

# How to complete a Lender-Ready Business Plan in Pennsylvania

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

## What this form is for

This comprehensive document is required when applying for SBA loans, traditional bank financing, or significant lines of credit to demonstrate your business concept, market viability, and financial sustainability. Lenders use it to assess creditworthiness and decide whether to approve funding requests typically exceeding \$50,000.

## Before you start

- Your company's legal registration documents, including Articles of Incorporation or Formation filed with Pennsylvania Department of State and your EIN
- Complete financial statements for existing businesses: profit and loss statements, balance sheets, and cash flow statements for the past two to three years
- Personal financial statements and tax returns for all owners holding 20 percent or more equity
- Detailed cost estimates for the specific use of loan proceeds, including quotes from vendors, contractors, or equipment suppliers
- Market research data: competitor pricing, target customer demographics, industry reports for your sector in Pennsylvania or your specific region

## Step-by-step

1. Complete the executive summary last, even though it appears first. This one-page overview synthesizes your entire plan and must capture your business model, funding request, and projected return in clear language.
2. Write the company description section with your legal business name, Pennsylvania physical address, ownership structure, and registration details. State whether you are startup or existing, and briefly explain what products or services you sell.
3. Fill out the market analysis section by identifying your target customers, analyzing at least three direct competitors, and explaining your competitive advantage. Include census or economic data for your Pennsylvania county if relevant to your customer base.
4. Detail your organization and management structure. List all principals with ownership percentages, relevant experience, and roles. Attach resumes for key personnel in the appendix.
5. Describe your products or services, emphasizing what makes them valuable and any intellectual property, licenses, or Pennsylvania-specific certifications required to operate.

6. Complete the marketing and sales strategy section explaining how you acquire customers, your pricing model, and distribution channels.
7. Prepare the funding request section specifying the exact loan amount, how funds will be used with dollar breakdowns, and the proposed terms you are seeking.
8. Build your financial projections with monthly cash flow for year one and annual projections for years two and three. Include projected income statements, balance sheets, and break-even analysis. Ensure all numbers reconcile with your funding request.
9. Attach supporting documents: tax returns, legal contracts, lease agreements, licenses issued by Pennsylvania state or local authorities, and letters of intent from customers if available.

## What lenders look for

- Banks scrutinize whether your projections are realistic, not optimistic. Use conservative revenue estimates and ensure your debt service coverage ratio exceeds 1.25 based on projected cash flow.
- The most common rejection reason is disconnect between use of funds and revenue projections. If buying equipment, show exactly how it increases capacity or reduces costs.
- Pennsylvania lenders expect you to contribute equity, typically 10 to 20 percent of the project cost for SBA loans. Clearly state your cash injection in the funding request section.