

How to complete a Lender-Ready Business Plan in Ohio

Comprehensive SBA-style business plan with executive summary, market analysis, use of funds, and 3-year projections.

What this form is for

This is a complete business plan designed to meet SBA and commercial bank underwriting standards. You will use it when applying for loans over 50,000 dollars, especially SBA 7(a) loans, to demonstrate viability and repayment capacity to lenders in Ohio and nationwide.

Before you start

- Three years of personal and business tax returns if the company is already operating, or personal returns only for startups
- Current balance sheet and profit-and-loss statement, or realistic startup cost worksheet if pre-revenue
- Market research showing your customer demographics, competitors, and pricing in your Ohio market area
- Detailed list of exactly how you will spend loan proceeds, with vendor quotes or lease agreements when possible
- Monthly cash-flow projections for year one and annual projections for years two and three, including all operating expenses and debt service

Step-by-step

1. Complete the executive summary last, even though it appears first. Write one tight paragraph on your business concept, another on why the market needs you, and a third on how much funding you seek and how you will repay it.
2. In the company description section, include your Ohio business registration details, legal structure, ownership percentages, and physical location. Mention any Ohio-specific licenses or permits already obtained.
3. For market analysis, define your target customer with demographics and buying behavior. Name your top three competitors and explain your competitive advantage. Include data sources like Census figures for Ohio counties or industry association reports.
4. Describe your products or services, pricing strategy, and how you will deliver value. If applicable, note any Ohio supply-chain partners or distribution agreements already in place.
5. Build the management section with short bios highlighting relevant experience for each owner and key employee. Attach full resumes in an appendix.

6. Detail use of funds in a simple table: equipment, inventory, working capital, leasehold improvements, and any other categories. Each line needs a dollar amount that ties to your total loan request.
7. Prepare three-year financial projections starting with monthly profit-and-loss for year one, then annual for years two and three. Include a break-even analysis. Show all assumptions like cost of goods sold percentages and wage increases.
8. Add a funding request section stating the exact loan amount, desired terms, and how the injection of capital will grow revenue or reduce costs. Reference your projections to prove repayment ability.
9. Append supporting documents: credit reports, lease agreements, supplier contracts, licenses, and resumes.

What lenders look for

- Underwriters compare your projections against industry benchmarks for your NAICS code. Gross margins or operating expenses wildly better than peer businesses raise red flags. Be realistic and cite sources for your assumptions.
- The debt-service-coverage ratio must exceed 1.25 in your projections. Calculate monthly loan payments and verify operating income covers that amount plus a cushion.
- Missing or vague use of funds is the number one rejection trigger. Every dollar of the loan must have a clear, business-justified destination with backup documentation.