

Banker provide feedback on groups seeking small business funding

Three groups of small business hopefuls presented their Business Plans to a consortium of bankers on Wednesday evening.

Business ideas including a Summer Camp, a Lingerie Couture Business and an Innovative Service Provider, all emerged from a 20 week Entrepreneurship Course that these aspiring entrepreneurs recently completed. The Course was facilitated by the Eastern Caribbean Central Bank (ECCB) in partnership with the Antigua Barbuda Investment (ABI) Bank.

Panelists were drawn from the Antigua Commercial Bank, the Eastern Caribbean Amalgamated Bank and the Caribbean Union Bank; all financial institutions participating in the Government of Antigua and Barbuda's Small Business Credit Guarantee Scheme. This Scheme is being administered by the Antigua and Barbuda Development Bank (ABDB). The teams presented their Business Plans to obtain feedback regarding viability of the business as well as whether they would qualify for credit enhancement support under the Scheme.

As a part of this Scheme the Antigua and Barbuda Development Bank provides guarantees of up to a maximum of EC\$50,000.00 to the participating Financial Institutions that have approved loans for qualifying small businesses.

The panel provided critical analysis on various aspects of the Business Plans presented. The need for analysis of market trends, areas of weaknesses, the need to narrow the focus of the business in the initial stages, as well as preparing for the worst case scenario, were some of the key focus areas. At times very pointed questions were asked of the groups as they had to justify all aspects of their plans, similar to an actual interview with a Loans Officer at any one of the financial institutions.

Ultimately, the panel provided feedback that allowed the groups to update and strengthen their plans so that they can then formally seek funding from a Financial Institution.

An approved small business may apply for a loan guarantee cover under the Credit Guarantee Scheme. The purpose of the loan guarantee cover is to provide a guarantee of up to 80 per cent of the amount sought by a business that has insufficient security to cover its required borrowings for working capital and or other financing needs.

Qualifying small businesses can apply for the loan guarantee cover under the Credit Guarantee Scheme through a commercial bank operating in Antigua and Barbuda, or a financial institution that has been approved by the Development Bank as being eligible to access the Credit Guarantee Scheme.

Duly qualified businesses can apply for guarantees to cover loan capital or credit facilities to finance fixed assets or working capital to include, procurement of machinery, equipment, furnishings, infrastructure items such as dams, wells, irrigation systems as well as the procurement of raw material, payment of wages and salaries and the procurement of goods and services.

The credit facilities that may be approved under the guarantee scheme include demand loans, term loans, overdrafts, letters of credit, credit lines, payment guarantees, tender bids, contract performance bonds and factoring contracts.

Financial Institutions will conduct a full assessment of a borrower and do due diligence as it relates to information provided to support the credit guarantee request to the Antigua and Barbuda Development Bank. They are to ensure that the businesses are viable and worthy of financial support.

The general feedback from the entrepreneurs that participated in Wednesday's exercise, was that it was an exhilarating experience that allowed them to focus on what was necessary to obtain funding for their business ideas. They left the Boardroom "high stepping" with the commitment to make the necessary improvements to their Business Plans.

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Captions:

Pic 1: One of the groups making their presentation to the panel of bankers.

Pic 2: The panel of bankers listening keenly to the presentations being made by emerging entrepreneurs.