



# HONEYCOMB CREDIT



**Fast, fair and  
innovative  
small business  
financing for  
the modern  
entrepreneur**

# The secret to your business' growth is right here

Honeycomb allows your community to invest in your business in a new way - loan crowdfunding. Your customers and fans chip in as little as \$100, you raise the money you need to grow your business, and you pay them back with interest.

A Honeycomb campaign strengthens your customer loyalty, gets your business a marketing boost, and helps you grow your revenue by 60% on average!



## What is loan crowdfunding?



The key difference between loan crowdfunding and other kinds of crowdfunding is that it's an investment, not a donation - that means you're paying back your community who invest in you.

Loan crowdfunding is a secure way you can gather investments from your community, and not give up any equity along the way.

## You're more than numbers on a page

Instead of waiting for a big bank to decide if you're "worthy" of growth, Honeycomb gets your business the fairest possible funding on your own terms.

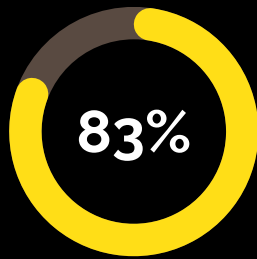
Get a loan to grow your business in as little as 30 days, with no runaround or red tape.



# What difference does Honeycomb make?

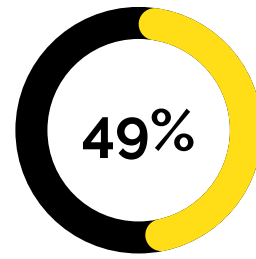
If you've been looking for funding for your small business, you may have already run into a ton of red tape, high interest rates, or even the door straight-up slammed in your face.

We don't think that's okay, which is why it's our mission to make funding more accessible for entrepreneurs of all stripes - especially those on Main Street. Here are some numbers as to why we do what we do.



## Failure to launch

83% of small businesses rely entirely on personal savings to grow and operate, and don't acquire any outside capital whatsoever.



## Let's battle the small business underfunding problem.

Even when a small business *can* get a bank loan, it's often not the amount that they need to grow. According to the Fed, 49% of businesses aren't getting the funding amount they requested.

## Businesses that work with us

**61%**

women  
owned

**51%**

minority  
owned

**34%**

low-to-moderate  
income communities

# 5 Benefits of Crowdfunding

Did you know that there are many benefits to crowdfunding that go beyond the money in your bank account?

## Crowdfunding turns your customers into brand advocates

Not only are your customers buying your product, but they're also investing their own money into your business. On your end, you're not just selling them a product, you're also paying them back with your loan.

If a customer invests in your business, they're not only more likely to continue to give you their business but are also more likely to tell their social network about your business. Why? Because now they have a stake in your success!

## Crowdfunding strengthens your relationship with the community

How can a crowdfunding campaign possibly make that relationship stronger? By allowing your neighbors, customers, and biggest fans the opportunity to invest in your business, you bring them into a much deeper kind of relationship than just a transactional one.

## Crowdfunding generates marketing buzz for your business

Honeycomb campaigns are also a great way of marketing your business! Having a crowdfunding campaign can help you get your business in front of more people - including the national audience of Honeycomb investors. With Honeycomb, you get a free promotional video for your campaign page, free social media advice, and we'll shout your business from the rooftops on our channels!



## Crowdfunding can lead to revenue growth

The winning combination of increased customer support, an infusion of capital, and marketing buzz leads to better business for those who crowdfund through Honeycomb. By increasing your business's potential with your growth project, you'd expect some revenue growth, but Honeycomb helps give that growth a turbo boost.

On average, businesses that have crowdfunded through Honeycomb have seen a 60% increase in revenue in a year after their campaign closed. That's right: 60%.

## Crowdfunding connects you to a network of potential collaborators

Instead of getting a small business loan from a bank, you could unlock the capital you need while also gaining a whole network of people to collaborate with through the Honeycomb alumni community. How's that for an added benefit?

# What myths exist about crowdfunding?

When you work in an industry that's as new as regulation crowdfunding is, you hear a lot of myths and misconceptions that people have about crowdfunding. Come with us as we debunk the top 10 myths that we hear about crowdfunding all the time:

01.

## Crowdfunding is just asking for handouts

While this might be true for the most popular crowdfunding tools out there - Kickstarter, IndieGogo, and GoFundMe - they are all rewards and gift crowdfunders, not investment crowdfunders like Honeycomb.

02.

## Only rich people can invest in businesses

With Honeycomb, anyone over the age of 18 can invest as little as \$100 in any small business they choose on the platform. While the \$100 minimum isn't insignificant, it still makes it easier for most people to invest in a small business.

03.

## My family and friends won't want to invest in my business

We get it, it can sometimes be uncomfortable to ask the people you love for money, especially for your business. Framing your crowdfunding campaign with Honeycomb as the investment opportunity it is could be a way of changing the minds of your friends and family who might be on the fence about it.

04.

## It's easier to just get a loan from a bank

Many small business owners who are afraid they won't qualify for a bank loan, or have been rejected in the past, are delighted to find out that they get approved for a loan with Honeycomb within days - not the months of runaround you might get from a bank.

05.

## Crowdfunding is more expensive than a bank

While yes, the average interest rate of a bank loan is between 2.54% and 7.02% and Honeycomb interest rates range from 5-12%, your interest rate isn't paying us, but rather is paying back your customers!



06.

**I don't have time to crowdfund a loan for my business**

Honeycomb also works with you throughout the crowdfunding process to make it as painless as possible. We help you come up with a marketing plan and give you ideas for social media posts and emails you can send out to your community.

07.

**I don't want to give up ownership of my business with crowdfunding!**

Some forms of investment crowdfunding, namely equity crowdfunding, sell off portions of ownership of a business in exchange for capital. That's not what we do, however. With Honeycomb, you're taking out a loan from your community, not selling any ownership at all. That means that you'll keep your given share of the profits that will inevitably come with your business's growth.

08.

**I don't have enough marketing reach to crowdfund**

Maybe you're assuming that you need to have thousands of followers for your business in order for it to have a successful crowdfunding campaign. Well, we've found that having at least 250 is a good sign that you've got a large enough following on your social media to see success.

09.

**No one wants to invest in my kind of business**

On Honeycomb, we've had all kinds of businesses successfully fund, from restaurants to soap shops to manure companies (seriously). If you think no one would invest in your business because of what you do, that might not necessarily be the case.

10.

**Relying on my own savings to grow my business is enough**

If this were the case, how would any business grow? One of the biggest misconceptions that business owners have is that debt is always a bad thing. However, if your business is in a period of growth, you usually should find a way to continue that growth in a productive manner - and sometimes you just don't have enough savings to take your business to the next level right away.





**Noble Pies has run two successful Honeycomb campaigns totaling \$131,100 to open up not just a second, but a third new location!**

If you've been delving through the murky waters of small business financing, you might be looking at several options and wondering how they all work! Business financing comes in so many different options that it can be a bit overwhelming. This can certainly be the case when you're considering crowdfunding as an option for funding your business.

On the next few pages, we'll provide a synopsis of how the application process works as well as what you can expect from the application itself. Then, we'll provide you some resources as to how best gather up the materials you'll need for your Honeycomb application.

## How does Honeycomb Work?

# How to Launch a Honeycomb Offering

Are you ready to grow your business with the power of community investment? Get started with these simple steps:

1



## Check your social media

To work with Honeycomb you need 250+ followers on social media, and be a common small business industry!

## Connect with an advocate!

Book a call with one of our small business advocates to get your questions answered. Visit [honeycomb.com/grow](https://honeycomb.com/grow)



2

3



## Apply + get approved!

To apply for the loan portion, you'll need to know your credit score, have your financial statements nearby, and a simple business plan.



# How to Launch a Honeycomb Campaign

## Meet your offering coach

You'll next kick-off your crowdfunding journey by strategizing your game plan with our expert coaches. They'll help you every step of the way.



# 4

# 5



## Launch

Now the real fun begins: reach out to your network to get investments in your business! We share your campaign with our investor network too!

## Get your money!

As soon as you hit your minimum goal, you can take out money and get to work on your business's growth, like Sami and Bruce did for their soap shop, Pip & Lola's third location!



# 6

# Honeycomb Application Checklist



## Business Financial Statements

- **Business Financial Statements** from the last 0-3 years
  - Balance Sheets
  - P&L Statements
  - Cash Flow Statements
- **Tax Returns** from the last 0-3 years
- **Bank Statements** from the last three months
- **Business Plan:** 1 page business plan is all we need!



## Personal Financial Statements

At Honeycomb, we look at you as a whole entrepreneur—we believe in your vision! We ask for personal financials including:

- Personal Assets and Liabilities
- Sources of Additional Income
- Personal Investments
- Any other personal debt (student loans, etc.)



## Photo ID

Your driver's license or passport. (Don't worry, we won't judge the photo ;D)



## Credit Check

Just a quick signature to authorize us to perform a check on your credit!



## Other Documents

- **Debt Schedule:** Do you have any outstanding loans or credit card debt?
- If applicable, we'll ask to see your **Certification of Organization, Lease Agreement**, or any other relevant documents to your business and your growth project.
- **Attestation Form:** Now for the legal stuff...signing this states that you've completed your application accurately and given us permission to review it.

## Is your business's social media ready for crowdfunding?

	Red	Yellow	Green
Followers	< 500 followers on any platform	500-1,000 followers on any platform	1,000+ followers on any platform
Likes	1-10 likes on an average post	25 likes on an average post	50+ likes on an average post
Engagement	*crickets*	Occasional comments, shares, and likes on posts	Regular comments, shares, and likes on nearly every post

## How to pump up your social media for your Honeycomb campaign

1

### Show the Personal Side

One strategy you can use to not only get more engagement on your business's social media but also get you well set-up for crowdfunding is simply to show your face! Your customers want to see the people behind your business - after all, that's part of the reason why people support small businesses.

2

### Make your social media... social!

When people engage with your business on social media, engage right back! Reply to comments, provide opportunities for people to ask questions and interact with the brand by posting quizzes and polls on your Facebook and Instagram stories.

3

### Connect with other local businesses in your neighborhood, and their followers, too!

Engaging with other local businesses in your community is another great way of reinforcing your status as a community business - which goes a long way when you start crowdfunding. It's also a great way of growing your follower list.

4

### Test the waters - survey your followers about what they want to see from you

If you're looking into crowdfunding, but aren't sure if it'll be received well by your customers, you can always just ask. You can run a poll on your social media channels, make a post explaining what you're planning to do, and go from there. What we find a lot of the time is that business owners are overwhelmed by the positive response from their customers when they decide to run a Honeycomb campaign - after all, who wouldn't be excited at the prospect of investing in a business they love?

# But Don't Just Take It From Us...



I had a tremendous experience working with Honeycomb. Their team was by my side every step of the way on my quest for a successful campaign. They displayed a passion for what they do and that passion was a clear asset along this journey.

**Myles Powell, owner of 8Myles**



I had thought about Honeycomb for a couple of years and with the new store coming, I decided to go for it! I wasn't sure if crowdfunding for a pharmacy would go well but it sure did!! It was stressful waiting for investments but it was so much fun too!!! Thank you Honeycomb and especially Amber for talking me through it and seeing us to success!!

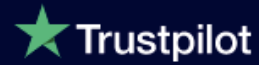
**Rosemary Mihalko, owner of Hieber's Pharmacy**



Our Honeycomb experience was a very smooth and successful experience. They helped guide us through the crowdfunding experience including regulatory considerations, building momentum for a successful campaign, and interacting with prospective investors. Our campaign was a success because of their knowledge and expertise and closed ahead of schedule. We cannot speak highly enough of their company.

**Ryan Bove, co-owner of Aurochs Brewing Company**

# But Don't Just Take It From Us...



We Raised \$25K in 31 hours! I researched crowdfunding companies quite a lot before settling on Honeycomb. They really seemed to be the best fit for us as a "Main Street" type business. What I got was so much more than I hoped for in the process.

**Brian and Cheryl Webster, owners of  
American Gothic Pizza**



Now with this money the company is able to not only serve local customers but statewide customers as well!

As a bonus, it's awesome that customers love the product so much they are willing to invest in it and help it grow!

**Marco Vallejo Jr., owner of Klevy Tea**



There are not enough words to express how much I appreciate the entire team at Honeycomb. I have run an Indiegogo campaign and two KIVA campaigns already. While those three campaigns were all "successful," they were also incredibly stressful. Having the resources that Honeycomb provided (like content and Sam's excellent cheerleading) allowed me to focus my energies where they needed to be. I would recommend them to any small business anytime.

**Samantha Story-Camp, owner of Pip & Lola's**

# Honeycomb Alumni Get Serious Press Attention...

## Forbes

### Novel Approach Helps Foundations Make Crowdfunding Loans To Creative Economy Businesses

Anne Field Contributor ©

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May 31, 2022, 11:22am EDT



## The Philadelphia Inquirer

Food

### Redcrest Fried Chicken closes in advance of new restaurant's opening in Queen Village



# Honeycomb Alumni Get Serious Press Attention...

## TRIB LIVE

Big Spring Spirits to open distillery, public marketplace near Pittsburgh's Station Square



## RESTAURANT FUNDRAISING: WITH INVESTMENT CROWDFUNDING, YOUR CUSTOMERS BECOME YOUR INVESTORS

GRACE DICKINSON | MAY 5, 2022, 02:22 PM CDT



# Ready to start your Honeycomb journey?

Head to  
[honeycombcredit.com/grow](https://honeycombcredit.com/grow)  
for more.

