot of cash to go into the project. They were just looking to tap SBA financing to possibly keep more cash in their, they needed, you know, their total project was about 700, 800 grand. They were going to go renovate a

place out, turn it into a new salon concept, a big, big place. They got a great rent credit from the, you know, from the landlord, all this, all that.

Joshua Kim (38m 50s):
And for them, they kind of were of the impression like, Hey, it's going to be better for us to, you know, tap it. But the lender that I introduced them to said, you know, Hey, normally we wouldn't do a project like this, but because of the fact that we have the additional credit enhancement with the SBA guarantee, being at 90%, we will look at this project. And so, you know, that's, that's actively what they're doing. They are, they are actively working with actively working with them right now, trying to get the finance. So that's one of the big benefits. The other thing too, is normally when you get an SBA loan, the way that the SBA doesn't lose a ton of money every year is every loan they issue. They normally charge between three and a half and 3.7, 5% as a guarantee fee that gets lumped into the loan.

Joshua Kim (39m 33s):
And obviously you're, you're stuck paying that off over time, you know, but they're waiving that right now because they want to encourage more, more businesses getting capital so they can provide jobs to help curb the unemployment, which just part of the broader students' efforts. So that's a fee you don't have to pay. So that immediately saves you almost 4% off the bat. And then right now, too, they're also paying the first six months of loan for you. So if you have,

Tom Bronson (39m 58s):
They're not just delaying that they're actually paying the first six months at all. Yeah,

Joshua Kim (40m 2s):
Yeah. They are actually paying the first six months of loner for you. Wow. So that's a, yeah, that's, that's a big, that's a big, you know, that's a big thing right now for, for a lot of, for a lot of businesses is that, you know, you've got the opportunity to, you know, and, and kind of one of the emails that we've been saying at the table that a lot of their, a lot of our interested is, you know, the government will pay you to borrow money and, you know, it sounds ridiculous. It sounds corny, but when you break it down, that's actually

what they're doing. You know, they're, they're basically paying the they're subsidizing the first month, not just the interest to principal and interest, they're paying the whole, you know, payment for you, you know, it's up to $9,000 per loan, you know, so obviously you can't go just pull 5 million bucks haven't paid

Tom Bronson (40m 47s):
And return up to $9,000 in monthly payment. You're saying, okay,

Joshua Kim (40m 50s):
Correct. So if your monthly payment is 10 grand a month on your mind, you're still responsible for what a thousand of it, but they're subsidizing nine grand of it up to six months.

Tom Bronson (40m 58s):
So you're still going to get $54,000 in benefit. There,

Joshua Kim (41m 2s):
I will caveat that is subject to availability of funds. And the DSP was very clear on that. If money runs out before then we'll, they're going to keep an eye on it. My personal opinion is I think if the money does kind of run out for, for that unique benefit, they're going to go out and you know, they're going to go lobby Congress to, to go get more funding.

Tom Bronson (41m 22s):
Well, you know that, I mean, you won't get three months into it. You're getting loan forgiveness, or basically payment forgiveness. And then, and then for the last you'll know at the beginning, whether or not, yeah, you'll you'll know, you'll

Joshua Kim (41m 34s):
Know when you apply for your loan, if they're going to give you the full six months or, you know, they are talking about possibly cutting it down to three, if funds aren't available while they go lobby Congress, but, you know, w we'll we'll see, we'll see what comes of it. You know, I, I frankly think that, I frankly think that if there is an issue with capital availability for this part of the program, I I'm, I'm pretty sure that they would just go to

Congress and lobby for more, because it's only going to be probably two or $3 billion in the grand scheme of things. You're talking by talking of another $1.9 trillion in this package. It's such an infinitesimally small drop in the bucket. It's not going to matter.

Tom Bronson (42m 16s):
Yeah, totally. So there, these are a lot, so that even makes this more time sensitive. So the sooner you can get in line, we know that the, the, the more likely you are to, to get that incentive, even if we think that it's going to be extended. So that's, that's why I say that. That's why I've preempted some other stuff so that we can get this information out, because it is so, so very important. W w where does SBA lineup in comparison to kind of other financing options then?

Joshua Kim (42m 43s):
Yeah, so I would say, I mean, really, you know, when it comes to getting financing for a business acquisition, if you need more than half a million dollars, there really is nothing to compete with it, you know? So obviously I know a lot of people, folks in your audience that probably existing business owners, they're contemplating an exit at some point, you know, some of them are probably still growing their business, but I mean, they probably get hit up all the time by, you know, people calling and I'm calling them from New York, you know, Hey, you know, we can offer you express, you know, working capital lines of credit. And I, you know, they just want, you know, your bank statements, your last tax return, you know, run your credit. But those loans, you know, you're paying 16%, they've got daily paybacks, they've got all these fees. Once you add in all the fees, you're really paying like closer to 30% interest.

Joshua Kim (43m 25s):
They're just, you know, they're sharks. So what I would tell people is, you know, it's, it's just the cheapest capital because it's got a government guarantee behind it. That's, that's, there's no way to explain it any more simply than that. You're not going to get better terms than alone. That's guaranteed by the federal government. And that's, you know, that's just a, it's just the fact of, of, of, of life here. So, you know, what other options do you have if you want working capital? Yeah. There's other options out there, but you know, when, when you really break it down, what other options are there that are

actually competitive with SBA financing? You know, nothing, there's really nothing out there. That's going to be anywhere close to competing from a rate and turn standpoint, you know, SBA tenure at SBA, tenure loans are the norm for regular seven a stuff.

Joshua Kim (44m 14s):
You can go for between 10 and 25 years. You know, all these other short-term working capital loans. They're, they're what like eight to eight to 17 month payback, like really odd, weird numbers. So, you know, you're, you're not going to get anywhere. You're not going to get anywhere close to did the terms. You will with an SBA loan by going with one of those online shark lenders. So, you know, what other options are there to for, for, for partner buyouts really, really there's no, you know, there's really no other options out there for, for partner buyouts for people. If you, you know, if you need to buy out your partner, you know, not a lot of lenders, not a lot of financing institutions that do, you know, other types of financing you're going to be able to help you.

Joshua Kim (44m 58s):
And so that's, that's why, you know, and it's funny, I'll tell you the first business I bought, if it was actually in, by two guys that were having a dispute, one wanted to sell the other didn't. So if the guy who didn't want to sell knew about how to leverage SBA financing, they wouldn't have sold it to me. So, you know, and it's, it's one of those things where it's like, that's why I'm trying to put this out here. Cause I'm sure there's a lot of business owners where that's their in their shoes. They don't like their partner. They're having disagreements on the direction of the business and, you know, they want to just, they just want to be done with it. And they just want to, you know, they want, they want to find some way to buy their partner out, get the partner out, whatever the case might be. And SBA is a great option for that.

Joshua Kim (45m 39s):
But, you know, again, that's, that's why we're doing what we're doing, educating people about it, because, you know, if you're in that situation, you call me, I'll ask you very high level questions, 10 minute phone call, and I'll be able to structure that entire deal you know, it'll probably only take about an hour of working with me to walk through the numbers, structure, the buyout, do everything, find your lender. And, you know, the, the

equity value to whoever is able to benefit from an SBA limits, you know, hundreds of thousands at minimum, if not millions of dollars over time, it's just such a shame that not a lot of people know about, you know, these, these financing options. And that's, that's why, that's why I'm doing what I'm doing with seven accelerator. Because I know there's plenty of people out there who don't know what they could be taking advantage of.

Tom Bronson (46m 20s):
Well, I think that, I think that that's really kind of the answer as a, as you're talking, I'm thinking like I wanted to ask, why would it make sense for somebody to work with you, as opposed to trying to go, to figure out this, all this stuff on their own? Why, why would they, why should they work with somebody like seven a accelerator?

Joshua Kim (46m 36s):
Yeah. And, and I tell people very, very much a front, listen, if you know how to go get financing from a bank, I'm not going to be able to bring you value. You've already been through the process, you know how to do it. But the other thing too is sometimes if lenders know that you are shopping the deal with two other lenders, they're not going to stick you on, on the proposals. They give you, they're not going to stick you with a maximum interest rate. It's prime. Plus two 75 is the maximum. They can charge for a regular seven a level. Right? And unfortunately, most borrowers, you know, it's like shopping for a mortgage. Are you going to go take the mortgage out from the first bank you talked to now? Oh, well, I mean, obviously some people do, but you shouldn't, you know, you're doing yourself a disservice. You could get a better offer somewhere else.

Joshua Kim (47m 18s):
Anytime you who car shopping, how shopping, whatever you're looking for. And you're going to go look at options. And so, you know, so one of the benefits of working with someone like me and my company is anytime I'm referring a deal out to a lender that's coming from us, they know to give a competitive offer. They're not just going to stick you with the highest rate, right? So, you know, there is that benefit, but you know, really the benefit to most business owners is they're busy. They're busy running their business. They have a great realm of expertise in running and they don't have the time. I, you know,

I would estimate for, for business owner who doesn't know anything about SBA financing to try and go out there and get half a million million dollars for their business, it's going to take them 30 to 40 hours of their time talking to the wrong banks.

Joshua Kim (48m 2s):
Cause they don't know where to start. What do you do? You call Fargo, you call your local bank. They're going to get the same dream that you did back in 2001. With, with your situation, they're going to get fed a bunch of crap, a bunch of crap information. And you know, it's just going to be a big voice, their time. So working with someone like me will save you a lot of time because I know, you know, I'm going to know who finances, what kind of projects and, you know, the time savings for, you know, for, for the average business owner could, could be tremendous. So that's, that's really where the value is of working with someone like me. I'm going to save the business owner a lot of time by making sure they're working with a qualified lender to start as well as we're going to make sure, you know, as well as we're gonna make sure the, the loan requests or the loan proposals that they're getting are actually competitive.

Joshua Kim (48m 49s):
So, you know, obviously we're, we're catering to the people who are busy running their business and they just want someone to come in, take the, you know, several years of expense. I look young, I'm only 23, but I've been doing this since I was 19. So I know a good a bit about it.

Tom Bronson (49m 1s):
So all this was happening with me with a Wells Fargo back in the SBA time when you were probably still, you know, like three years old or something. So

Joshua Kim (49m 10s):
Yeah, I, I, I remember, yeah, I remember nine 11. I was, I was in Colorado at the time. My dad was teaching at the air force Academy, my dad's army and my background, but he was teaching at the air force Academy. We were living in Colorado at the time. And I, I do remember it, but, but yeah, I mean, that's, that's the benefit of working with someone like me. I have a role at exit lenders. I know what credit box, you know, each lender has. I

know what lenders, you know, what can be done and what can't be done at individual lenders and the amount of time that will save, you know, you, the business owners, you know, someone wanted to reach out and possibly work with us. It's it's, it's, it's, it's huge. So that's, that's really where we truly bring value because by being able to save the business owners time and make sure they get a competitive offer request for their business

Tom Bronson (49m 55s):
For itself, it really does pay for itself. It makes sense to me, one last business question, cause we're going to have to run here in a second. This podcast is all about maximizing business value. So Josh, what is the one most important thing you recommend business owners do to build long-term sustainable value in their business?

Joshua Kim (50m 14s):
Yeah, that's a great question. I'd say one of the things that if you're, if you're contemplating an exit and you're wanting to sell it within the next two to three years, one of the things that I can definitely recommend, and I'm sure, I'm sure you tell all your people this too is as they work with you, Tom, stop running every personal expense of your business. Because when it comes time to going to the lenders, SBA, lenders, they understand add backs, you know, but if you go in there and you're like, yeah, yeah, this is my personal cell phone bill. Here's 400 bucks here, 200 bucks there that, you know, the SB bankers, they just kind of rolled their eyes. They're like, look, what are the top three add back categories that we can actually verify your personal travel meals out. That's about it. You know, if you're running your car, you're this, if you're running every little aspect of your life for your business.

Joshua Kim (50m 56s):
Okay, great. I get it. You know, you, you're going to go from a taxable liability of six, $700,000 a year. Maybe not this 300. Okay. But what that's going to do for you on the exit multiple is you might lose a whole multiple on earnings on the exit. So, you know, for the two, three years before selling your business, keep really clean books. You know, obviously it's okay to have an, you know, an add back here or there, but make sure you can just break it down into one or two clean categories. It might be even cleaner to just

set up a separate management company, quote, unquote, and then just, you know, take 20 K a month out of your main business, pay your management company. And then you can run whatever the fuck you want out of your management company, because then it's easy for them to see, Oh, I have a management company covers all my personal expenses and that's an immediate 20 K a month. They can add back to cashflow without having to, you know, do too much financial maneuvering.

Joshua Kim (51m 42s):
So that's, that's definitely a tip I would have for people.

Tom Bronson (51m 44s):
I think that's a, that is a great tip. I call that adjustment, fatigue, buyers get, and bankers get adjustment fatigue. So those are some great tips in there, but, but you know, you've made it all the way to the last question. You know, everybody, everybody listens to this podcast in order to get to this question. So here it is, are your bonus question? What personality trait has gotten you into the most trouble over the years?

Joshua Kim (52m 12s):
That is, that's a good, that's a good one. And you know, full disclosure guys, he sent me this question ahead of it and ahead of the

Tom Bronson (52m 21s):
For come on. They all think this on yet. Yeah.

Joshua Kim (52m 25s):
Well, you know, frankly, even though I spent a whole day thinking about, I, I, you know, I, I think the biggest personality trait for me is that, you know, I, I'm very confident in my area of expertise. And so sometimes it's some people that can come across as kind of like asshole ish. I just tell him like, look, you're full of shit. You can't do this. And it's like, okay, well, why is this kid telling me I can do this? And it's, and it's not because I think I'm that much smarter than him, but it's just like, I know what works and I know what doesn't work because I deal with it all the time. And so I I've rubbed some people the wrong way, you know, especially business brokers. I've pissed off a lot of business brokers because

they're like, you know, they sit there and they give me their spiel, you know? Cause I'm looking at buying a business. One on, I said, look, you know, they're like, I've been doing this 20 years. I've been doing this. I'm like, look, I don't give a shit. Look at me, look at the numbers.

Joshua Kim (53m 5s):
I look at the numbers and the numbers are full of shit. I tell them the numbers are full of shit. And I tell them why they're full of shit. And I, then I tell them the broker, why they're full of shit. And then they don't like that. And I'm like, listen, you know your whole thing with adjustment fatigue, you're trying to tell me this guy, how are you adjusting it from a negative 56 grand a year on his tax return to plus 700 K and you want me to pay $3 million for this thing? It's worth 500 K, but they don't like to hear that because they don't make money on that. So, you know, I I'd say that's, I, you know, I don't know if that's necessarily gotten me in trouble per se, but I, it definitely has, has, you know, not contributed to it. Hasn't made you very endearing to some, it doesn't make me super endearing to some of these business workers, but you know, again, I, I don't care.

Joshua Kim (53m 48s):
You know, a lot of them are just, you know, a lot of them are really kind of crux and it's, you know, it's, it's not my favorite thing,

Tom Bronson (53m 56s):
Really great ones, but, but I agree that there's are certainly some challenges out there. How can our viewers and listeners get in touch with you, Josh?

Joshua Kim (54m 4s):
Yeah. So I know that we'll be putting up like as well, we'll be putting a link in the podcast description. You can kind of find me through, through my site. You can, you know, you can reach out, try to book a call. If you think that working with someone to help you raise the capital would, would be of benefit to your business. I've got our national Rolodex of over a hundred lenders that I talk to on a frequent basis. I know what they can finance what they can't. So obviously reaching out through a website would be great. You know, you know, my email, we can put my email in there if you wanna reach out to, you know,

and you know, if you've got an immediate or near term or even more of a long-term financing need, I know Tom, we, we, we were talking before the podcast about, you know, you've got a couple of guys you're working with right now and it might be good to get their business looked at by some of the bankers, just get a, just get a valuation, you know, an evaluation put on it.

Joshua Kim (54m 50s):
So yeah, we'll, we'll put all my contact information in, in the, in the, in the, in the description below, obviously you can reach us through the website 7accelerator.com. I've got, I've got a ton of information on there now, still adding more as we go, because I'm trying to take some of the case studies of people that I've worked with and actually put case studies on there and show them what we w w you know, what we've been able to do. But, but yeah,

Tom Bronson (55m 13s):
Well, you do this, but we're going to put a link directly to the seven a accelerator run on our website. So, so you came, if you happen to download the podcast from the website, that you can go right to the website, get the link and go straight to seven, eight accelerator. If, of course, you know, all the other ways, but, but we're, we're committed to doing that because this is so time sensitive and so important for folks to, to take action on it now. So thanks Josh for being a great guest and taking the mystery out of SBA financing for us.

Joshua Kim (55m 46s):
Yeah. Glad to glad to be on the podcast. And, you know, anytime, you know, to anyone listening, if you guys have questions or you just want to explore, you know, feel free to reach out and we can, we can definitely see where we can help you. But I was telling Tom, before we got on the podcast, too, I think that if every business owner really truly knew about how great SBA financing was and how to navigate it, you know, the lending volume nationally would be 10 times what it is right now. It's just such a superior financing option for any need in your business compared to anything that's out there. But what trips people up on I'm trying to go forward is they just don't know where to start. And that's why I started this business. We want to put as much information out

there for business owners on we're going to break. And you know, we're going to shatter all the myths for you.

Joshua Kim (56m 26s):
We're going to show you what you really can accomplish with it. And, you know, obviously help everyone and help everyone and anyone get the capital. They need to do what they want with their business. Because, you know, for us, the more successful case studies we can have about, you know, working with people, getting them the capital, they need to scale their business and what they, you know, on, on whatever they need to do. The, you know, the better it is for us. So

Tom Bronson (56m 48s):
It's brilliant and I am so glad that our paths have crossed. You can find Josh at seven accelerator, that's the number 7accelerator.com. You can find him on LinkedIn. And of course, we will put a link directly to it, right on our website. So you can go right to our website, masterypartners.com. And of course you can always reach out to me. And I will be happy to make a warm introduction to Josh. This is the maximize business value podcast, where we give practical advice to business owners who are passionate about building long-term sustainable value in their business. Be sure to tune in each week and follow us wherever you found this podcast. Be sure to comment, we love your comments and we respond to all of them.

Tom Bronson (57m 30s):
So until next time, I'm Tom Bronson reminding you to take advantage of some great deals on financing from the SBA while they're here, while you maximize your business.

Announcer (57m 47s):
Thank you for tuning into the maximize business value podcast with Tom Bronson. This podcast is brought to you by mastery partners, where our mission is to equip business owners, to maximize business value so they can transition on their terms. Learn more on how to build long-term sustainable business value and get free value building tools by visiting our website, www.masterypartners.com that's master with a Y masterypartners.com.

Announcer (58m 16s):

Check it out. <inaudible> that was perfect. I wouldn't make any changes on that.