# Three-Question Funding Check

*Companion download for LoftyBiz 162 — Raising Outside Money: Choose the Right Kind of Money (or None)*

Before you raise money, write down one thing you think you need money for. Then answer three questions: what it is for, when it can be paid back in a slow case, and what you are willing to give up. Compare a loan, an investor, or none. The best money is sometimes no outside money at all.

## 1. Your three-question funding check

| Line | Prompt | Your notes |
|---|---|---|
| One need | Write down one thing you think you need money for this year. | |
| What it is for | Is this a known asset that will earn from the first month, or a new build with an uncertain payback? | |
| Slow-case payback | When can it be paid back if sales are slower than you hope? Can a loan payment be covered in that slow case? | |
| What you will give up | A loan may mean a monthly payment and a personal guarantee. An investor may mean a share of the company, and a say in decisions. | |
| Loan, investor or none | Which kind of money fits this job, including none? | |

## 2. Before you sign

| Step | What to do | Your notes |
|---|---|---|
| Ask more than one source | If you use a loan, ask more than one lender and compare the total cost, not only the monthly payment. | |
| Test whether you can need less | Ask whether customers will prepay, or help you design the thing you planned to fund. | |
| Read every clause | If you take an investor, talk to other founders and read what happens if the company needs more money, or grows more slowly. | |
| Ask an adviser | Rates, guarantees and terms differ by country and by lender or investor. Ask an accountant, lawyer or adviser to read the terms before you sign. | |

Keep your three funding questions, your lender or investor comparison, and your monthly repayment check as SOPs in Systex, our own product. The assistant answers from your notes. You can find Systex at loftybiz.net. Click the link in the description.

*These are examples, not promises. Figures in the video are example figures, not targets or forecasts. This is general business education, not financial, legal or tax advice. Rules differ by country. Results vary.*

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