

# E-GUIDE

ALTERNATIVE FUNDING OPTIONS FOR  
SMALL BUSINESS OWNERS



A publication of

 **QUIKSTONE**  
CAPITAL SOLUTIONS



# INTRODUCTION

As a small business owner, you know that funding is a vital part of starting and maintaining a thriving business. Funding for a small business owner can be a tricky road to navigate when you don't have all the details. In this e-book we will go over the difference in a merchant cash advance and other funding sources, we will help you determine the best ways to use a merchant cash advance, and answer any questions you may be left with.





# The Difference Between MCA's and Other Alternative Funding Sources



For those that do not qualify for a bank loan or need a faster option, there are several different types of alternative funding that you can seek out to fund your business initiatives. Each of them has their pros and cons. Here we dive into five of the most popular forms of alternative funding.

## Credit Cards

If you have access to sufficient personal credit, you can use credit cards to finance your business goals. Most times, though, those with larger credit needs will not have sufficient personal credit, and interest rates are typically very high. While credit cards are convenient, the fees associated with them can be a big deterrent. "The average [credit card interest rate](#) is 19.24% for new offers and 14.14% for existing accounts, according to WalletHub's Credit Card Landscape Report." Additionally, available credit may make it difficult for small business owners to access enough money to truly improve their business.







## Retirement Funds

[“As laid out by the government's ERISA law](#), you can invest your existing IRA or 401(k) funds to the purchase of a business without taking an early distribution and incurring penalties.” While borrowing against your retirement may seem like a risky proposition, it is important to remember that you will essentially be paying yourself back with interest. That being said, if things go awry, your nest egg could disappear and your money will no longer be working for you in the stock market.



RETIREMENT

## Investors

The positive part of taking on investors is that they can inject a large amount of capital into your business quickly. The downside, though, is that investors always expect a return, which will cut into your profit significantly for a period of time. "[Angel investors](#) typically want from 20 to 25 percent return on the money they invest in your company," says Business News Daily. If you choose to take on investors, be sure to get all of the particulars ahead of time so you know what kind of return they expect and when. The other disadvantage is that in many cases investors will want a portion of your business. This can become cumbersome when you want to make changes to the business.





## Merchant Cash Advances

Although there are fees involved that are comparable to most loans or credit cards, [merchant cash advances](#) can offer businesses a significant amount of capital if they have a strong sales history. Furthermore, credit ratings are not weighted as heavily as they are in traditional loans or even credit cards. A cash advance generally is also not reported to the credit bureaus, also different from a traditional loan. Repayment is a fixed percentage of your daily sales, so when you have slower days, you pay less. Merchant cash advances are also faster than most alternative sources. In most cases a business can be approved within seven days. Once the advance is repaid, your sales will be significantly increased, and your profits will be larger going forward.

# The Best Use of a Merchant Cash Advance





With a fast and easy application process and much more lenient requirements for approval, a merchant cash advance can be just the thing to help you invest in your business. However, some uses are better than others. Here we outline some of the best ways to use a merchant cash advance.



Most businesses are approved within 24 hours and have the money in hand in a week or less.



No application or upfront fees.  
Simple approval process.  
Generous, flexible credit review.



No invoices to track, payment is automatic.  
It's just a small portion of your daily credit card sales.  
Busy days, you pay more. Slow days, you pay less.



## Cash Flow

Over 42 percent of small businesses claim [cash flow as one of their biggest needs](#). Having money on hand that can be used to benefit and grow your business is extremely important in building and maintaining a successful company. A merchant cash advance can provide the cash flow flexibility your business needs to thrive.

## Unexpected Expenses

Every company will experience unexpected expenses at some point. These expenses don't allow for the time it takes to apply for and receive a bank loan. With a simple application process and a quick turnaround, a merchant cash advance is the perfect fit when you need fast cash in a pinch.

~~UNEXPECTED~~



## Hiring Employees

The recruiting and hiring process can be a lengthy and expensive venture. Sometimes you may need to hire more employees to increase business, which may mean you don't have the up-front capital to cover it. Ensuring that you have the necessary funds to make quality, well thought out hires can make or break your business. A merchant cash advance can be used as a means to build a productive team.

A smiling woman with long brown hair is holding a red sign with white text that reads "HELP WANTED". The sign is rectangular with a white border. The woman is wearing a pink top and has her hands on the sign. The background is blurred, showing shelves with various items.

**HELP  
WANTED**




## Expansion

Expanding your business can come in many different forms and the type of expansion you choose will largely depend on your market, competition and company goals. This could include making improvements to your current location to accommodate more patrons, opening a second business location or creating an ecommerce marketplace.

Successful businesses can become stagnant when their storefront reaches a point where growth becomes impossible. At this time, it would be wise to expand into new markets. You will want to research the best possible route of expansion by studying your target customer base and your competition.

Once you've decided on what type of expansion to implement you will want to come up with a detailed structure and plan to ensure success. In order to move your business to the next level, [expansion will likely become necessary](#) at some point. Whether this means growing your product line or setting up an additional brick-and-mortar shop, a long-term growth strategy can make a huge difference.



## Inventory

One of the biggest expenses that small businesses generally have is purchasing inventory. Without the cash flow to buy in bulk these expenses can be much higher than they should be. This could include purchasing seasonal items or things that are for everyday use. The potential savings from buying large quantities can far outweigh the payback costs of a merchant cash advance. If this is the case and you have the storage space to house additional inventory it represents a great investment opportunity. [Buying in bulk](#) reduces the cost per unit and can reduce how much you pay in the long run on supplies and products. Choose the items you buy in bulk wisely to avoid ending up with more than you need. You need inventory in order to stay open, so if you are able to cut those costs it can significantly impact your bottom line. It also ensures you will not run out of crucial items during busy times.







REDUCE  
REUSE  
RECYCLE

## Going Green

Going green has become one of the biggest trends in small business for several reasons. For one, many consumers are becoming more environmentally aware and consciously seeking out green businesses. Another benefit is using energy efficient equipment and recycled materials can save money. "[Going green](#) can improve the overall efficiency of a business. Reducing unnecessary waste can trim operating costs for the business, for example. Turning off lights in vacant offices can save energy, save on utility costs and increase the company's bottom line." When it comes to the competition, going green can be easier for small businesses versus their larger counterparts. This creates an opportunity to separate yourself and take advantage of niche markets that big business can't reach.




## Marketing

The marketing world has changed drastically over the last decade with the influx of digital technology to help distribute and analyze your marketing initiatives. An investment in [digital marketing technology](#), paid social advertising and content creation have proven to provide a significant boost to the reach and awareness of small businesses. Often times small businesses lack the staff or infrastructure to carry out a well-organized and optimized marketing plan. In this case it may be advantageous to invest in an outside marketing firm to develop and implement your campaigns. This will require an initial investment that may not fit into your current budget, but the potential returns can be significant. More and more small businesses are adapting these technologies and strategies in order to keep up with the competition. The importance of an increased focus on new marketing techniques can't be underestimated.



# Frequently Asked Questions





The navigation of unsecured financing can be scary for a small business owner, and with good reason! Now that you are more familiar with Merchant Cash advances and the best ways that they can be used, you may be left with a few questions. Here are the most commonly asked questions we receive from business owners just like you:

### Is a merchant cash advance a loan?

No. Technically, Quikstone Capital purchases a portion of your future card sales. We provide the merchant with a cash advance, and in return, receive a percentage of your future card sales.

After you receive your advance, Quikstone Capital will deduct a percentage from your daily card sales. The payment happens automatically, so there are no monthly billing statements, no invoices, no payment coupons and no checks for you to write.

### How much funding can my small business receive?

Funding amounts vary from business to business, but generally Quikstone Capital's merchant cash advances range from \$5,000 to \$250,000. Find out the funding amount for which your company may qualify with our [merchant cash advance calculator](#).





## How can I determine if a cash advance is right for my business?

Businesses of all types and sizes can analyze the return to the business based on the total cost of the investment. To determine if a cash advance is right for your business, determine your return on investment (ROI). Short-term ROI can be calculated with a simple formula: return on investment (%) = net profit/total investment cost x 100.

Here's an example: Business A takes a \$20,000 cash advance which has a total cost of \$26,000 and uses the money to add 20 new seats. Those new seats translate to \$2,000 more profit a week or \$104,000 more profit per year. Using the formula, the net profit is \$78,000 (\$104,000-26,000). So  $\$78,000 / \$26,000 = 3.00 \times 100 = 300\%$ . Business A has a 300% ROI after one year. You can learn more about ROI at [investopedia.com](http://investopedia.com).





## How much of my daily card sales does Quikstone Capital deduct?

Deductions are made based on a fixed percentage of your daily Credit Card sales. The percent is fixed, but the amount of the payment is not. The amount paid to Quikstone Capital will rise and fall with your daily card sales, giving your business more flexibility than a traditional loan.

## I've been turned down for a loan by my bank, will Quikstone Capital be able to help me?

Quikstone Capital often provides cash advances to small businesses that have been turned down by traditional lenders. We are more flexible than banks in terms of the types of businesses we work with, the purpose for which the funds will be used, the credit history of the business and the owners of the business.

There are some problems with my credit, can I still get help from Quikstone Capital?

Unlike banks, Quikstone Capital has greater flexibility when it comes to reviewing past credit experience. Past credit problems can typically be overcome by a demonstration of current business strength accompanied by a strong likelihood of continued good business trends. However, we do not enter into transactions with merchants who are currently (or about to become) involved in bankruptcy proceedings.

Are my business plans too unusual for Quikstone Capital?

Quikstone Capital wants your business to succeed. We work hard to understand our client's underlying business plan and the unique business features. If your plans make good business sense, it's very probable that we will be able to fund them.





## Can my business keep its current credit card processor?

Possibly, but you may find it more advantageous for your business to switch to one of our processing partners. These partners offer a number of tools to help you manage your business and make more money. To find out if your current credit card processor is partnered with Quikstone Capital, contact us at (866) 456-5638.

## What happens if my sales slow down or speed up after funding occurs?

A merchant cash advance is structured to accommodate varying sales. Quikstone Capital's payment is a fixed percentage of your daily sales, and payment amounts rise and fall with your sales. When sales slow, the dollar amount of the deduction is reduced, while when sales increase, the dollar amount of the deduction is increased.



Why should I go with Quikstone Capital instead of another company?

In an industry where many companies use high-pressure sales tactics and cloud the total costs, Quikstone Capital offers a refreshingly honest and transparent sales approach. Think of Quikstone Capital as your silent business partner. We'll tell you if the product is right for you, and we'll work with you to help you maximize the return on your advance, so you can increase sales and profits.






## The interest rate seems high.

This is not a loan and there is no interest rate; we are a factoring company. If you compare our cash advance to a fixed rate commercial or SBA loan for an average of 5-6 years, we are actually charging you less. Further, SBA and Commercial loans are very difficult to obtain, they can take up to 2 months to fund, they show up on your credit report, they are very long-term commitments and most importantly, they ask for collateral. Most cash advances are approved within a week's time giving you the cash you need now, have a 6-8 month commitment, no collateral is required, high approval rate, and we get paid only when you get paid. Most loans require a fixed monthly payment. Quikstone Capital collection amounts fluctuate based on your sales volume. This percentage-based collection policy allows the advance to support your business' success rather than drain it's funds.

## Why should I go with Quikstone Capital instead of another company?

To add on to what we've already mentioned, there are no application fees, no origination or other hidden fees. We invite you to compare our two-page contract to competitors' contracts – often 5 or more pages.



## Is this a one-time only program?

More than 60 percent of our customers repeat transactions with Quikstone Capital. In fact, the customers who have tested the competition usually return to Quikstone Capital because of our honest approach. Growing your business is our business, and we're happy to provide repeat transactions.

## Are there any additional fees and or costs involved in getting my cash advance?

Never, please feel free to request and read a copy our contract. We believe in being completely transparent. Your success is our success.



### Flexible finance

Only pay when you get paid, over a flexible period of time.



### Fast funding

Instant quote, approval in 24hrs, and funds in a few days.



### Hassle free

Minimal paperwork and no assets required.



### No pressure

No fixed repayment term. Only pay when you get paid.

# IN THE KNOW...

## What do I get when I partner with Quikstone Capital Solutions?

When you choose Quikstone Capital for your business cash advance, you get a silent funding partner that cares about your success. We're here to help you find the right solution to help your business profit and thrive.

We control both the credit decision and the funding process, so we can respond to your needs quickly. However, merchant cash advances are not for everyone. As your funding partner, you can count on us to:

- Tell you the truth - we'll always act in your best interest, even if it costs us business
- Find solutions - tell us your issues or problems, and we'll work with you to find solutions that protect your interests
- Help you plan - maximize your return on your cash advance with solid ideas to generate more sales and profit

Still have questions? We would love to hear from you! Our full service sales team is here to offer help and support as you need it.



Since 2005, Quikstone Capital Solutions has been providing small business owners with merchant cash advances to stabilize and improve their companies.

If you are in need of cash to cover unexpected costs, or if you're looking to make long overdue improvements, a merchant cash advance could be right for you. With the ability to quickly qualify and get your money in a timely fashion, there is no more convenient option.

## WE'RE YOUR FUNDING PARTNER.

Learn more about how Quikstone Capital Solutions can provide the cash needed to make these smart investments and help your business grow.

Speak with Quikstone Capital Solutions today.

GET STARTED

QUIKSTONE  
CAPITAL SOLUTIONS



QUIKSTONECAPITAL.COM