

Small Business Start-Up: Financial Guide



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ABOUT YOU



Financial Foundations for Small Business Owners

Revised 3/12/25

Introduction

Starting a business is an exciting journey that requires careful planning, financial knowledge, and the right banking partner. Whether you're launching a new venture or expanding an existing idea, understanding the financial aspects of business ownership is crucial to long-term success. This guide will walk you through essential steps to help you build a solid foundation for your business.

What You'll Learn in This Guide:

1. **Understanding your Credit Score** – Learn why your personal and business credit scores matter and how they impact loan approvals.
2. **Finding the Right Bank** – Choosing the right financial institution can make a big difference in managing business finances efficiently.
3. **The 5 C's of Credit** – Banks use these five factors—Character, Capacity, Capital, Collateral, and Conditions—to assess business loan applications.
4. **12 Steps to Starting a Business** – A step-by-step roadmap to help you go from idea to reality.
5. **Product and Service Sell Sheets** – Explore AbbyBank's financial products and services designed to support your business at every stage, from startup to expansion.
6. **Helpful Resources** – A curated list of websites, tools, and government programs to support your business journey.

Whether you are securing financing, developing a business plan, or preparing to launch, this guide will serve as a valuable resource. Let's get started!



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Understanding Credit History: A Guide for Small Business Owners

Revised 6/2/25

As a small business owner or aspiring entrepreneur, understanding credit history is crucial to securing financing, managing financial risk, and growing your business. Your credit history influences lenders' decisions and can impact your ability to obtain business loans, credit lines, and favorable interest rates.

What is Credit History?

Credit history is a record of your past borrowing and repayment activities. It includes information about credit accounts, payment history, outstanding debts, and inquiries from potential lenders. Your credit history is summarized in a credit report, which is maintained by credit bureaus such as Experian, Equifax, and TransUnion.

Why is Credit History Important for Small Business Owners?

- 1. Access to Financing:** Lenders use your personal and/or business credit history to determine your creditworthiness when applying for loans or lines of credit.
- 2. Lower Interest Rates:** A strong credit history can help you qualify for lower interest rates, saving you money on borrowing costs.
- 3. Business Credibility:** Vendors and suppliers may check your credit history before offering favorable payment terms.
- 4. Risk Management:** Understanding your credit history can help you make informed financial decisions and avoid excessive debt.

How to Build and Maintain a Strong Credit History

- 1. Separate Personal and Business Credit:** Establish a business credit profile by obtaining an Employer Identification Number (EIN) and opening business accounts.

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- 2. Pay Bills on Time:** Payment history is a major factor in your credit score. Always make timely payments on loans, credit cards, and vendor accounts.
- 3. Manage Credit Utilization:** Keep your credit utilization low by not maxing out your credit limits.
- 4. Monitor Your Credit Report:** Regularly review your credit report for errors and dispute inaccuracies.
- 5. Use Credit Responsibly:** Only borrow what you can repay and avoid unnecessary debt accumulation.

How to Check Your Credit History

You can obtain a free credit report annually from each of the major credit bureaus through **AnnualCreditReport.com**. Additionally, business credit reports can be accessed through agencies such as Dun & Bradstreet.

Conclusion

A good credit history is essential for securing funding and establishing trust with lenders, suppliers, and partners. By proactively managing your credit, you can enhance your business's financial stability and position yourself for long-term success.

Start today by reviewing your credit report and taking steps to build a strong financial foundation for your business!



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Choosing the Right Bank: A Guide for Small Business Owners

Revised 6/2/25

Selecting the right bank is a crucial decision that can impact your business's cash flow, financing options, and overall financial management. With so many options available, it's essential to evaluate banks based on the specific needs of your business. Here are some key factors to consider when choosing the right banking partner.

1. Identify Your Business Banking Needs

- ☐ Do you need a business checking account, savings account, or both?
- ☐ Will you require services such as business loans, lines of credit, or merchant services?
- ☐ Are you looking for in-person banking, or do you prefer online and mobile banking solutions?

2. Evaluate Cost-Effective Banking Solutions

- ☐ Look for accounts that align with your business's transaction volume and cash flow needs.
- ☐ Consider banks that offer flexible business banking solutions without unnecessary costs.

3. Access to Business Financing

- ☐ Explore loan and credit options, including SBA loans, business lines of credit, and equipment financing.
- ☐ Understand the bank's lending criteria and support for small businesses.
- ☐ Look for a bank that provides personalized guidance for your financing needs.

4. Digital Tools and Convenience

- ☐ Assess the quality of online banking, mobile apps, and remote deposit capabilities.
- ☐ Look for features like automated bill pay, expense tracking, and integration with accounting software.
- ☐ Consider ATM and branch accessibility for cash deposits and withdrawals.

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5. Customer Service and Expertise

- ☐ Choose a bank with business banking specialists who understand your industry.
- ☐ Research the bank's reputation and commitment to small business success.
- ☐ Look for personalized support and resources to help your business grow.

The right banking partner should offer the tools, expertise, and financial solutions to help your business succeed. Take the time to compare your options and find a bank that aligns with your business goals.

At AbbyBank, We Make Banking About You—let's build your business together!



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Understanding the 5 C's of Credit:

A Guide for Borrowers

Revised 5/13/25

When applying for a loan, lenders evaluate several factors to determine your creditworthiness. Understanding the **5 C's of Credit** can help you prepare and increase your chances of approval.

Here's what you need to know:

1. Character – Your Credit History

Lenders assess your credit history to determine how responsible you are with borrowing and repaying debt. They review your credit report, payment history, and credit score. A strong history of on-time payments and responsible credit use demonstrates good character and builds trust with lenders.

Tip: Check your credit report regularly and ensure you make all payments on time to maintain a strong credit profile.

2. Capacity – Your Ability to Repay

Capacity refers to your financial ability to repay the loan. Lenders analyze your income, employment history, and debt-to-income (DTI) ratio to see if you can afford new debt without financial strain.

Tip: Reduce existing debt and maintain a stable income source to improve your capacity.

3. Capital – Your Financial Cushion

Capital includes savings, investments, and other financial resources that show lenders you have assets to fall back on. The more capital you have, the less risky you appear as a borrower.

Tip: Build your savings and keep some liquid assets available to strengthen your financial profile.

4. Collateral – Your Secured Assets

Collateral is any asset you offer to secure a loan, such as a house, car, or investment account. It provides assurance to lenders that they can recover their money if you default on the loan.

Tip: If you're applying for a secured loan, ensure the collateral has sufficient value to support the loan amount.

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5. Conditions – The Loan & Economic Factors

Lenders also consider external conditions, such as the purpose of the loan, interest rates, and economic trends. These factors help determine whether lending to you is a sound decision.

Tip: *Be clear about your loan purpose and stay informed about market conditions that may affect loan terms.*

By understanding the **5 C's of Credit**, you can take proactive steps to improve your financial standing and increase your chances of loan approval. Responsible borrowing and good financial habits can set you up for long-term financial success.

If you have any questions about loan eligibility or credit improvement, reach out to your financial institution for guidance.



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Starting Your Business: 12 Steps to Success

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Starting a business is an exciting journey, and a solid plan sets you up for success. At AbbyBank, we're here to support you every step of the way because ***we make banking about you***. These 12 steps will guide you through the essentials—from planning to growth—helping you start strong and build for the future.

- ☐ **1. Conduct Market Research**
Market research helps you determine if there's potential to turn your idea into a thriving business. By analyzing your target audience and competitors, you can identify opportunities and develop a competitive edge.
- ☐ **2. Create Your Business Plan**
A business plan serves as the backbone of your enterprise. It outlines your strategy for building, managing, and expanding your business while helping to persuade investors and partners to support you. – See *"Planning for a Healthy Business"* Booklet
- ☐ **3. Secure Funding**
Your business plan will clarify how much capital you need to launch. If personal funds aren't sufficient, explore options to raise or borrow money, as there are many funding sources available today. – See *"Managing Cash Flow and Financial Management for Small Business"* Booklets
- ☐ **4. Select Your Business Location**
Choosing the right location is crucial for success. Whether you establish a physical storefront or operate online, your decision will impact taxes, legal requirements, and profitability.

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- ☐ **5. Decide on a Legal Structure**
Your business's legal structure affects registration requirements, tax obligations, and personal liability. Select the structure that best suits your goals. – See *"Organizational Types and Considerations for Small Businesses"*
- ☐ **6. Pick a Business Name**
Your name should reflect your brand and personality. Ensure it's unique and aligns with your vision while confirming it's not already in use.
- ☐ **7. Register Your Business**
Once you've chosen a name, make it official by registering with federal and state authorities, especially if you're operating under a name other than your own.
- ☐ **8. Obtain Federal and State Tax IDs**
An Employer Identification Number (EIN) is essential for key business activities like opening a bank account and managing taxes. Some states also require additional tax IDs.
- ☐ **9. Apply for Licenses and Permits**
Stay compliant by obtaining the necessary licenses and permits for your industry and location. Requirements vary by business type, state, and local regulations.
- ☐ **10. Open a Business Bank Account**
A dedicated business checking account simplifies legal, tax, and daily operations. With proper documentation, setting one up is quick and straightforward.
- ☐ **11. Develop Your Marketing Strategy**
Marketing deserves its own step because it drives visibility and growth. Build a strategy to define your brand, reach your target audience, and generate leads. Use tools like social media, email campaigns, SEO, and advertising to promote your business effectively.
- ☐ **12. Provide Training for You and Your Team**
Ensure you and your team are equipped with the skills and knowledge needed to run your business successfully. Training can include customer service, sales techniques, technology tools, compliance, and industry-specific skills.



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A Product Lineup to Meet All Your Business and Agricultural Banking Needs!

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Deposits¹

- Business/Ag Checking
- Business/Ag Savings
- Business/Ag Money Market
- Business CDs & IRAs
- Nonprofit Funds
- Public Funds

**Talk to a Business Banker about
Multi-Million Dollar FDIC coverage!**

Loans¹

- Business & Ag Real Estate Loans
- Business & Ag Lines of Credit
- SBA Loans & FSA Guaranteed Loans
- Farmer Mac Loans
- Economic Development Loans
- Nonprofit & Public Entity Term Loans
- Nonprofit & Municipal Bridge Loans
- Nonprofit Real Estate Loans

Card Solutions

- Debit Card

Credit Card¹ Options

- Cash Back Credit Card
- Rewards Credit Card
- Intro Rate Credit Card
- Business Specialty Credit Card
- Nonprofit/Municipality Specialty Credit Card

Prepaid Card Options

- Gift Cards
- Travel Card
- Reloadable Debit Card

Digital Solutions

Online & Mobile Services

- Business eBanking
- Online Bill Pay
- Mobile Banking

Cash Management² Tools

- Sweeps & Overdraft Protection
- Remote Deposit
- Fraud Protection
- ACH Services
- Positive Pay
- Merchant Card Services
- Autobooks

¹ All loans and accounts are subject to credit approval.

² Subject to approval.



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Business Loans & Credit Cards



Business Credit Cards

Choose from our popular business credit card¹ options such as low rate, cash back or flexible rewards to find the one that works best for your business. No matter which card you choose, your business will benefit from important features like:

- Free online expense reporting tools.
- No fee for additional employee cards.
- Mobile payment capability for added convenience.
- Zero fraud liability*. You won't be liable for fraudulent purchases when your card is lost or stolen.
- Cardmember Service available 24 hours a day/365 days per year.

To learn more, visit our website or ask a Business Banker.

The creditor and issuer of these cards is Elan Financial Services, pursuant to separate licenses from Visa U.S.A. Inc., and Mastercard International Incorporated. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

*Elan Financial Services provides zero fraud liability for unauthorized transactions. Cardholder must notify Elan Financial Services promptly of any unauthorized use. Certain conditions and limitations may apply.

Your business journey deserves the right financing.

Business Loan Options¹

- **Commercial Real Estate Loans:** Finance the purchase of new property or renovate existing facilities to support your business operations.
- **Commercial Construction Loans:** Get funding for new construction projects or major renovations, with disbursements aligned to your project timelines.
- **Equipment Financing:** Whether it's vehicles, machinery, or technology, we help you finance what drives your business forward.
- **Lines of Credit:** Access funds as needed to manage cash flow, cover unexpected expenses, or seize new opportunities.
- **SBA Loans:** Take advantage of government-backed financing options with favorable terms for small businesses.
- **Economic Development Funds:** Supporting local businesses with low-cost gap financing through economic development programs aimed at growth and job creation.
- **Flexible financing options** designed to support the mission and growth of **nonprofits and public entities.**

¹ All loans and credit cards are subject to credit approval.



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Business/Ag Checking, Savings, & Money Market Accounts



Business/Ag Checking with you in mind!

We know managing a business or farm takes dedication—and your banking should make it easier, not harder. That's why our **Business/Ag Checking**¹ is designed with you in mind:

- No monthly service fees²
- No minimum balance required
- No check-writing fees
- No paper statement fee
- Unlimited monthly transactions
- Free eBanking, Bill Pay, and Mobile Banking
- Free business debit card

Specialized Accounts Available:

- **IOLTA (Interest on Lawyer Trust Account)** – Ideal for attorneys managing client funds.
- **IBRETA (Interest Bearing Real Estate Trust Account)** – Perfect for real estate professionals holding client funds.

¹All accounts are subject to credit approval.

²Account analysis and fees may apply to large volume/low balance accounts.

Save confidently. Grow your funds with flexibility!

Business/Ag Savings Account¹

Ideal for those seeking to build reserves while maintaining easy access to funds:

- No monthly service fees
- No minimum balance required
- Earns competitive interest on balances of \$100 or more³
- Free Business eBanking and Mobile Banking

Business/Ag Money Market Account¹

Perfect for organizations looking to earn higher interest while keeping funds accessible:

- No monthly service fees
- No minimum balance required
- Earns competitive interest on balances of \$10,000 or more⁴
- Free Business eBanking and Mobile Banking

Need more coverage?

Additional FDIC protection is available for larger deposits beyond FDIC limits through the **ICS Network**.

³Interest is compounded daily and credited to your account quarterly.

⁴Interest is compounded daily and credited to your account monthly.



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Business Checking That Fits—You Choose the Extras!



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- No minimum to open
- No minimum balance required
- No monthly service fee²
- No check-writing fees
- No paper statement fee
- Unlimited monthly transactions
- Free eBanking, Bill Pay, and Mobile Banking
- Free online and mobile alerts³
- Free business debit card
- Free front and back images⁴

¹All accounts and loans are subject to credit approval.

²Account analysis and fees may apply to large volume/low balance accounts.

³There is no fee from AbbyBank; however, message and data rates may apply. Such charges include those from your communications service provider.



Customize your options!

You know your business better than anyone else. That's why AbbyBank allows you to pick the services that best fit your business needs. **Select up to two options below** when you open your AbbyBank Business Checking Account.

Complimentary Services (Select up to two)

- Free three months of Remote Deposit⁵
- Purchase your current non-AbbyBank checks (up to \$75 value)
- Free first set of AbbyBank checks (up to \$75 value)
- Free three months of Fraud Protection Services (each option is separate)⁵
 - ACH Positive Pay⁶
 - Check Positive Pay⁶
- Free three months of Sweeps Services (each option is separate)⁵
 - Savings/Money Market Sweep
 - Line of Credit¹ Sweep
 - Zero Balance Account

⁴90 days available in transaction history in online banking.

⁵After three months, products and/or services are subject to a monthly fee.

⁶BeB/Cash Management and associated fee is required.

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Loan Programs to Help Your Business or Farm Grow

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At AbbyBank, we are committed to helping businesses and farms access the financing they need to grow. We partner with a variety of loan programs to provide flexible funding solutions, from startup support to expansion and working capital. Below are the key loan programs we work with to assist our customers in meeting their financial goals.

1. MCDEVCO

They support entrepreneurs and small businesses in Marathon County access gap financing, business education, and mentorship to support their growth and success.

MCDEVCO: Scan the QR code or visit: <https://mcdevco.org>



2. WBD

We partner with WBD to assist businesses in securing SBA 504 loans, which provide long-term, fixed-rate financing for purchasing real estate, equipment, and other major assets. These loans help businesses expand while preserving working capital.

WBD: Scan the QR code or visit: <https://www.wbd.org/>



3. Small Business Administration (SBA)

AbbyBank partners with the SBA to offer financing solutions that help businesses grow and succeed. We work with two key SBA loan programs:

- **7(a) Loan Program** – Flexible funding for real estate, refinancing, and working capital.
- **504 Loan Program** – Long-term, fixed-rate financing for major assets like real estate and equipment.

SBA: Scan the QR code or visit: <https://www.sba.gov/>



4. Medford Area Economic Development

They offer startup loans through the Economic Development Foundation to support new businesses in the Medford area.

Medford Area Economic Development: Scan the QR code or visit: <https://medfordwi.gov/economic-development/>



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5. Central Wisconsin Economic Development Fund (CWED)

This regional loan program provides financing to help businesses in Central WI start, expand, or modernize. It offers funding opportunities that support economic growth, job creation, and business development in the region.

CWED: Scan the QR code or visit: <https://cwedfund.com/>



7. Northwest Regional Planning Commission (NWRPC)

Their loan programs provide low-cost financing for businesses seeking to start or expand their operations in Northwest WI. Counties included are Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer, Taylor, and Washburn.

NWRPC: Scan the QR code or visit:
<https://www.nwrpc.com/985/BUSINESS-FINANCING>



8. Regional Business Fund (RBF)

RBF provides low-interest loan funds to businesses in West Central Wisconsin for expansion, economic growth, and downtown revitalization.

RBF: Scan the QR code or visit: <https://www.rbfinc.org/>



9. Shawano County Economic Progress (SCEPI)

SCEPI supports business growth in Shawano County by offering financing options and economic support to help new and expanding businesses succeed.

SCEPI: Scan the QR code or visit: <https://shawanoecondev.org/>



10. Greater Oshkosh Economic Development Corporation

They offer access to capital programs that help businesses secure funding for growth, innovation, and expansion. These programs bridge financial gaps, stimulate investment, and support economic development in the Oshkosh area.

Greater Oshkosh EDC: Scan the QR code or visit:
<https://greateroshkosh.com/funding-and-capital/>



11. Farm Service Agency (FSA)

The FSA's Guaranteed Loan Programs help farmers secure financing by providing a government guarantee on a portion of the loan, making it easier to access credit for land, equipment, and operating expenses.

FSA Guaranteed Farm Loans: Scan the QR code or visit:
<https://www.fsa.usda.gov/resources/programs/guaranteed-farm-loans>



12. Farmer Mac

They provide accessible financing and liquidity solutions to support American farmers, agribusinesses, and rural infrastructure, helping them grow and thrive.

Farmer Mac: Scan the QR code or visit: <https://www.farmermac.com/>



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Small Business Resources in Wisconsin

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Starting a small business in Wisconsin is an exciting endeavor, and there are numerous resources available to assist you throughout the process. Here are some key organizations and programs that can provide valuable support:

1. Wisconsin Small Business Development Center (SBDC)

The Wisconsin SBDC is a statewide network offering no-cost, confidential consulting and targeted educational programs to entrepreneurs and business owners. They provide assistance with business planning, financial projections, marketing strategies, and more. You can connect with regional SBDC experts to help plan and launch your new business.

SBDC: Scan the QR code or visit: <https://wisconsinsbdc.org/>



2. Wisconsin Economic Development Corporation (WEDC)

WEDC supports Wisconsin's small businesses with resources and tools that promote business growth at every stage. They offer financial assistance programs, including grants and loans, as well as guidance on business development strategies. Exploring WEDC's offerings can help you identify opportunities for funding and support.

WEDC: Scan the QR code or visit: <https://wedc.org/build-your-small-business/>



3. Department of Workforce Development (DWD)

The DWD provides assistance to new business startups by offering information on responsibilities and resources available to emerging entrepreneurs. They can help you understand workforce requirements, labor laws, and training programs to ensure compliance and effective workforce management.

DWD: Scan the QR code or visit: <https://dwd.wisconsin.gov/dwd/business/>



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4. Start in Wisconsin

Start In Wisconsin is a premier network connecting entrepreneurs with resources, events, and experts tailored to their specific needs and based on their location. This platform can help you find local support and opportunities to grow your business.

Start in Wisconsin: Scan the QR code or visit:

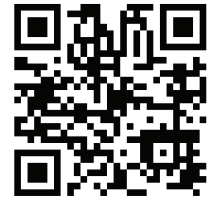
<https://business.wisconsin.edu/start-in-wisconsin/>



5. Wisconsin Women's Business Initiative Corporation (WWBIC)

WWBIC offers resources for entrepreneurs, including classes, business loans, and coaching. They focus on individuals who face barriers in accessing traditional financing, providing support to women, minorities, and low-income individuals. Their resources can be invaluable in helping you start and grow your business.

WWBIC: Scan the QR code or visit: <https://www.wwbic.com>



6. University of Wisconsin–Madison's Office of Business Engagement

The Office of Business Engagement connects entrepreneurs to resources such as the UW–Madison Small Business Development Center, which provides no-cost consulting, low-cost entrepreneurial education, and strategic facilitation to startups and entrepreneurs. They also offer access to the Center for Technology Commercialization, which provides expertise on the commercialization process to early-stage emerging technology businesses throughout Wisconsin.

Office of Business Engagement: Scan the QR code or visit:

<https://obe.wisc.edu/entrepreneurs/>



Engaging with these organizations can provide you with comprehensive support, from business planning and financial assistance to educational programs and networking opportunities. By leveraging these resources, you can navigate the challenges of starting a small business in Wisconsin more effectively.



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