



Alternative Financing for Restaurants.

How today's restaurants are sidestepping traditional loans and funding their ventures with transparent and affordable solutions like SpotOn Capital.

The funding you need to move your restaurant forward.

As a restaurant owner or operator, you might be looking for ways to finance your next big project or reach your next major milestone.

That could mean getting your restaurant back into positive cash flow amid ongoing inflation, labor shortages, or supply chain issues. Or it might translate into adding (or extending) an outdoor patio so you can accommodate more guests at an already busy location. Perhaps you've got your sights set on some industrial-grade kitchen equipment you know will speed up food preparation and make your cooks' lives a lot easier. Or possibly you just want to cover your overhead while your restaurant gets some traction in a new market.

Whatever your situation may be, more often than not, the biggest obstacle that's standing between you and your goal is getting access to money. Especially during these challenging times as restaurants have faced so many curve balls over the past couple of years.

Many traditional lenders will make you jump through what seems like an endless number of hoops just to get a small loan. And even after approval, borrowers are often still faced with a complicated loan process—like long waiting periods to receive funds, high or fluctuating interest rates, prepayment penalties or late fees, and restrictions on how to spend the money.

While accessing capital from any lender will come with its own set of advantages and drawbacks, some creditors are just not the right fit for your restaurant. For instance, banks may have competitive rates and restaurant-tailored loans, but their approval process could also have many strict requirements and take several business days.

Other financing options for restaurants include small business association loans, angel investors or venture capitalists, grants and awards, crowdfunding, friends and family, or bootstrapping—which is relying on personal savings (if any) or income from sales. All of these methods do generate capital to varying degrees, but each has its tradeoffs in time, money, ownership, or restrictions. Your goal in finding the best financing solution for your restaurant should be to gain access to enough funding to reach your goal successfully with as few tradeoffs as possible. That can be a tall order. Let's take a deeper look at how your restaurant can find funding.



"The biggest thing with SpotOn Capital is that I'm not giving investment presentations. We can fund the opening of our new business with money from our current businesses and go at our own pace. It's super streamlined."

Jayson Whiteside,
Co-owner of Bardo and Vana



Sources of capital for restaurants.

Traditional bank loans.

Bank loans have competitive rates and can be tailored to your restaurant, but also have long wait times and strict requirements. Credit union loans are similar to those of banks, with more flexibility and better terms. However, many don't have the same level of predictability.

Small Business Association (SBA) loans.

Small Business Association (SBA) loans can be used for most business purposes like working capital and long-term fixed assets, and they carry less risk because they're backed by the government. But tight eligibility requirements, like having already invested a certain amount of time or money in your business and a high credit score, might deter you from this option.

Angel investors and venture capitalists.

Investors give you money for an ownership stake in your restaurant. While venture capitalists typically represent firms, angel investors are wealthy individuals or groups. The upside of having an investor is you won't have to pay back any loans. But consequently, you'll be giving up a portion of your business (and your profits.)

Grants and awards.

Grants and awards are often given to small business owners based on certain criteria or accomplishments. For instance, WomensNet's Amber Grant gives \$10,000 every month to a female entrepreneur. Similarly, the National Restaurant Association gives awards to restaurants that make a compelling local impact. This money doesn't have to be repaid, but getting chosen for such an award could be a long shot depending on your situation.

Crowdfunding.

Crowdfunding is a way of raising finances for projects and businesses by collecting money from a large number of people via online platforms. If your restaurant has a popular concept that a lot of people would like to donate to, then crowdfunding may be your solution. However, it may not be the best option if you need cash to cover your overhead expenses for the next few months.

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Considering a Merchant Cash Advance (MCA)? Here are 5 reasons to avoid them.

- 1. They're unregulated.** Because MCAs are an advance on the future sales of your restaurant, they're not classified as loans and aren't subject to federal regulation or state usury laws that limit lenders from charging high-interest rates.
- 2. They're expensive.** Often MCAs will charge **25% – 400%** over the amount you're borrowing when you factor in the extra fees.
- 3. They're short-term.** Typically, you must pay off an MCA in **6 months or fewer**. If you don't, you could incur substantial late fees.
- 4. They're deceptive.** Those pedaling MCAs **hide behind words** like "advance" or "short-term cash solution" because legally, they can't use the word "loan."
- 5. They use aggressive collection methods.** While repayment is typically made daily, even one missed payment can put you into default, triggering liens, lawsuits, and seizures if you're not quick to take costly legal action.

[Learn more about MCAs](#)

The advantages of SpotOn Capital.

SpotOn Capital is an alternative loan that gives qualified restaurants access to fast cash with a stress-free automatic repayment system. Because we apply a percentage of your card transactions to pay back your loan with a fixed rate, you never have to worry again about monthly bills, late fees, or not having enough money at the end of the month to make a payment. In short, you pay more when sales are up, and less during your slower times.

We've also taken the pain out of the approval process with just a few simple requirements, and made it extremely easy to manage your loan from a single online dashboard. In today's complicated restaurant landscape, SpotOn Capital is the easiest way to get the funding you need from a partner who cares about you and your restaurant. That's because we believe that your business is our business, and we want you to keep dreaming and succeeding.

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Because SpotOn provides payment processing services in conjunction with its suite of restaurant hardware and software tools, we are in a unique position to give restaurants funding with a host of benefits other lenders can't offer. For instance, with access to a restaurant's payment flow and payroll data, SpotOn can make decisions on lending viability and approvals almost instantly, saving prospective borrowers much time and worry.

Additionally, by connecting repayments to your daily income, SpotOn is incentivized to see you succeed, rather than burden you with unreasonable debts. And from an industry perspective, SpotOn provides payment processing to businesses nationwide, giving us the ability to glean high-level insights and provide even more value to restaurants like yours.



“With SpotOn Capital, you don’t have to worry about when payments are due, because it automatically repays from your daily sales. And you can even pay it off early if you want. It gives you the capital you need to buy new equipment, do repairs, and help with payroll. It’s so much easier than going through a bank. With SpotOn, you have a partner who sees what you’re doing and believes in you.”

Zach Johns,
Owner, Fat Zachs



SpotOn Capital features and benefits.

- **Simple applications and approvals.** SpotOn customers can log into their SpotOn Dashboard and apply for a loan in minutes. Non-customers can talk to a representative about their options.
- **Fast and restriction-free deposits.** On average, approved candidates receive access to their funds within 1 business day. And restaurant owners can spend the money on whatever commercial purposes that will benefit their restaurant.
- **Fixed flat fees.** With fixed fees, restaurants know exactly what they're paying from the start without any hidden costs, interest rate changes, or surprise surcharge fees.
- **Forget-about-it repayments.** Loans and fixed fees are automatically repaid from a set percentage of daily card sales without monthly bills or late fees. You pay more when sales are up and less when they're down.
- **Straightforward dashboard management.** Log in to your dashboard anytime to view signed documents, track your progress, see your payment history, or make prepayment advances without penalties.
- **Continual loan renewals.** When the initial loan has been repaid, restaurants may become eligible for another SpotOn Capital loan upon approval. To date, 84% of our SpotOn Capital customers renew their loans.



“SpotOn Capital was amazing. We had a couple of silent partners who weren't supporting us during COVID and were demanding their money back. They thought because we were busy, we were making money. But they weren't seeing the big picture with overhead costs and payroll. It was nice to have SpotOn as a cushion. Knowing that SpotOn Capital was available to us was a big relief.”

Karen Cabrera,
Owner, La Chiva Loka



A step-by-step plan for funding your restaurant.

1. Apply for a SpotOn Capital loan through your SpotOn Dashboard.
2. Get your funds within 1 – 2 business days after approval and spend or save your cash.
3. Automatically repay your loan from your card sales (no action required.)
4. Track your progress and make optional prepayments through your dashboard.
5. Reapply for more funding (if needed) after your initial loan is repaid.

What could your restaurant do with more money?

When you have access to the operating cash you need—combined with a payment structure that's aligned to your business—you can reach your goals faster, and ultimately, drive real long-term profitability for your restaurant.

Boost revenue growth.

- Create a to-go window and parking spaces for online ordering and catering
- Build a patio or indoor section to accommodate more guests for on-premise dining
- Get [handhelds](#) to help your front-of-house staff upsell and turn tables faster

Operate more efficiently.

- Invest in the [latest POS technology](#) to streamline operations
- Upgrade your kitchen equipment for faster food preparation
- Get an [online ordering platform](#) that directly integrates with a POS

Manage and retain staff.

- Raise your top team members' wages to keep your best workers
- Give staff control over their shifts with [labor-management software](#)
- Hire seasonal employees to help you through your busy months

Build guest relationships.

- Renovate your dining room to dazzle your regulars and first-timers
- Build a [loyalty rewards program](#) to encourage guests to come back to your restaurant
- Rebrand your restaurant to appeal to a larger target audience

Manage finances.

- Offset losses incurred from inflation, labor shortages, or supply chain issues
- Pay your rent/mortgage or cover other costs for the next few months
- Create a reserve for unexpected or unavoidable future expenses



See if you qualify for SpotOn Capital.

To find out if you meet the requirements for a loan from SpotOn, look at the 3-point checklist below.

Have you been in business for at least one year?

Do you have a FICO score of 500 or above?

Have you avoided bankruptcies in the last 3 years?

**All loans are issued by the Blue Ridge Bank, National Association, located in Luray, Virginia, and are serviced by Jaris Funding, LLC. All loans are subject to credit approval.*

Loans for SpotOn Restaurant customers.

If you're a **SpotOn Restaurant POS customer**, you can receive a loan for up to **\$300,000** depending on your monthly processing volume.* To see if you qualify and to apply for SpotOn Capital, simply log in to your SpotOn Dashboard, and go to the Capital option in the sidebar menu.

[Log in to my dashboard now](#)

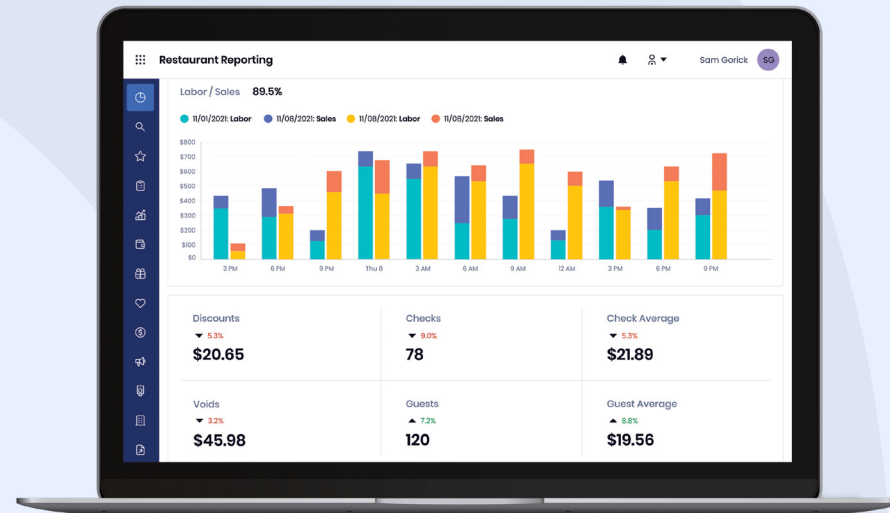
Also, our Customer Success Team is here to answer your questions and walk you through the loan process on your dashboard. Contact them anytime via email at support@spoton.com or by calling 877-814-4102.

Loans for non-SpotOn Restaurant customers.

If you aren't a SpotOn Restaurant POS customer yet, you can still receive a loan when you sign up for SpotOn and upgrade to our [top-rated point-of-sale](#). Simply go to the [SpotOn demo page](#) and fill out the form, noting that you are interested in SpotOn Capital. One of our representatives will reach out to you to see if SpotOn Capital is the right fit for your restaurant.

[Get in touch with a SpotOn representative](#)

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