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Businesses Bank on Us.

HOW TO BRIDGE THE GAPS

in Your Business' Cash Flow



BRIDGE LOANS - Cover New Costs While Keeping Your Finances Intact



“If only I had enough money to get me through the next couple of weeks or months, I could make this place more profitable than ever...”



Has this thought ever occurred to you as a restaurant owner? You’re definitely not alone.

Countless restaurant owners have huge opportunities headed their way, such as:

- A new traditional bank loan approval/funding
- A pending real estate transaction
- The opening of an additional location
- The sale of a secondary location
- The completion of a remodeling or expansion project
- An upcoming peak sales period

Or, the owners are weathering a temporary financial hurdle like:

- The end of a seasonally slow period
- The end of a city/country/state construction project that caused sales to decline
- An on-going delay with the opening of an additional location
- Cost overruns with a renovation, remodel, or other construction project
- Issues associated with a major weather event

If they can just get from where they are now to when those opportunities come through or the hurdles are resolved, they’ll be sitting pretty.

But in between point A and point B there’s a gap: your operating expenses. Simply put, you can’t stay in business if you can’t pay your bills, pay your staff or order food.

Fortunately, there’s a way to close the gap. It’s a financial product that serves as a bridge to your next big opportunity or over your short-term cash flow problems. It’s called a Bridge Loan.



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Why Gaps in Positive Cash Flow Can Sink Your Restaurant

Operating a restaurant or a chain of restaurant locations can be highly profitable, but it's also expensive to stay in business.

Financial experts say that the prime costs for a restaurant business – which includes basic expenses like food, beverages, and payroll – can be as much as 60 to 67% of total sales! That's 2 out of every 3 dollars going to basic running costs.

Business owners waiting on opportunities for financing, the completion of their expansion plans, or a period of slow sales may find themselves struggling to keep their doors open because of these expenses. Before they can get their big break, they risk bankruptcy.

It doesn't have to be this way! You have options for short-term financing that can bridge the gap and help you overcome periods where cash is tight. One of the best options is a Bridge Loan.

Even Growing Restaurants Have Growing Pains When it Comes to Cash

“Be careful because growth costs cash. It’s a matter of working capital. The faster you grow, the more financing you need.” *

– Business Planning Expert Time Berry





What is a Bridge Loan?



Commercial bridge loans can take many forms, but they share a few common traits.

A bridge loan offers short-term financing with terms between 3 months and 3 years. The loan serves as temporary funding until the restaurant or business's cash flow improves.

Typical situations where a bridge loan could be highly beneficial to a restaurant owner include:

- Waiting for long-term financing to be approved, such as a working capital loan or commercial property loan
- Completing a high ROI project, such as remodeling and expanding your dining room or replacing your POS system
- Investing in new equipment
- Stabilizing your cash flow while waiting for money you're owed
- Hedging finances during slow periods or before high seasonal sales
- Placing a down payment on a property or build-out project



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How Does a Bridge Loan Benefit My Business?

- Compared to taking on an equity partner, bridge loans don't require that you share profits or give up control of business decisions
- Get access to cash quickly while waiting for bigger financing deals or a high ROI opportunity to come through
- Relieve pressure on your cash flow, helping you cover expenses and stay in the black
- Purchase new equipment without relying on manufacturer/distributor financing or credit
- Stay in control of your business, and don't let temporary hurdles stop you from succeeding





Most Important Factors When Considering a Bridge Loan

A bridge loan can be the perfect financing tool your restaurant needs to get to the next stage of profitability.

However, not all bridge loans – or the lenders who offer them – provide the same benefits. Certain bridge loans are riskier than others, while some may offer flexible repayment options.

Before you secure your Bridge Loan, here are a few things to think about:

- **Are there any fees involved?** All lenders charge interest, but some might add on fees for standard services. Application fees, loan servicing fees, convenience fees, ACH fees, administrative fees and others can quickly add to the cost of borrowing.
- **How long can my term be?** The period during which you'll pay back your bridge loan is referred to as the loan's term. Short term loans of just a few months long usually have lower fixed interest, but can be materially harder to pay back because of higher payments. Longer loan terms may have higher interest fixed interest costs but materially lower payments, making them easier to pay back and less stressful on the business' cash flow.
- **How much am I allowed to borrow?** Bridge loans are often granted in proportion to sales or the cash flow of the business. Some lenders use credit card sales to calculate this figure, while others use a portion of your total sales, allowing you to borrow more.
- **What do I need to get approved?** Some lenders ask you for a nearly perfect credit score and extensive documentation on your earnings, business plan, and so on. Others can be more flexible and approve you even if you have limited documentation or less than perfect credit.
- **Are there fixed terms and payments?** Some bridge loans are repaid in proportion to your daily sales receipts. Others have fixed payments, which helps you predict exactly when the loan will be paid off. Predictable costs are always better than variable ones.
- **Is there an early payoff penalty?** Bridge loans are only meant to be used for as long as you need them. Yet, some lenders force you to pay the full fixed interest costs even if you want to pay the bridge loan off early.



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Why You Should Consider a Bridge Loan From ARF Financial

Working with ARF Financial can help you secure the bridge loan your business needs to stay afloat and reach the next stage of profitability.

We not only help you find the best rates for your bridge loan by working with our network of FDIC-insured community banks, but we also pre-underwrite the loan for you. This means you can have your cash fast – often within just a few business days. You don't have to worry about lengthy due diligence periods or entering into burdensome bank covenants.

At the same time, we at ARF Financial are experts in the restaurant industry. We've provided financing to thousands of businesses just like yours, and we know exactly what factors make your loan work for you, not against you. ARF Financial will provide you with a personal financial consultant to customize a loan to meet your needs and your individual business situation. It will be structured to achieve your goals, to maximize your cash flow and your return on investment. ARF will support you through the application process all the way through funding, making it quick and easy.





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Features of an ARF Financial Commercial Bridge Loan Include:

- Amounts up to \$750,000 per entity or \$1,500,000 for owners of multiple units/entities
- Repayment term from 6 months and 36 months
- A line of credit with 24-hour access to 5 loan drafts good for 6 months
- Guaranteed low rates and no hidden fees
- Affordable fixed payments
- Option to defer principal into the future for lower payments now
- Ability to pay off early with a discount (versus a full pay)
- Tax deductible interest payments

Don't risk your business waiting for something to happen, take action now to bridge your business' individual situation! Your success is just around the corner!

ARF Financial wants YOU to get the financing you need to achieve the profitability you've dreamed of.



READY TO LEARN MORE?

Visit our website at www.arffinancial.com for a quick application and a FREE QUOTE to find out how much you qualify for!

BUILD YOUR LOAN

LOAN CALCULATOR