

Go Union: How I Got My Funding

Gary Hicks, president and CEO of SkillSniper.com, describes how he secured financing from a credit union to launch his job-hunting site.

By [Michelle Goodman](#)

Two years ago, I was running a consulting company specializing in ERP solutions. I was ready to expand and was trying to figure out how I could market our skills to companies across the U.S. The job sites out there weren't working for us. So I came up with a method that matches job-seekers and employers purely based on skills. Rather than post résumés on our site, job-seekers build profiles of their skills. And instead of relying on keywords, employers search for the exact skill set a position requires, which greatly reduces the amount of time it takes to find qualified candidates.

I started looking for funding three-quarters of the way into 2009. I went to banks first. I had a little bit of cash I planned to put in, too. I'd read a lot about SBA funding and figured I'd put down 15 percent and get a loan for the rest. I quickly realized that kind of arrangement does not exist.

I approached eight banks over the course of several months. I kept hearing, "Wow, this idea is huge. We want to help fund this." But they all needed at least 100 percent collateral, whether it was an SBA loan or not. I had one bank tell me I was going to need 120 percent collateral. I didn't want to put everything up. I have a very good credit score. It didn't make sense to me to have no leverage at all in the deal.

One of the bankers who loved my idea recommended I check out credit unions. He said they aren't stuck with as much regulation as traditional banks. I went to CommunityAmerica Credit Union in Kansas City, Kan., in the beginning of 2010. They actually suggested the business line of credit. People aren't aware that a lot of these credit unions are doing business credit lines. Mine has a number of business clients and they're trying to get more.

I ended up getting a six-figure credit line at the prime rate, plus standard bank fees. For an entrepreneur, a line of credit is a lot better because you're not paying interest on the cash before you need it. I personally had to put up a little bit of collateral with it, but not the 100 percent or more that the banks were looking for. It was definitely the best leverage I could get.

I also decided to look for less credit up front. We worked it in two stages. I used the first chunk of credit to hire the developers and build out the site. Once I produced a live website, I got the rest of the credit line. I used this as working capital to advertise and promote the business.

Earlier this year, I was selected as one of 10 entrepreneurs to participate in the Pipeline Entrepreneurial Fellowship program, a fast-track training program for Kansas entrepreneurs. Part of the application process was interviewing with venture capitalists, executives and angel investors from around the country. Most of them asked me how the heck I got a startup loan early in 2010, and I found myself having to explain the story over and over. They liked my business model but were very surprised. So I knew that I had hit a great source of alternative financing.

--As told to Michelle Goodman