

QC govt, First Circle tie up to assist SMEs

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THE Quezon City government, in partnership with fintech (financial technology) firm First Circle, held its first financial literacy webinar for small and medium enterprises (SMEs) last April 28.

The free webinar, called “Know When You’re Ready for a Business Loan,” was attended by aspiring entrepreneurs and seasoned business owners. The event kicked off with a welcome speech from First Circle panelists and Mona Yap, officer in charge of the Quezon City government’s Small Business and Cooperatives Development and Promotions Office (SBCDPO).

In her opening remarks, Yap emphasized the importance of partnering with business experts, such as First Circle, to help Quezon City’s 75,000-strong SMEs. While SBCDPO has helped thousands of businesses through mentorship, market linkages and financing programs. She admits that the government are not experts, only enablers for SMEs.

One of the ways SBCDPO assists businesses is through the Pangkabuhayang QC program, which extends business capital to residents who have been displaced and affected by the pandemic. Under this program, the Quezon City government has tapped First Circle to equip both new and seasoned entrepreneurs with money management skills and financial literacy. This gives entrepreneurs a higher chance of success due to better resource and financial management.

Webinar speaker Alan Smyth, First Circle head of acquisition, emphasized the latter point during the webinar proper. “As business owners, we always have to make prudent financial decisions,” he said of business loans, which should ultimately be used to help a business make more money. “If you have a growth opportunity or a cash flow gap, it’s OK to use credit — but don’t take on debt that you don’t need.”

Smyth also outlined five important considerations for SMEs to figure out if getting a loan is the right move for their business. Chief among them is considering if the business is missing out on opportunities due to a lack of capital. This is followed by computing the profit or savings the business will make from the loan. In addition, Smyth discussed various financing options that are open to SMEs, the terms and interest rates to expect, and how to compute a loan’s expected costs versus profits.

During the question and answer section, panelist and First Circle acquisition manager Angelique Vergara also explained the ease of applying for funding from First Circle. Compared to traditional lenders, First Circle asks for less business requirements from SMEs — although Vergara stressed the importance of presenting business documents for registration with the Bureau of Internal Revenue, Department of Trade and Industry or Securities and Exchange Commission. SMEs can apply for a funding line at their own convenience via First Circle’s website (<https://www.firstcircle.ph/>).

The Quezon City government and First Circle will continue their SME financial literacy efforts with more free webinars in the coming months. To receive updates for the next webinar, SME owners can sign up at <https://www.firstcircle.ph/smefinancial-literacy-program>.