

An acclaimed serial entrepreneur, Peter J. Burns III is no stranger to creating and launching successful business ventures. And as he has come to know quite well, before any business can even think about taking off, the entrepreneurs behind it must complete one vital little step: securing capital to fund that launch.



Pretty simple, right?

Well actually, thanks to Burns' innovative mind, those in need of capital for their business ventures have another option besides dealing with banks – and a quite attractive option it is indeed. Burns' two lending platforms, B3 Funding Partners and Funding Wagon, connect pools of private lenders with companies or entities in need of funding, and the rest is history.

I sat down with Burns for an exclusive look at his lending process, what fuels this type of innovation, and how everyone – from borrowers to lenders – can and will benefit from his ideas. Here's what he had to say:

CC: So tell us Peter, how did you come up with the idea behind your lending process? What needs did you see, and how did you figure you could resolve those needs?

PB: I used to send weekly video emails to our 10,000 Club Entrepreneur members where I would update our Phoenix community on what was going on at Club E, tell them about upcoming events, et cetera. After doing this for awhile, I realized that I only got to see the Club E members who were coming to the facility or who would come to the events about once every month. It hit me that it was hard to get to know these members by only talking to them for a few minutes while you're shaking hands with everybody else.

So I sent out an email to my entire Club E membership and basically said: *I know you but I don't know you. If you'd like to meet with me then I'd like to host a one hour session with you so I can learn about your business and how I can help.*

Incredibly, a thousand people responded to me. I actually met with 1,000 members of Club Entrepreneur over an 8 month period of time, and to say it was exhausting is an understatement. I felt like a dentist or a doctor – every 45 minutes somebody would be coming in. They'd have different businesses, different personalities and different agendas, but during the course of conversation I would learn enough about them that I could figure out a way to help them.

Through these one-on-ones, I came to realize that essentially everybody needed money, whether it was startup capital, expansion capital or refinancing capital. I saw the problem and solved it by helping to raise money for virtually anyone who needed it.

CC: Could you describe, briefly, the lending process you developed and the business model behind it?

PB: The lending process evolved from what I learned while hosting the one-on-ones at Club Entrepreneur. One of the main things that everybody needed was access to money, and because I had started over 100 businesses by myself and nobody was ever rushing to write me checks, I had become pretty good at raising capital.

Since I realized I had developed this niche for raising capital, I developed a program: I would reach out to my lenders and negotiate deals to get them business and then charge the people I am lending the money to on a sliding scale, depending on whether it was debt or equity.

I got really good at figuring out how to analyze businesses based on who they were, what they had, how long they had been in business, what their gross sales were, if they were profitable or not, if they had any assets, and if they had a co-signed, if needed.

After going through that list of questions, if I thought I could help them we would sign an agreement and I would introduce them to one of our lenders. The lenders would then take over and approve based on information they exchange with the client; I am simply an intermediary who facilitates those that want with those that have. I started the business in August and since then I've raised over \$1 billion for clients.

CC: So you have two ventures, B3 Funding Partners and Funding Wagon, up and running. Could you tell us a little bit about those businesses and how they work?

PB: B3 Funding Partners is the company I use that maintains relationships with the lenders, serving as the funnel where people in need of money answer those questions (above) to let me see if I can help them. All of the programs that I offer are listed, as well as a way to apply for me to consider them as a loan candidate.

Funding Wagon evolved because I raised capital for, and treated as a real business, a young singer named Laura (who performs under the name LV Sharp). I had been loosely helping her over the years with studio time, et cetera, but when she got a manager I asked one of our staff to work with her manager and create an actual business plan. What evolved was a very comprehensive business plan and financial forecast that allowed me to see what the expenses and returns of her "business" would be, and I was able to raise \$150,000 for her "business venture." I

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Written by By Cadie Carroll

then thought: *why not do this for other artists?* And thus Funding Wagon was born. By using the formula I created for Laura we have actually created an entire website to attract all the “creatives” out there to come to us for money.

CC: So now that we know what’s behind these two platforms, explain how borrowers and lenders benefit from using your lending process.

PB: Borrowers benefit because very few people know how to raise money, debt or equity. I do – I’ve been doing it for 37 years for my own deals. I know which lenders will be most receptive to their product, so I have a much greater chance of getting them funded than they do on their own.

And as for the lenders, I am an enormous pipeline of potential business for them. They don’t have to hire business development officers and they don’t have to advertise. I have a steady flow of potential deals for each of my lenders, so both borrowers and lenders benefit greatly from me.

CC: Last but not least, please tell us why your lending process is the next big thing. Why do you think these ventures have already both seen so much success?

PB: If you are in business, or you want to be in business, then you need money. Banks do not lend money to deserving businesses. I don’t care what anyone says – banks are a place to hold money – they do not lend it to these businesses, period.

I am that alternate financial resource for businesses, whether they are startup companies or expanding business. We have a beautiful, wide spread opportunity to capitalize on the economic chaos that’s out there right now – people are out of work and can actually be put into business and be self-employed. For those who need money to do so and can’t get it from their bank, they can come to me and I will help.

Peter J. Burns III is the founder of B3 Funding Partners (www.b3fundingpartners.org), Club Entrepreneur (www.clubeintl.com), and the co-founder of Funding Wagon (www.fundingwagon.com). Reach him at ArizonaBusinessJournal@gmail.com.