

The biggest hurdle that a small business is going to face is lack of cash. Most companies try to qualify for loans to get start-up money, but business loans can be hard to acquire. However, there are ways to come up with the money you need to start up your business.

A great way to get money for your start-up, or small business, is to put up your house as collateral. You can also go to your bank and get a home equity loan and use that money to finance your company. Keep in mind that you are putting your own assets on the line, so be careful about making sure you can repay. Also, because of the current housing market and decline in real estate values, this alternative may be a challenge for many small business owners as their home equity may have evaporated.

Private investors could also be a great way to get some small business capital flowing. If you have a friend or relative who likes your idea, it could be a good way to get money without putting up any of your own assets. Angel investors might also be an idea.

Consider drop shipping as a way to lower your costs and provide yourself upfront capital. A drop shipper will obtain money from a customer before delivering a product. This ensures that a company can make its profit before buying goods. This profit can then be used to finance the business going forward.

Selling personal assets could be a way to raise money. If you are uncomfortable getting an equity loan from your bank, you could always sell your personal assets and achieve liquidity without having to repay a loan. This could be a good idea if you are just starting and need money to pay employees, or for goods.

Try convincing those you owe to lower rates. If you are having trouble raising capital, see if your business can have some objects donated. Perhaps you could use a building for a month or two with a promise to pay later. Perhaps employees would start work for free in exchange for stock options later on. Delaying the need to pay out money can go a long way.

Financing your small business can be tough. Cash can be hard to come by and investors may not always be willing to give you the money you need. If typical business loans aren't in your cards, you can try some of these ideas to finance your business. If your idea is good enough it will be worth going through the trouble to see it through.