

# QuickBooks Capital Reinvents Small Business Lending

Breakthrough Credit Model Changes the Way Credit Decisions are Made for Small Businesses

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Intuit Inc. (Nasdaq: INTU) is launching QuickBooks Capital, an innovative lending product that helps small businesses get the capital they need to succeed. Building on Intuit's long history of using leading edge data science and machine learning, QuickBooks Capital has developed a breakthrough credit model to help young small businesses overcome the barriers they have traditionally faced in accessing small dollar loans. QuickBooks Capital delivers:

- The ability for small businesses to use their own QuickBooks data to get full credit for their business performance, historical and ongoing.
- A streamlined and transparent application process that is embedded within QuickBooks so that small businesses can access funding right inside their daily workflow, just as they need it.
- New opportunities for small business growth -- 60 percent of QuickBooks Capital customers would likely not get a loan elsewhere, and 46 percent have never even applied for a loan before.

“The QuickBooks Capital credit model is delivering powerful results for small businesses -- getting capital into the hands of so many credit-worthy small businesses that otherwise felt stuck,” said Rania Succar, head of QuickBooks Capital at Intuit. “We are particularly proud to be innovating for young businesses because they are critical to the future success of the economy, but very underserved by the options available in today’s credit market.”

## Taking The Friction Out Of Small Business Lending

According to a recent [Federal Reserve study](#), 70 percent of businesses younger than five years need funding to grow, but only 23 percent of them get the funds they need. Even among those who are able to access credit, more than half are dissatisfied with the experience according to the same Federal Reserve study. Although new young businesses are the growth engine of the economy, generating twice as many jobs as more established businesses, lack of funding is a top reason that about 50 percent of them fail within the first five years.

The average QuickBooks customer needs a \$25,000 working capital loan in order to take advantage of growth opportunities, such as buying inventory, paying for packaging so they can get their product into a retail store or hiring an additional employee to accept new jobs. QuickBooks Capital is tailor-made for these businesses.

## Giving Businesses Credit For Their Past, Capital For Their Future

Powered by more than 26 billion QuickBooks data points and third party data sources, the QuickBooks Capital credit model provides a powerful view of a small business' borrowing capacity. Small businesses are empowered to use their own QuickBooks data to provide an automated, comprehensive view of what's happening with their business, including:

- Free cash flow: QuickBooks provides a comprehensive picture of cash flow because in addition to the core accounting app including payroll and payments, small businesses also connect their bank accounts and credit cards, as well as other third party apps to get a full picture of their business.
- Future income: QuickBooks data allows small businesses to get credit for open invoices, work in progress, total inventory, and ongoing projects.
- Relative performance: Because there are more than 2.3M QuickBooks users, QuickBooks makes it easy to understand how a small business stacks up against others like them.
- Trends: QuickBooks makes it easy to understand a small business within the context of individual business trends (seasonality and growth), as well as market trends.

In addition to delivering loans directly, Intuit is evaluating other potential applications for the QuickBooks Capital credit model, including enabling customers to share these data attributes with other lenders to transform the small business lending experience more broadly.

### **Fast, Transparent and Integrated Borrowing Experience**

The traditional process of applying for credit today is full of friction. It sometimes requires multiple years of tax returns, business plans and other documents and often takes several days or weeks to hear back with a final decision. In the case of some online lenders, it can result in very high interest rates with low transparency.

QuickBooks Capital removes all of the friction from the application process. Small businesses that qualify for the offering can access funds from a new "Capital" tab right inside QuickBooks, where they can always see how much they are eligible to apply for based on the latest developments in their business. The working capital loans currently offered range up to \$35,000, with a term between three and six months. The product also emphasizes transparency by always displaying annual percentage rates (APRs) to borrowers. Other than interest cost, there are no origination fees or prepayment penalties.

### **Meeting the Needs of New Small Businesses**

QuickBooks Capital is already making a difference for hundreds of small businesses that were invited to use the product through a private beta.

- Underserved businesses are now able to access capital: 60 percent of QuickBooks Capital customers would likely not get a loan elsewhere.
- Borrowing is no longer intimidating: 46 percent of QuickBooks Capital customers had never even applied for a loan before.
- New businesses are using the capital to invest in growth opportunities: 90 percent of

QuickBooks Capital customers say the loan helped their business grow. The top five uses are: (1) opportunity for additional profit, (2) inventory or raw material purchase, (3) making payroll, (4) equipment purchase, and (5) marketing.

- There is near universal satisfaction with the product: 99 percent of borrowers were satisfied with the QuickBooks Capital experience.

### **Customer Stories and Quotes -- RMU Outdoors**

RMU Outdoors of Colorado is an outdoor lifestyle brand that grew out of building custom skis. The company has often struggled to keep up with orders due to a lack of available funding.

“In the early days we’d go out and paint houses so we could buy materials to build the skis,” explained Mike Waesche one of the founders of the business.

Even though they have become quite successful -- including selling their skis internationally - - they still struggled to get the financing they needed to expand.

“We’ve been turned down by lender after lender because we were making money just three months out of the year.”

This year, they had the opportunity to build a Biergarten in the back of their ski shop -- it was a great way to bring the community together, while also solving their seasonality problems.

“When we logged into QuickBooks, we saw that financing was just available to us. And that’s what actually enabled us to put the Biergarten together on such short notice. It was conveniently there at the right time. The nicest part of the experience is that the funding was directly linked to our finances. There was no discussion over ‘How are you guys doing? Can you support this?’ It was like, ‘We understand where you’re at. We understand what you’ve been doing and where you’ll go with it.’ QuickBooks Capital provided the solution for us to get out of the seasonal business.”

Have a look at this [video of RMU Outdoors](#).

### **Customer Stories and Quotes -- True Love Honey**

Anthony Tubbiolo founded True Love Honey with \$212 of savings eight years ago and spent the first four years selling honey on the side of the road. He has worked diligently during this time to create growth opportunities for his business, including getting his honey into stores, now with more than 150 commercial accounts.

He had tried to get a line of credit at least three times from a traditional lender and had been rejected each time. Based on the strength of his business performance, QuickBooks Capital offered his business a \$10,000 loan which he used to stock up on inventory as well as to build his business credit for the future.

“We had found a beekeeper who had a couple of drums of honey that we wanted, and we didn’t have the money for it, and so the loan allowed us to purchase that,” explained Anthony. “That was a nice big help. You need working capital when you’re talking about growth, and needing to buy extra inventory so that you can offer more to the stores, and

we're not there yet. QuickBooks is in there with your business. QuickBooks Capital sees everything that I see, and I don't have to convince anybody. They simply look at it, and decide that they want to invest in your business, and if they want to, I want to.”

### **Additional Information**

For additional information, please look at:

- [An explanation of the economic impact of QuickBooks Capital](#)
- [A video highlighting how the product works](#)
- [For QuickBooks customers – check to see if you are eligible](#)

Today's announcement is part of a series of product innovations being announced in the lead-up to the fourth annual [QuickBooks Connect](#) conference.

### **About Intuit**

[Intuit Inc.](#) is committed to powering prosperity around the world for consumers, small businesses and the self-employed through its ecosystem of innovative financial management solutions.

Its flagship products and services include [QuickBooks®](#) and [TurboTax®](#), which make it easier to manage [small businesses](#) and [tax preparation and filing](#). [QuickBooks Self-Employed](#) provides freelancers and independent contractors with an easy and affordable way to manage their finances and save money at tax time, while [Mint](#) delivers financial tools and insights to help people make smart choices about their money.

Intuit's [ProConnect](#) brand portfolio includes [ProConnect Tax Online](#), [ProSeries®](#) and [Lacerte®](#), the company's leading tax preparation offerings for professional accountants.

Founded in 1983, Intuit serves 46 million customers in North America, Europe, Australia, Brazil and India, with revenue of \$5.2 billion in its fiscal year 2017. The company has approximately 8,200 employees with major offices in the [United States](#), [Canada](#), the [United Kingdom](#), [India](#), [Australia](#) and other locations. More information can be found at [www.intuit.com](#).

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