



**MBA**

**SUMMER INTERNSHIP 2022-2024**

**DO IT FOR ME LLC**

## **FINAL SIP REPORT**

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I would also like to thank everyone at DIFM for creating an encouraging and supportive work environment. I grew both professionally and personally because of the team's willingness to contribute knowledge and experiences and collaborative nature.

Last but not the least, I owe gratitude to the organisation as a whole for giving me the chance to use my academic understanding, gain practical experience and hone essential skills required in the financial sector. I feel appreciated to support DIFM's success and grateful for the incredible learning experience that has been in this internship.

Once again, I want to take this opportunity to express my sincere gratitude to everyone at DIFM for their support, encouragement, and the priceless experience I was able to gain during my internship. As I begin the next stage of my professional career, I will treasure this opportunity and the lessons I've learned.

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## **EXECUTIVE SUMMARY**

I held the position of Financial Analyst at DIFM during my internship. I was in the position of examining the bank statements of small to mid-sized US businesses in order to offer them Merchant Cash Advances (MCA). The goal was to help these companies find quick and reliable credit solution to support their development and success. MCAs are distinctive form of business financing that enable repayment through a portion of upcoming sales transaction

My responsibility was to extract financial information from bank statements and present it to the underwriters in an organised and structured manner (*as a financial model*). A summary of the company's cash inflows and outflows, current liabilities, spending patterns and daily ending balances were all included in this data. By looking at these variables, I hoped to help the underwriters gauge the business's risk tolerance an ability to repay loans, allowing them to make new loans in accordance.

For small businesses looking for additional funding to boost their functionality generally and competitiveness, Merchant Cash Advances are specially advantageous. The MCA loan procedure is less drawn out and demanding their traditional loan, giving businesses a quicker and more convenient funding option. The loanable sum can be used for a variety of aspect of the company's daily operations, giving them flexibility in meeting their unique financial needs.

I learned how to prepare reports, extract data, and conduct financial analysis during my internship. I improved my ability to access financial health, analyse cash flows, and interpret financial ratios. I also learned how to extract pertinent financial information from bank statements and present it in a concise manner so that the underwriters could make an informed choice.

Through this internship, I gained insightful knowledge about the financial sector and the function of financial analysis in assisting small firms. I gained a thorough understanding of the Merchant Cash Advance procedure and its importance of companies looking for adaptable finance options. My capacity to speak clearly, analyse financial facts, and participate in organisational decision making were all improved by the experience.

## **PROFILE OF THE ORGANISATION**



Do It For Me LLC (DIFM) is a service partner with Arsenal Funding in New York. DIFM not only take care of financial/data analysis but is also a major think tank for Arsenal Funding. With a focus on backend operations resource management and IT solutions for lenders in the United States, DIFM is one of the industry's top providers of all-encompassing lending solutions consulting. A variety of Build to Assist (B2A) Digital Information Platforms that are tailored to various industries and communities have been developed by DIFM with a strong emphasis on giving back to the world.

### **BACKGROUND:**

DO IT FOR ME LLC was established with the aim of assisting lenders and providing practical alternatives to fulfil their needs of advances. The founders of the company recognized the significance of efficiently managing backend operations and implementing IT solutions to streamline lending processes and enhance efficiency. Applying their expertise DIFM embarked on a mission to empower lenders with state-of-the-art technology and comprehensive services.

### **MISSION:**

DIFM aims to bring about a radical transformation in the lending industry by providing personalized solutions that enhance operational efficiency, enhance decision making capabilities and foster growth for lenders. The company endeavours to provide outstanding

value to its customers and partners by leveraging its deep industry knowledge, advanced technology and a firm commitment to making a positive difference in the world.

## **SOLUTIONS FOR LENDING INDUSTRY:**

DIFM is dedicated to offering solutions to the lending industry, with a specific focus on backend operations resource management and IT solutions. Recognizing the distinct challenges lenders encounter, the company provides inclusive services to effectively tackle these issues.

## **BACKEND OPERATIONS AND MANAGEMENT:**

Regardless of size or industry focus, lenders face many challenges in maintaining smooth backend operations. Fortunately, DIFM stands ready to offer its expertise in assisting them effectively manage these complexities. Driven by rigorous analysis of existing workflows and knowledge gained from industry best practices, DIFM's comprehensive solutions optimize resource allocation and facilitate transparent performance tracking. The outcome is streamlined backend processes that empower lenders with improved productivity, greater cost efficiency, and a general increase in operational effectiveness.

- **IT SOLUTIONS:**

DIFM acknowledges the unique requirements of lenders and thus delivers tailored IT solutions. Comprising powerful software systems alongside automation tools and data management solutions that facilitate a wide range of lending processes. By employing advanced technology measures such as seamless loan origination or efficient underwriting methods - including document management tasks coupled with comprehensive reporting functions - DIFM empowers lenders to streamline their operations whilst heightening data accuracy levels and ultimately enriching overall customer experiences. DIFM also is an expert in creating the evaluation/scoring/rating algorithms for lending industry which makes them a one-of-a-kind company for specifically for lending companies.

- **Build to Assist (B2A) Digital Information Platforms:**

DIFM, aside from its lending industry solutions, has also cultivated a range of B2A Digital Information Platforms. These platforms are designed to furnish various sectors and communities with valuable resources and support systems. The B2A platforms are free to

use platforms for communities and people, to learn and grow in the industry of their choice, the Digital information platforms are targeting users from around the world to gain knowledge and learning in their industry without spending any money, some of the notable platforms developed by DIFM encompass:

1. **World Model Hunt:** is a platform that aims to connect aspiring models with industry professionals. Thereby offering them opportunities for growth and exposure. It serves as a valuable tool for individuals looking to pursue a career in modelling by providing them with the means to establish connections and gain visibility within the industry. With their self-published monthly magazine, the platform becomes another one-of-a-kind business model.
2. **Employ Woman** is a dedicated platform that focuses on empowering women in the workforce. Its primary objective is to connect women with job opportunities and provide them with resources for career development. This platform serves as an essential resource for women who are seeking to expand their professional horizons and achieve their full potential in various industries.
3. **A Health Place:** is an online platform that seeks to promote health and wellbeing. Through the provision of valuable information, resources, and support. It aims to assist individuals in their pursuit of a healthier lifestyle.
4. **Layman Litigation:** is a user-friendly platform that simplifies legal processes. Its primary goal is to make the law more accessible for individuals who find themselves navigating legal matters. By providing guidance and assistance. It aims to empower people in these situations.
5. **WMH India:** is an informative platform with a specific focus on the Indian market. It offers localized resources and solutions across various domains catering specifically to the needs of its audience in India.
6. **Brag Social:** provides a space for individuals to celebrate their achievements, talents, and stories. By giving them a platform to share their accomplishments it aims to inspire others and create a supportive community.
7. **Earth By Humans:** is dedicated to raising awareness about environmental issues and advocating for sustainable practices. Its aim is to bring attention to these important issues and promote actions that will lead towards a better future for our planet.

8. **Aeroway.one:** caters specifically to professionals and enthusiasts within the aviation industry. It offers valuable information, resources, and solutions tailored to their unique needs and interests.

DIFM's B2A Digital Information Platforms (D.I.P.) exemplify the company's commitment toward making a positive impact across various sectors communities worldwide. By strategically emphasizing **Data Investments, Finance, Marketing**, DIFMs expertise manifests driven by empowering customers partners with wide-ranging solutions catering effectively towards diverse demands within an evolving market environment.

**Data analysis** upholds paramount importance within today's business landscape, and DIFM recognizes this reality. Consequently, DIFMs extensive portfolio encompasses data-driven solutions from data management to visualization, data-driven insights to informed decision-making, DIFMs offerings empower businesses enhance operational efficiency, promote trend recognition, and seize promising opportunities effectively ensuring advantageous market positioning

DIFM's aptitude stretches beyond data – investing in discerning clients' unique needs by offering customized investment evaluation thorough research analysis alongside tailored strategic foresight optimized returns become achievable realities for range of clientele, building on extensive competence within investment management as guiding principles supporting clients' decisions takes priority for the Company. DIFMs reliability guidance assists optimize choices client discretion ensures maximum profitability each time.

#### **DATA:**

Data is a crucial aspect of today's business world and DIFM recognizes this importance. DIFM offers various solutions that specialize in data allowing organizations to make well informed decisions and achieve better results. These solutions include data analysis, management, visualization, and insights that enable businesses to optimize their operations. Identify significant trends. And take advantage of new opportunities.

#### **INVESTMENTS:**

At DIFM they understand that each client has unique investment needs. That's why DIFM provide tailored investment solutions to cater to individual requirements. Their expert team



assists in evaluating investment opportunities through thorough research and analysis ensuring clients have all the information they need to make informed decisions. By leveraging their expertise in investment management, it helps their clients maximize their returns.

## **FINANCE:**

Finance is a critical aspect of any organization's success, which is why DIFM offers comprehensive financial solutions they provide services such as financial planning, budgeting assistance, cash flow management guidance and detailed financial analysis. By offering these insights and strategies DIFM empowers businesses to navigate financial challenges effectively while optimizing their overall financial performance.

## **MARKETING:**

Effective marketing is essential in today's competitive landscape and at DIFM they recognize its significance that is why they offer marketing solutions that enhance brand presence. Attract customers and drive revenue growth for businesses. Their services include developing tailored marketing strategies, implementing digital marketing campaigns using innovative technologies while conducting market research for maximum effectiveness, leveraging their expertise in marketing allows them to assist their clients in reaching their target audience effectively while increasing brand awareness and achieving their desired marketing objectives.

DO IT FOR ME LLC has positioned itself as a trusted provider of comprehensive solutions within the lending industry. Specializing in backend **operations, resource management and IT solutions** for lenders nationwide they have established themselves as leaders in this field to effectively address critical aspects of businesses' operations while promoting growth and success.

DIFM focuses on data, investments, finance, and marketing. Their Build to Assist (B2A) Digital Information Platforms cater to different sectors and communities by offering valuable resources and support. By enabling its customers and partners with all-encompassing solutions DIFM empowers them to make informed decisions streamline processes and achieve their goals. Furthermore. DIFM remains committed not only towards excellence but also giving back globally with a positive impact beyond just the industry sector.

## **PROJECT WORK**

In my role as a Financial Analyst at DO IT FOR ME LLC, I played a vital role in providing essential financial analysis to small and mid-sized businesses in the United States. The analysis is useful and crucial in helping the businesses in USA gain access to Merchant Cash Advances (MCAs). My primary responsibility as a Financial Analyst was to carefully analyse bank statements and extract relevant and useful information in the form of financial data. The goal was to present this information in organized format for underwriters. The information so provided was also structured properly before presentation to the underwriters. By doing this, you enable underwriters in evaluating the business's cashflows (inflows and outflows), spending habits, existing liabilities, and daily ending balances. This analysis helps underwriters evaluate the risk appetite of the business and its loan repayment capacity, which allows them to make informed decisions when offering new loans.

To analyse bank statements effectively, attention to the details and proficiency in financial analysis of the bank statements (particularly) techniques are necessary. As a Financial Analyst, it was crucial for me to effectively examine each aspect of the business's financial transactions. This level of scrutiny provides insights into the overall financial health and performance of the business. By thoroughly analysing bank statements, we can identify various sources of cash flows that contribute to the revenue generation of the business. The inflows may come from loans, sales revenues, investments, or other sources of income. Understanding both the reliability and composition of these cash inflows allows us to assess the sustainability and stability of the revenue streams of business.

As a Financial Analyst, it was essential for me to study the expenditure patterns of the business closely. Doing so helped me to identify patterns, trends, and potential areas which needed improvement. Assessing cash outflows gives insights into how efficiently it allocates its financial resources and how the business manages its expenses. This information helps underwriters in knowing how well expenses are managed within the company while also determining if there are opportunities for optimization or not.

Furthermore, evaluation of business's existing liabilities is an important part of financial analysis. This includes closely reviewing loan applications, outstanding debts, and other financial obligations. By understanding the current financial obligations of the business, you can make out how it can manage its debt responsibly. This analysis is significantly crucial for merchants as it allows them to evaluate how much risk is associated with providing lending facility to the business while determining its capacity for loan repayment.

I played a crucial role as a Financial Analyst at DO IT FOR ME LLC in providing in-depth financial analyses to underwriters. This aids in their assessment of the risk involved in disbursing Merchant Cash Advances. The analysis looks at the business's ability to generate enough cash flow to pay back the loan as well as its history of on-time payments and overall financial stability.

Using the results of this analysis, underwriters can choose loan amounts, interest rates, and repayment terms that are suitable for a company's financial capabilities.

To summarize, my role as a Financial Analyst at DO IT FOR ME LLC is crucial to provide expansive financial analyses to small to mid-sized businesses looking for Merchant Cash Advances. By analysing bank statements, extracting financial data, and presenting it in an organized manner helps in assisting underwriters in evaluating businesses' appetite for risk and capacity for repayment. My analysis of cash inflows/outflows, existing liabilities, and spending habits provides valuable insights into businesses' financial health and performance, allowing underwriters to make informed decisions when approving new loans.

## **MERCHANT CASH ADVANCE (MCA)**

In recent years, merchant cash advances (MCAs) are the alternative financing options for small businesses have gained popularity. By offering a lump sum payment in exchange for a percentage of a company's future credit card sales or receivables, this type of funding gives businesses quick access to capital.

When credit card processing technology began to take off in the early 1990s, the idea of merchant cash advances first emerged. When assessing small business loan applications, traditional lending institutions mainly looked at credit scores and collateral. Many small businesses struggled to secure



financing as a result of this strategy, particularly those with weak credit histories or credit scores.

Alternative finance companies started looking at new methods to fund small enterprises after realising this market vacuum. They realised that credit card sales information could be a trustworthy predictor of a company's potential for income. These businesses could evaluate a company's financial situation and establish the amount of funding they were willing to lend by looking at its credit card processing statements.

Companies like AdvanceMe (known as Can Capital now) and RapidAdvance have had contributed towards the development of MCAs as a different and distinct financing option. In early 2000s, these businesses were like innovators in creating the MCA model and introducing it in the market.

The 1998 founding of AdvanceMe is frequently cited as the beginning of the first legitimate merchant cash advance programme. They collaborated with payment processors to gain access to the credit card transaction data of businesses, allowing them to make cash advances based on the anticipated future sales of those companies. When compared to conventional loans with fixed monthly payments, this loan's repayment plan was more flexible because it was based on a percentage of daily credit card sales. This can be considered as the creation of lockbox funding option, where the merchant's card processing splits payments to the merchant and lender.

By streamlining the underwriting procedure and marketing the product to a wider audience, RapidAdvance, a company founded in 2005, helped to further popularise the merchant cash advance model. RapidAdvance concentrated on streamlining the application and approval process while providing small businesses with quick funding. As a result of their efforts, more companies looking for simple and adaptable funding solutions were drawn to MCAs as a viable financing option.

More alternative finance companies entered the market as merchant cash advances gained popularity, providing a range of goods and services catered to the requirements of small businesses. These businesses improved customer satisfaction by streamlining the application process, enhancing underwriting capabilities, and utilising technology.

With time, merchant cash advances grew to include more types of receivables than just credit card sales, like bank deposits or online sales. Businesses without significant credit card sales were able to access funding thanks to their diversification through additional sources of income.

The shifting landscape of small business financing also contributed to MCAs' expansion. Traditional lending practises were significantly impacted by the global financial crisis of 2008. Banks increased their lending requirements, which made it increasingly harder for small firms to get loans. Alternative financing options like MCAs were well-positioned to fill the gap this caused in the market.

The popularity of MCAs was also boosted by the expansion of e-commerce and online payment systems. Alternative financing providers might acquire transactional data from a greater

number of sources as more businesses rely on online sales and digital transactions, enabling them to assess and fund a larger pool of organisations.

The regulatory spotlight expanded as demand for merchant cash advances grew. Authorities at the state and federal levels started looking into the sector more carefully because they were worried about the possibility of predatory lending practises and the lack of consistent laws. Due to this, particular restrictions were introduced in several jurisdictions to safeguard small enterprises against exorbitant costs and unfair conditions.

Merchant cash advances have continued to develop and adapt to the changing needs of small businesses despite regulatory hurdles. The sector has experienced advancements in underwriting procedures, repayment plans, and the introduction of brand-new goods and services. For instance, several MCA service providers currently give tailored repayment solutions depending on the particular requirements and cash flow patterns of various organisations.

The merchant cash advance sector has also seen a recent increase in the use of technology in day-to-day operations. This has shortened the application and approval procedures, enabling firms to access capital even more quickly and conveniently. The documentation and verification processes have been made simpler by online platforms and technological tools, which has lessened the administrative strain on businesses and MCA providers.

Additionally, there has been growing cooperation and coordination between the merchant cash advance business and other financial institutions and service providers. This has made it possible for MCA providers to provide small businesses more complete options, such as integrating cash advance services into current financial platforms or merging MCAs with other kinds of finance.

Technology will continue to progress, and the legal environment will change, which will undoubtedly have an impact on the future of merchant cash advances. As technology advances, MCA providers are likely to use data analytics and artificial intelligence to improve their underwriting procedures and give more specialised funding options. This could involve the study of transactional data in real-time and the application of prediction algorithms to determine a company's creditworthiness and potential for future sales.

Consumer protection and fair lending practises are receiving more attention on the regulatory front. In order to prevent firms from being burdened by high fees or predatory loan practises, regulators are working hard in this area. In order to maintain compliance and safeguard the interests of their clients, MCA providers will need to traverse changing regulatory landscapes and modify their practises.

At last, for small firms looking for quick access to funds, merchant cash advances have become a well-liked alternative financing option. Their beginnings may be found in the early 2000s, when businesses like AdvanceMe and RapidAdvance helped to popularise the MCA model. In order to adapt to the changing needs of small businesses, MCAs have developed over time, adopting new technologies and going beyond only credit card purchases. Even while MCAs have benefits including accessibility, speedy approval, and flexibility in repayment, firms should be aware of the expenses involved and potential effects on cash flow. To ensure the viability and efficacy of their financing solutions, MCA providers will need to adjust to technology improvements and shifting regulations as the industry continues to change.

In order to understand the working of MCA, several points explain how it actually works:

- **Advance-** The advance is the sum of money that the MCA gives to your company. The smallest advance varies depending on the lender
- **Factor rate** - The cost of the advance will depend on the factor rate, which is a ratio. An MCA typically has a rate between 1.1 and 1.5. The repayment is calculated by multiplying this amount by the advance.
- **Payback-** The amount you will ultimately have to repay the MCA issuer for your advance is known as the payback. For instance, your repayment will be \$12,500 ( $\$10,000 \times 1.25$ ) plus any additional fees if your advance was \$10,000 with a factor rate of 1.25.
- **Holdback-** A holdback is the portion of revenue withheld from sales in order to pay back your advance; this percentage is typically between 5% and 20% of your company's total gross credit and debit card sales. The holdback will continue until the MCA provider has received the full agreed-upon payback amount.
- **Payment period** - The payment period is the length of the agreement or the time frame over which you anticipate having to repay the advance. Three months to two years are possible; the shorter the term, the lower the factor rate.



- **Payment frequency-** The payment frequency determines how frequently the holdback is calculated and deducted from your account. This happens on a daily basis in most cases, but it can happen once a week in some cases.

### **Advantages of MCA:**

A merchant cash advance is a type of financing in which a company receives a lump sum payment in return for a percentage of its future credit card sales. Here are some of the benefits of MCA:

1. **Easy and Quick Access to money:** One of the most major benefits of merchant cash advances is the quickness and ease with which monies can be obtained. Unlike traditional loans, which require long approval processes and substantial documentation, MCA providers usually have licencing procedures. This allows firms to get payments in a short period of time, often as little as 24 hours. This quick access to financing can be invaluable for organisations facing urgent financial requirements or unforeseen expenses.
2. **No collateral Required:** Unlike traditional loans, which frequently need security, merchant cash advances are usually unsecured. This means that firms are not required to pledge assets or provide collateral in order to obtain money. Instead, MCA providers evaluate the company's credit card sales history as well as the possibility for future purchases. This aspect of MCA makes it an appealing financing alternative for enterprises that lack large assets or are hesitant to utilise their assets as collateral.
3. **Flexible Repayment Structure:** Another advantage of MCA is the structure that is offered for repayment. MCA providers deduct a small percentage of the company's daily credit card sales until the advance is fully repaid, as opposed to fixed monthly payments. This strategy makes sure that repayment closely relates to the company's cash flow. The repayment amount decreases in proportion to periods of low sales, providing the company with breathing room.



In contrast, the advance can be paid back more quickly during times of high sales, potentially saving the business money on interest charges.

4. **No Restriction on Use of Funds:** Unlike traditional loans, which could have limitations on how the borrowed money may be put to use, merchant cash advances provide businesses total discretion over how to use the money. MCA money can be utilised for a variety of purposes, depending on the particular requirements of the firm, including business expansion, equipment purchases, inventory restocking, and operational expenses. This adaptability enables organisations to allocate resources where they are most required and make smart decisions.
5. **High Approval Rates:** MCA providers frequently have higher approval rates than do traditional lenders. This is due to the fact that the approval decision is primarily based on the business's historical credit card sales and projected future sales, rather than just credit scores and comprehensive financial documents. For businesses with poor credit or little operating experience, MCA can be a tempting financing option that increases the likelihood that a loan will be approved.
6. **No Impact on Credit Score:** MCA normally has no direct effect on the credit



score of the business owner. Personal guarantees are frequently needed for traditional loans, which can lead to credit queries and possibly lower credit scores.

However, with MCA, the company's credit card sales and projected future revenue are the main factors to be taken into account. As a result, the business

owner's personal credit score is unaffected even if the company faces difficulties throughout the payback time.

7. **Minimal Risk During Downturns:** Businesses may have trouble making fixed loan repayments during economic downturns or periods of decreased sales. In contrast, merchant cash advances are made to be more adaptable in these circumstances. As was already indicated, the repayment sum is directly correlated with the company's credit card sales. The repayment amount lowers proportionally during lean times, lessening the financial load on the company. This flexibility lowers the risk of default and assists firms in managing their cash flow.

### **Disadvantages of MCA:**

It is important to take into account any potential drawbacks of this kind of financing.

1. **High Cost of Funding:** The high cost of funding is one of the main drawbacks of merchant cash advances. The standard fee for MCA providers is a factor rate rather than an interest rate. In comparison to typical loans, the factor rate is a fixed multiplier that is added to the advance amount, raising the total repayment amount. This implies that throughout the course of the repayment period, firms wind up paying more in fees and charges. MCA can be more expensive than other financing solutions, which makes it a longer-term more expensive option for firms.
2. **Lack of Industry Regulation:** The absence of industry regulation is yet another drawback of merchant cash advances. The MCA market operates with less regulations than the traditional loan industry, which is governed by a number of rules and consumer protection laws. Some MCA providers may engage in exploitative behaviour as a result of this oversight, like charging exorbitant fees, imposing unreasonable terms, or using unethical collection techniques. To prevent falling prey to dishonest tactics, businesses should use caution when choosing an MCA provider and carefully analyse the terms and circumstances of the agreement.

3. **Impact on Cash Flow:** Although the merchant cash advance's flexible payback plan may be helpful during periods of poor sales, it may also negatively affect cash flow. It may be difficult for firms to cover their operational costs as a result of the daily or weekly withdrawals from credit card sales that can lower the available working capital. The varying payback amounts might lead to cash flow volatility, which makes it challenging to efficiently plan and budget. Businesses must carefully examine their cash flow forecasts to make sure they can comfortably handle the continuous deductions without jeopardising their regular operations.
4. **Limited Borrowing Capacity:** Merchant cash advances are frequently calculated as a percentage of the company's projected future credit card sales. This implies that the level of historical and anticipated credit card sales will determine how much a corporation can borrow. A company could not be eligible for a big advance if it has poor credit card sales or sales declines. A company may find it difficult to secure the cash it needs due to its restricted borrowing capacity, particularly if it needs a sizable capital infusion for growth or other investment goals.
5. **Potential for Debt Cycle:** When using merchant cash advances, firms occasionally risk becoming caught in a vicious cycle of debt. Some firms may find it difficult to pay back the advance and cover their continuing expenses at the same time due to the high cost of funding. This could result in the company needing additional loans to cover its financial responsibilities, starting a vicious cycle of borrowing and paying back. The long-term financial stability and sustainability of a corporation may suffer as a result of this debt cycle.
6. **Impact on Credit Card Processing:** When a business signs a merchant cash advance agreement, the MCA provider usually demands that the business use their payment processing services or switch its credit card processing to a specific provider. Higher processing costs or fewer options for payment processors may follow from this. This can be a disadvantage for companies that already have relationships with payment processors or prefer particular providers and may result in extra costs or inconvenience.

7. **Not Suitable for Long-Term Financing:** Merchant cash advances are given to provide quick and easy access to funds for emergencies or urgent requirements. These are not intended to be long-term financing options because of the daily or weekly repayment plan or obligation, as well as the significant funding charges, MCA is less ideal for continuing finance needs. If a company requires funds for an extended period of time, consider term loans or lines of credit, which have lower interest rates and longer repayment schedules.
8. **Limited Transparency and Disclosure:** Unlike traditional loans, MCA agreements frequently don't have to provide the same level of openness and disclosure. Understanding the conditions, charges, and payback plan for the advance may be difficult for businesses. Without clear and thorough information, firms run the risk of being blindsided by unforeseen expenses or unfavourable terms. Before signing an MCA agreement, it is essential for businesses to carefully analyse the contract and, if necessary, obtain legal counsel to make sure they completely comprehend the terms and circumstances.

## **LEARNINGS FROM SUMMER INTERNSHIP**

Throughout my internship at DO IT FOR ME LLC, I embraced the opportunity applying knowledge gained over time through my academic journey. I worked closely alongside an expert team gaining both practical experience while also being privy to valuable insights into the sphere of financial analysis. As a dedicated Financial Analyst, I actively participated in an array of tasks seeking to consolidate understanding alongside exercises aimed at perfecting essential concepts and practices. An area of specific focus during my internship, saw undivided attention turned towards financial analysis. It was both fascinating and rewarding enhancing knowledge relating to cash flow patterns and the accompanying inflows as well as outflows within host companies. Such exercises allowed me developing comprehensive understanding regarding each enterprise's overall financial performance, particularly in reference towards liquidity. Armed with this invaluable insight pertaining to financial health, I effectively determined stability observable amongst the various businesses I worked alongside.

Additionally, my comprehension of liabilities and risk appetite has aided me in promoting precision during the assessment of risks. Acknowledging companies' fiduciary responsibilities and their capability in tolerating associated risks forms the foundation for presenting accurate recommendations among underwriters. It is essential to highlight the invaluable techniques, namely ratio analysis along with cash flow analysis. By employing ratio-based analyses, I successfully interpreted financial data through calculations paired with detailed variation analyses encompassing multiple ratios derived from a host company's financial landscape. The comparison of these findings with established industry standards augmented my overall ability in pinpointing trends that have the potential to shape a company's overall financial performance. Drawing upon these precise determinations, decision-making processes became more straightforward regardless of whether focusing on prospective underwriters or analysts. When analysing available cash movements, conducting regular assessments enabled relevant decisions that were guided soundly by taking into account potential liquidity issues. This deduction facilitated the identification of effective resource management strategies when evaluating investment prospects. The provision of support through these insightful conclusions contributes significantly to the promotion of best practices, ultimately ensuring that underwriters tasked with conducting more meticulous assessment duties benefit from sustained stability.

Extracting pertinent financial information from diverse sources such as bank statements of WELLS FARGO, BANK OF AMERICA, TRUIST CREDIT UNION, CHASE (NATIONAL BANKS) necessitated meticulous attention-to-detail along with identifying requisite data



points accurately. Employing systematic approaches alongside utilizing spreadsheet software functionalities like Microsoft Excel facilitated efficient extraction & organization of financial datasets.

The utilization of spreadsheet software proved invaluable by enabling effective structuring & manipulation of voluminous sets of financial information streamlining the encompassed process with minimum scope for manual errors. Logical structuring of organized extracted data played a pivotal role in ensuring provision for lucid analyses & seamless report preparations. It taught me presenting comprehensible & coherently structured reports containing complex financial details through judiciously placed representations via tables & graphs along with offering insightful analyses & interpretations simultaneously. Consequently, precise communication of findings backed by recommendations bolstered decision-making practices within organizations.



To effectively extract and organize financial data during my internship at DO IT FOR ME LLC, I employed reliable techniques while leveraging spreadsheet software – specifically Google worksheet. A systematic approach with meticulous attention to detail was essential when dealing with various sources such as bank statements while extracting relevant data points accurately. Leveraging the functionalities offered by spreadsheet software enabled efficient organization and structuring of gathered information for subsequent analysis. The utilization of google worksheets proved invaluable when handling massive sets of financial records; it facilitated streamlining of the overall collection process thereby minimizing errors. Organizing extracted information logically played a vital role during clear analysis preparation; stakeholders' ability to comprehend presented reports effectively demanded comprehensive yet coherent presentation style.

Conclusively, my practical experience garnered from interning at DO IT FOR ME LLC substantiated invaluable insights relevant to financial analysis. This allowed me to implement

ratio, cash flow analysis, and effectively communicate findings - skills integral for future endeavours within the financial industry.

**I would like to mention here the work that I performed on the spreadsheet:**

Although the spreadsheet is separated into several sections, the main focus of financial analyst in the company must be on the following:

- 1. Basic details**
- 2. Monthly Average Balances**
- 3. A revenue estimator**
- 4. Lenders' Part**

- **BASIC DETAILS**

The essential details regarding the business being worked on are contained in this section, including the business name, DBA name (if applicable), bank with which the business keeps its account, account number, and the kind of bank (National or Local).

- **Monthly Average Balances (MAB)**

The Monthly Average Balance (MAB), commonly referred to as the Minimum Average Balance, is just the bare minimum that you must keep in your Account each month. Each month's total is determined, and if the required average balance is not kept, penalties will apply.

The amount of all ending/carried-forward balances divided by the number of working days in the relevant month is the monthly average balance. MAB is calculated as (Sum of all Daily Closing Balances)/ (Days in the Month).

This aids in our evaluation of the borrower's revenue stability and the daily operations of the firm. Large swings in the typical monthly amount of a borrower's bank accounts may indicate to a creditor that the borrower has an inconsistent income stream or has volatile spending habits.

The negatives and below paybacks must be computed and placed in the appropriate fields. Typically, banks provide a pre-calculated average balance, which is simply entered under the provided month.

- ❖ Negatives: Any ending balance below zero or an overdraft, or one that is in the negative.
- ❖ Below payback: Ending balances between \$0 and \$100 are considered under payback. The drawbacks are likewise regarded as having a lower payoff.
- ❖ The ending balances table must be used if average balances are missing from the bank statement.
- ❖ The ending balances at the conclusion of each working day must be taken into consideration if the table is absent.

- **A revenue estimator**

The money received from routine business activities is referred to as revenue, sales, or the top line. While income or profit includes the costs incurred in generating revenue and reports net (not gross) results, revenue simply refers to the proceeds from sales.

The revenue calculator feature is used to examine a company's monthly revenues. A bank statement contains a variety of deposits and credits, and we must determine which ones represent genuine revenue—that is, revenue tied to our ongoing business operations.

The first thing that needs to be understood is the sector that the business operates in. The amount of revenue varies by industry. Next, we must look up the total number of deposits and their count in the statements enter all the credits which are not related to the revenue i.e., the deductions.

- **Lenders' Part**

Details of all prior merchant cash advances are included in this section of the sheet, which essentially lists all current liabilities for the company. One of the most crucial aspects to consider before making a new loan is the analysis of the existing liabilities. The lenders section



aids in learning about any current or recent borrowings, the history of past lenders' loan repayments, the percentage of daily income used to repay loans, any missed payments, etc.

**The main question that I faced in my internship is How do we recognise a lender.**

I would mention certain things that helped me recognised a lender and present it in a certain manner.:

- Any time we observe any XYZ name withdrawing a specific sum over a predetermined time period, such as DAILY, WEEKLY, or MONTHLY, a lender may be involved.
- We can perform a name search to determine if the specified firm offers working capital loans, small business loans, or merchant cash advances.
- Whenever we observe a sizable sum being credited and the same entity begins regularly withdrawing a certain amount. It is considered a lender.
- Pull is the term used to describe the payments that lenders withhold.
- A lender should ideally perform drawing amount every day or every week, although there are some rare occasions when they might only perform pulls twice or once per month. In this situation, we must determine if the same lender and amount are present in every month.
- When the withdrawal frequency is daily, the term "daily pull" is used. Each working day has a pull that is visible. In this situation, the amount being withdrawn is indicated in the lenders table as the daily payment and is underlined in red.
- In the case of a weekly, we will see that the lender draws money around every 6-7 days, or once a week. Such a draw must be transformed to a daily payment column by dividing the amount by 5, and it is yellow-highlighted.
- Monthly pulls are similarly divided by 21 and indicated in green on the financial model created by the team I was a part of.
- The mention of "pulls" can be well explained through ACH – Automated Clearing House, which allows lenders to withdraw fixed payments from a merchant's bank accounts.

### **New knowledge, tools, techniques or skills that I learnt.**

During my internship at DO IT FOR ME LLC I had the opportunity to gain immense number of tools, techniques, knowledge, and skills that significantly turned out to be beneficial in terms of improving my understanding and abilities in the field of finance particularly finance analysis. Throughout my internship I focused on developing proficiency with skills and knowledge in various areas, such as utilizing financial analysis software employing data visualization techniques and interpreting financial statements to identify key indicators for debt repayment capabilities and risk assessments. These skills not only enhanced my effectiveness as a Financial Analyst but also allowed me to contribute meaningfully to the decision-making processes within the organization.

Furthermore, I also prioritized developing my skills in data visualization techniques. In today's fast pacing, data-driven world effectively conveying complex financial information is very crucial. Data visualization techniques provide a powerful means of presenting information in an aesthetically pleasing and easily understandable manner. Over the course of my internship, I gained advanced knowledge in using these techniques such as presenting information on spreadsheet to transform raw financial data into visually compelling representations that conveyed crucial insights to underwriters and other stakeholders. The use of data visualization not only enhanced the clarity and impact of the information presented but also facilitated better comprehension and decision making. This skill proved invaluable when communicating financial analysis findings and recommendations to relevant parties.

Additionally interpreting financial statements and identifying key indicators for risk assessments and debt repayment capabilities was another area where I significantly developed my abilities during my internship. Financial statements such as balance sheets, income statements, and cash flow statements provide vital information about a company's financial performance and position. By thoroughly understanding these statements and their underlying principles I could extract meaningful insights and evaluate businesses' financial health and stability. This involved analysing various financial ratios like liquidity ratios, profitability

metrics, efficiency ratios among others. By assessing these indicators, I could identify potential risks evaluate businesses' ability to meet their financial obligations accurately and provide informed recommendations for underwriters During my internship I had the privilege of contributing to risk assessments and expanding my understanding of the financial landscape and the elements that impact businesses' ability to repay debts. The experience also allowed me to deepen my knowledge of the regulatory framework governing the financial industry.

This involved studying accounting standards, financial reporting requirements, and regulatory guidelines. Comprehending these regulations is essential for ensuring compliance and accuracy in financial reporting. By familiarizing myself with these rules. I could conduct financial analysis in line with industry standards and best practices.

Thereby bolstering the credibility and reliability of my work. Additionally, my internship exposed me to risk management practices within the financial industry. Risk management involves identifying, assessing, and mitigating potential risks that may affect businesses' financial stability and performance. Throughout this period, I gained insights into various types of risks including credit risk, market risk, operational risk, and liquidity risk. I learned how to evaluate these risks through comprehensive analysis and develop strategies to mitigate them effectively.

Recognizing the importance of risk management in financial analysis enabled me to contribute to my organizations' efforts in identifying and managing potential risks efficiently. Furthermore, my internship underscored the significance of critical thinking and problem solving skills in financial analysis. I encountered a range of complex financial scenarios that required me to analyse information thoroughly. Identify patterns/trends and propose practical solutions. This involved conducting comprehensive research. Considering multiple perspectives and applying analytical thinking to arrive at well-founded conclusions. Strengthening these skills allowed me to tackle intricate financial challenges more effectively while providing valuable insights to support decision making.

Throughout my internship period. I also had invaluable opportunities for professional growth through mentorship and networking. It emphasized staying updated with industry trends, and market dynamics which is pivotal for effective financial analysis not only within US but overall. Being part of such a supportive environment provided me encouragement as well as

affirmation towards continuous development Throughout my internship at DO IT FOR ME LLC. I was fortunate enough to work closely alongside highly regarded professionals who provided unwavering guidance, reliable feedback, and unparalleled mentorship. This collective wealth of expertise not only greatly accelerated my learning capability but also offered invaluable perspectives pertaining specifically towards career development within the ever-evolving domain of finance.

Moreover. The proactive approach that I adopted while attending networking events significantly contributed towards forging meaningful connections with esteemed individuals already immersed within this highly specialized field. To put it simply the significance of these networking opportunities is not lost upon me as they were instrumental factors which culminated into an experience that symmetrically enriched both my understanding of financial analysis and the multitude of intelligences requisite for effectual decision making within the hallowed sphere of finance. As a direct result I have emerged better equipped for success within this vocation armed with further adeptness in utilizing cutting edge software tools, sophistication when extracting invaluable information from complex matrices and impeccable judgement when deriving informed conclusions based exclusively on meticulous analysis of financial statements.

To summarise, my internship experience exposed me not only to industry trends and regulations, but also to the critical drivers required to stimulate my personal growth. This accumulation of knowledge at each stage had prepared me to pursue a career as a financial analyst.

### **Augmentation of soft skills such as building interpersonal relationships.**

Developing strong interpersonal relationships and effective communication and teamwork skills are vital for professional growth and success. During my internship at DO IT FOR ME LLC as a Financial Analyst I had the opportunity to collaborate with various stakeholders, including underwriters, managers, CEO, and fellow team members. This experience allowed me to enhance my soft skills and deepen my understanding of the importance of active listening, clear communication, and effective collaboration in achieving shared goals.

Effective communication forms the foundation for establishing strong interpersonal relationships within a team. It involves not only expressing ideas clearly but also actively listening to others' perspectives and understanding their needs. Throughout my internship I learned the value of active listening as a critical component of effective communication. By genuinely listening to the underwriters' requirements and expectations. I gained a comprehensive understanding of our tasks at hand and aligned my efforts accordingly this practice also helped me build rapport and trust with the underwriters. Clear and concise communication is essential for conveying information accurately. During my internship I honed my communication skills by ensuring that I articulated ideas in a manner that was easily understood by others. I made an effort to use simple language instead of jargon so that underwriters could grasp financial analysis without confusion.

Moreover, I utilized different communication channels like face-to-face discussions, emails, and phone calls based on context and audience. In addition to verbal communication written communication skills are equally crucial in a professional setting.

I refined my ability to explain complex financial concepts in an accessible manner for both financial experts and non-specialists so that all stakeholders could understand my notes effectively. During my internship at DO IT FOR ME LLC I had the privilege of working closely

with underwriters, managers, and my fellow team members. This collaborative environment provided me with ample opportunities to develop and enhance my teamwork skills.

I quickly learned that successful collaboration hinges on active participation, cooperation, and respect for diverse perspectives. By actively engaging with my team members and contributing my own ideas and expertise I was able to foster an atmosphere that encouraged open dialogue and the exchange of knowledge. Additionally, I recognized the importance of valuing the unique strengths and contributions of each team member in creating a sense of unity and shared purpose. Building trust within our team was crucial to our collaborative efforts. When trust is present team members can rely on one another, share information openly and delegate tasks confidently to cultivate this trust I consistently demonstrated integrity, reliability, and accountability in my work.

Furthermore, I actively supported and encouraged my colleagues by acknowledging their achievements and offering assistance when needed. This sense of helping each other fostered an environment where everyone felt comfortable sharing their ideas and opinions—a foundation for more innovative solutions.

Furthermore, Effective communication and teamwork skills extend beyond internal collaboration to interactions with team members. It was important for me to adapt my communication style according to their needs in order to ensure clear understanding of the financial analysis being presented.

Overall, my internship experience has solidified the understanding that building interpersonal relationships is key in a professional setting. By actively listening communicating clearly yet concisely and engaging collaboratively I was able to maintain a positive work environment where ideas flowed freely and constructive feedback was appreciated.

This spirit of collaboration allowed me to leverage collective knowledge so that I could effectively tackle complex financial challenges and deliver high quality results. Throughout my internship I learned the importance of adaptability and flexibility in communication and collaboration. It was necessary to adjust my approach to communication based on the diverse styles and preferences of different team members. Some preferred face to face discussions while others found written communication more effective. By recognizing and accommodating these differences I ensured that our communication channels were tailored to each individual's

needs, fostering better understanding and collaboration. Additionally, I gained a deep understanding of the role of emotional intelligence in building strong interpersonal relationships.

Emotional intelligence encompasses self-awareness, empathy, and the ability to manage emotions and navigate social dynamics effectively. Acknowledging its significance, I worked towards creating an environment where team members felt comfortable expressing their thoughts and emotions. Through empathy and understanding trust was established, cultivating a supportive atmosphere that encouraged open and honest communication. The internship experience also provided opportunities for me to enhance my conflict resolution skills. In any collaborative setting conflicts are inevitable.

However, the key is addressing conflicts constructively and evaluating resolutions that benefit all the parties involved. Throughout my internship there had been situations wherein differing reviews emerged. However, via effective communication and active listening we were able to navigate those demanding situations and locate common ground. I learned techniques to resolve conflicts with differing mindset by way of actively in search of compromises and thinking about alternative perspectives for mutual outcomes.

In addition to the technical knowledge, I gained working as a Financial Analyst at some point of my internship the development of soft skills inclusive of building interpersonal relationships, effective communication, and teamwork have demonstrated priceless benefits. These skills and knowledge have extensive applicability across various professional settings and are fairly in demand by the employers in all industries. Clear communication is essential for future achievements in any role that involves communicating and working with others.

Looking ahead at my future learning and career path continuous improvement in interpersonal skills is crucial. To further enhance these skills, I plan to engage in additional professional development opportunities to improve both my communication skills and leadership abilities. One strategy is attending workshops or seminars focused on effective communication as well as seeking mentorship from experienced professionals who can provide guidance honed through years of experience in their respective fields; furthermore, actively seeking feedback can help identify areas necessitating growth or refinement.

### **Insights about managerial roles and directions for future learning or career path that I may like to pursue.**

Throughout my internship at DO IT FOR ME LLC, I had an exceptional opportunity to acquire new knowledge, together with tools, techniques, and skills in expanding my expertise in financial analysis and the lending industry. One distinct area of growth was proficiency I gained in using specialized financial analysis software and tools specifically designed for the lending industry. These tools not only streamlined the process of data extraction but also facilitated efficient analyses. This ultimately permitted me to produce reports that were more accurate and comprehensive. Many thanks to this experience, I learned advanced data visualization techniques. Such methods proved vital when presenting complex financial information in a visually appealing and understandable manner.

In addition, my internship presented me with an opportunity to further improve my skills in interpreting financial statements and identifying key financial indicators. I delved deeper into analysing various, liquidity measures, profitability and financial ratios metrics to accurately evaluate business's financial health. This thorough analysis allowed me to assess the risk and repayment capacity of businesses more effectively. Ultimately assisting underwriters in making well informed lending decisions.

Additionally, working as a financial analyst in such a great environment at DO IT FOR ME LLC has provided me with many possibilities to expand my soft abilities, mainly in constructing interpersonal relationships. I changed myself into capable of collaborating with underwriters, supervisors, and team members to increase effective communication abilities and teamwork. Every Wednesday meeting with the USA team has helped me improve my verbal exchange abilities. I gained a knowledge of active listening and clear communication to make certain I completely understood the desires and expectancies of team members.



By actively contributing to the team, when essential, I became able to set up robust running relationships and make certain useful collaboration in the course of the assignment. Additionally, I discovered the cost of adaptability and flexibility through my internship. As a Financial Analyst I had to navigate through specific enterprise scenarios and regulate my analysis techniques for the same reason. This internship taught me the importance of being open to alternate situations and willing to adapt techniques as enterprise evolve. Moreover, Time management emerged as some other critical talent that I developed throughout my internship. Balancing more than one duty and assembly deadlines necessitated effective prioritization. By efficaciously handling my time I contributed to the overall success of the group and the project by handing over excessive quality tasks within the given timeframe.

Reflecting upon my tenure at DO IT FOR ME LLC, I affirm it has been a rich tapestry of experiences that honed both my technical prowess in financial analysis and soft skills in teamwork, communication, and adaptability. This balanced blend of abilities enabled me to deliver nuanced assessments and foster synergistic relationships, contributing to the team's success. The journey has fuelled my aspiration to ascend as a Financial Analyst, underpinning a strategic impact on decision-making through insightful analytics. Looking ahead, I remain committed to continuously refining my expertise while staying agile amidst the evolving business dynamics. Indeed, the learning curve has been steep and invigorating, revealing the fascinating complexities of this field. In closing, I am excited for the forthcoming opportunities that promise further growth, enhancing my potential to leave a lasting imprint in this compelling career trajectory.

## CERTIFICATE



## CERTIFICATE OF INTERNSHIP 2023

Date: JUNE 26TH 2023



This Certificate is awarded to

*Ayush Lalota*

FOR COMPLETING HIS 9 WEEKS SUMMER INTERNSHIP AT LUCKNOW LOCATION WITH "DO IT FOR ME LLC"  
AS A FINANCE ANALYST ON LIVE PROJECT WITH **ARSENAL FUNDING** BASED IN NEW YORK USA.

OVER THE PERIOD OF HIS INTERNSHIP, **AYUSH** WAS TRAINED ABOUT ANALYSING BUSINESS BANK STATEMENTS,  
CREATING A DATA MODEL ABOUT THE SAME. HIS PERFORMANCE WAS OUTSTANDING.

WE WISH HIM THE BEST FOR THE FUTURE.

**INTERNSHIP DURATION-** 9 Weeks  
April 24th to June 23rd, 2023

This certificate was awarded by:

*S. Srivastava*

**SITANSHU SRIVASTAVA**  
International Business Head

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