

## SBA 7(A)

# Passionate Animal Lovers Achieve their Dream of Owning Upscale Pet Care Business

## LOAN AMOUNT

\$1,170,000

## LOAN PURPOSE

SBA 7(a) Business Acquisition Including Real Estate

## THE SMALL BUSINESS

Pet Boarding and Daycare Business  
East Haddam, CT

## THE FINANCING CHALLENGE

A husband-and-wife team came to us with the hopes of purchasing an upscale pet care service business, but they had little industry experience. Challenges were a minimum down payment, lack of industry experience, and shortage of collateral. They both had a strong work ethic as well as a genuine love of animals and building connections with them. We looked at the total picture, which included a solid earnings history of the business, the borrower's strong outside income as well as managerial and ownership experience that could easily transfer to the new business. The wife currently owns and operates a marketing firm working in various industries, where she manages multiple contracted employees. She will leverage her experience and knowledge in marketing and strategy to drive the growth of the existing business. The husband previously served within a leadership position in the United States Navy and will be the primary owner/operator. The sellers also remained present to train and assist the new owners for three months following the sale.

### Here's what our borrowers brought to Ready Capital:

- Purchased an established business of over 45 years.
- Great cash flow with good credit and stable financials.
- Lack of prior industry experience, but transferrable managerial and ownership experience.
- Sellers that were willing to make a seamless transition of ownership with months of training.



## CREATIVE SOLUTION

We looked at related business experience from the borrowers and the seller's willingness to stay on for three months to properly train the new owners to make the transition as smooth as possible. We were able to provide a 25-year loan since the real estate portion of the deal was larger than the business portion. For that reason, the business would be able to cash flow. We looked at the total picture which ultimately got the deal done.

## Reliable results

- **The loan allowed our borrowers to achieve their goal of purchasing an established business and create a top-tier animal daycare experience. Together we found a way to structure the loan to have the business cash flow.**
- **The acquisition of the business will allow the buyers greater earnings potential as well as enable the business to continue to serve the local community.**
- **The new owners kept the existing staff, and they will retain meaningful employment with the business. They will be able to continue to provide exceptional care and bring innovation to scale the business to the next level.**