

How to complete a Lender-Ready Business Plan in Texas

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

What this form is for

This form is required by most SBA-approved lenders and traditional banks when you apply for startup or expansion financing over \$50,000. It demonstrates your business model, market opportunity, financial readiness, and repayment capacity to the underwriting team.

Before you start

- Three years of personal and business tax returns (if you have an existing business), or detailed personal financial statement if startup
- Current balance sheet and profit-and-loss statement, or realistic startup cost worksheet with quotes from vendors
- Market research showing your target customer demographics, competitors, and pricing in your Texas region or metro area
- Detailed list of exactly how you will use loan proceeds, broken out by category: equipment, inventory, working capital, leasehold improvements, etc.
- Monthly cash-flow projections for at least 36 months, showing revenue, operating expenses, debt service, and owner draw

Step-by-step

1. **Executive Summary:** Write this section last. Summarize your business concept, target market, competitive advantage, loan amount requested, and how the funds will generate revenue. Keep it to one page.
2. **Company Description:** Explain your legal structure (LLC, S-corp, sole proprietorship), ownership percentages, Texas registration details, location, and whether you are startup or existing. Include years in business if applicable.
3. **Products and Services:** Describe what you sell, your pricing strategy, and your suppliers. Be specific about margins and fulfillment process.
4. **Market Analysis:** Identify your target customers by demographics and geography. Name your top three competitors and explain your differentiation. Include data on market size and growth trends in Texas or your metro area.
5. **Marketing and Sales Strategy:** Outline how you attract customers—digital ads, referrals, retail location, trade shows. Include customer acquisition cost if known.

6. Management Team: List owners and key employees with relevant experience. Attach resumes in an appendix if the form allows.
7. Use of Funds: Break out exactly how you will spend loan proceeds. Match this to quotes and invoices. Lenders check that the loan amount matches the stated use.
8. Financial Projections: Provide monthly profit-and-loss, cash-flow, and balance-sheet projections for 36 months. Show realistic revenue ramp-up, fixed and variable costs, and loan payments. Include break-even analysis.
9. Assumptions: Document every assumption behind your projections—unit sales, average ticket, cost of goods sold percentage, rent, payroll, seasonal trends.
10. Appendices: Attach supporting documents like lease agreements, supplier quotes, licenses, permits, partnership agreements, and owner resumes.

What lenders look for

- Underwriters red-flag overly optimistic revenue growth or projections that ignore seasonality. Show conservative scenarios and explain how you will cover debt service even if sales fall short.
- Your Use of Funds total must equal your loan request exactly. Mismatches or vague categories like "miscellaneous" signal poor planning.
- Texas lenders expect you to address local competition and demonstrate knowledge of your specific market area, whether Dallas, Houston, Austin, or rural counties.