Loan Package Development
for
Existing Business

Arkansas State University

Small Business and Technology Development Center

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sbdc.astate.edu

A partnership program with the U.S.
Small Business Administration and the
University of Arkansas at Little Rock

Introduction

The purpose of this workbook is to assist you in developing a professional loan package. Enclosed you will find the tools needed to accurately complete your loan package, including a checklist, SBA forms, cash management templates, and other tools to help you gather important documents and assist in the decision-making process of your business venture.

Worksheets included in this workbook are:

1. Small Business Development Loan Checklist
2. Statement of Personal History
3. Personal Financial Statement
4. Management Resume
5. Project Cost Worksheet
6. Projected Sales Revenue Worksheet
7. Projected Cost of Goods Sold Worksheet
8. Projected Labor Expense Worksheet
9. Projected Operating Expense Worksheet
10. Writing an Executive Summary

The information requested in the enclosed workbook is for accurate preparation of your small business loan application. Please take some time in completing these worksheets. Your proposal may be reviewed by someone you have not spoken with directly. Therefore, it is important that you include enough information for them to get a good impression and understanding of your proposed venture. Be sure to include any special factors that may improve your chance for success. If you have any questions or concerns in completing these forms, please contact us at (870) 972-3517.

When the workbook is complete and you have gathered all required documents, please mail the information to the consultant. If you prefer, you may call to schedule an appointment. The consultant will review the information and notify you when the packet is complete or when more information or clarification is needed to complete the loan package.

Arkansas SBDC offers training on various topics to existing and potential business owners. Visit the statewide training schedule for the seminars near you. http://asbdc.ualr.edu/training

Herb Lawrence
Center Director

Laura Miller
Consultant

Check List of Required Documents for SBA/Bank Financing
Existing Business

1. ☐ Application for Loan: SBA form 4, 2114, Schedule A
2. ☐ Statement of Personal History: SBA form 912*
   Each member of the small business or the development company requesting assistance must submit this form in TRIPLICATE for filing with the SBA application. This form must be filled out and submitted by:
   1. By the proprietor, if a sole proprietorship.
   2. By each partner, if a partnership.
   3. By each officer, director, and additionally by each holder of 20% or more of the ownership stock, if a corporation, limited liability company, or a development company.
3. ☐ Personal Financial Statement: SBA form 413*
   (Everyone who owns 20% or more of the business must provide a Personal Financial Statement that has been prepared no more than 60 days before it is submitted. Husband and wife may submit a joint statement.)
4. ☐ Detailed, signed Balance Sheet and Profit & Loss Statements
   Current within 90 days of application and last three (3) fiscal years Supplementary Schedules required on Current Financial Statements.
5. ☐ Detailed one (1) year projection of Income & Finances (if applicable)
   (Assumptions, Cash Flow, Balance Sheet, Income Statement)
6. ☐ List of Aged Accounts Receivable **
7. ☐ List of Aged Accounts Payables**
8. ☐ Schedule of Debt**
9. ☐ A list of names and addresses of any subsidiaries and affiliates, including concerns in which the applicant holds a controlling (but not necessarily a majority) interest and other concerns that may be affiliated by stock ownership, franchise, proposed merger or otherwise with the applicant.
10. ☐ Certificate of Doing Business
    (Submit if sole proprietor and general partnership. If a corporation, stamp corporate seal on SBA form 4 section 12.)
11. ☐ Articles of Incorporation (for corporations only)
12. ☐ Articles of Organization (for LLCs only)
13. ☐ Signed Business Federal Income Tax Returns for previous three (3) years.
14. ☐ Signed Personal Federal Income Tax Returns of principals for previous three (3) years.
15. ☐ Personal Resume including business experience of each principal.*
16. ☐ Brief history of the business and its problems: Include an explanation of why the SBA loan is needed and how it will help the business.
17. ☐ Copy of Business Lease, value of business property owned, or note from property owner giving terms of proposed lease.
18. ☐ For the purchase of an existing business:

- Current Balance Sheet and Profit & Loss Statement of business to be purchased.
- Previous three (3) years Federal Income Tax Returns of the business or five (5) years if in business.
- Propose Bill of Sale Including: Terms of Sale.
- Asking Price with schedule of inventory, machinery & equipment, furniture & fixtures.

Discuss in the executive summary or business plan, the benefit to the business as a result of the change of ownership, why the business is being sold, and the relationship between the buyer/seller

19. ☐ Letter from seller stating why business is being sold

20. ☐ Executive Summary or Business Plan (Be sure the <u>PURPOSE</u> of the loan is easily identifiable)

    Debt Refinance: If any debt are being refinanced, submit copies of original, all renewal notes and collateral documents. Must document the required improvement in cash flow by 20%. If there are significant changes i.e. sales then justify the changes in detail in the Executive Summary or Business Plan.

    Credit: If you have any current or prior credit problems include a written explanation for any derogatory information. Before applying get a copy of your credit report if you are unsure of credit rating.

*Forms provided in this workbook.
**** Need to agree with interim financial statement**

Return Executed Copies 1, 2, and 3 to SBA

OMB APPROVAL NO.3245-0178
Expiration Date:9/30/2006

SMALL BUSINESS ADMINISTRATION 1953

United States of America

SMALL BUSINESS ADMINISTRATION

STATEMENT OF PERSONAL HISTORY

Please Read Carefully - Print or Type

Each member of the small business or the development company requesting assistance must submit this form in TRIPLICATE for filing with the SBA application. This form must be filled out and submitted by:

1. By the proprietor, if a sole proprietorship.
2. By each partner, if a partnership.
3. By each officer, director, and additionally by each holder of 20% or more of the ownership stock, if a corporation, limited liability company, or a development company.

Name and Address of Applicant (Firm Name)(Street, City, State, and ZIP Code)

SBA District/Disaster Area Office

Amount Applied for (when applicable)

File No. (if known)

1. Personal Statement of: (State name in full, if no middle name, state (NMN), or if initial only, indicate initial.) List all former names used, and dates each name was used. Use separate sheet if necessary.

First Middle Last

2. Give the percentage of ownership or stocked owned or to be owned in the small business or the development company

Social Security No.

3. Date of Birth (Month, day, and year)

4. Place of Birth: (City & State or Foreign Country)

Name and Address of participating lender or surety co. (when applicable and known)

5. U.S. Citizen? ☐ YES ☐ NO
If No, are you a Lawful Permanent resident alien: ☐ YES
If non- U.S. citizen provide alien registration number:

6. Presen[illegible]
From:
To:
Address:

Home Telephone No. (Include A/C):
Business Telephone No. (Include A/C):

Most re[illegible]
From:
To:
Address:

PLEASE SEE REVERSE SIDE FOR EXPLANATION REGARDING DISCLOSURE OF INFORMATION AND THE USES OF SUCH INFORMATION.

IT IS IMPORTANT THAT THE NEXT THREE QUESTIONS BE ANSWERED COMPLETELY. AN ARREST OR CONVICTION RECORD WILL NOT NECESSARILY DISQUALIFY YOU; HOWEVER, AN UNTRUTHFUL ANSWER WILL CAUSE YOUR APPLICATION TO BE DENIED.

IF YOU ANSWER "YES" TO 7, 8, OR 9, FURNISH DETAILS ON A SEPARATE SHEET. INCLUDE DATES, LOCATION, FINES, SENTENCES, WHETHER MISDEMEANOR OR FELONY, DATES OF PAROLE/PROBATION, UNPAID FINES OR PENALTIES, NAME(S) UNDER WHICH CHARGED, AND ANY OTHER PERTINENT INFORMATION.

7. Are you presently under indictment, on parole or probation?
☐ Yes ☐ No (If yes, indicate date parole or probation is to expire.)

8. Have you ever been charged with and or arrested for any criminal offense other than a minor motor vehicle violation? Include offenses which have been dismissed, discharged, or not prosecuted (All arrests and charges must be disclosed and explained on an attached sheet.)
☐ Yes ☐ No

9. Have you ever been convicted, placed on pretrial diversion, or placed on any form of probation, including adjudication withheld pending probation, for any criminal offense other than a minor vehicle violation?
☐ Yes ☐ No

10. I authorize the Small Business Administration Office of Inspector General to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, and the Small Business Investment Act.

CAUTION: Knowingly making a false statement on this form is a violation of Federal law and could result in criminal prosecution, significant civil penalties, and a denial of your loan, surety bond, or other program participation. A false statement is punishable under 18 USC 1001 by imprisonment of not more than five years and/or a fine of not more than $10,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than $5,000; and, if submitted to a Federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than $1,000,000.

Signature	Title	Date

Agency Use Only

11. ☐ Fingerprints Waived — Date — Approving Authority

☐ Fingerprints Required — Date — Approving Authority

Date Sent to OIG

12. ☐ Cleared for Processing — Date — Approving Authority

13. ☐ Request a Character Evaluation — Date — Approving Authority

(Required whenever 7, 8 or 9 are answered "yes" even if cleared for processing.)

PLEASE NOTE: The estimated burden for completing this form is 15 minutes per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, AIB, 409 3rd St., S.W., Washington D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. OMB Approval 3245-0178. **PLEASE DO NOT SEND FORMS TO OMB.**

NOTICES REQUIRED BY LAW

The following is a brief summary of the laws applicable to this solicitation of information.

Paperwork Reduction Act (44 U.S.C. Chapter 35)

SBA is collecting the information on this form to make a character and credit eligibility decision to fund or deny you a loan or other form of assistance. The information is required in order for SBA to have sufficient information to determine whether to provide you with the requested assistance. The information collected may be checked against criminal history indices of the Federal Bureau of Investigation.

Privacy Act (5 U.S.C. § 552a)

Any person can request to see or get copies of any personal information that SBA has in his or her file, when that file is retrievable by individual identifiers, such as name or social security numbers. Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act.

Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. Disclosures of name and other personal identifiers are, however, required for a benefit, as SBA requires an individual seeking assistance from SBA to provide it with sufficient information for it to make a character determination. In determining whether an individual is of good character, SBA considers the person's integrity, candor, and disposition toward criminal actions. In making loans pursuant to section 7(a)(6) the Small Business Act (the Act), 15 USC § 636 (a)(6), SBA is required to have reasonable assurance that the loan is of sound value and will be repaid or that it is in the best interest of the Government to grant the assistance requested. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC § 636(a)(1)(B). Further, for all forms of assistance, SBA is authorized to make all investigations necessary to ensure that a person has not engaged in acts that violate or will violate the Act or the Small Business Investment Act,15 USC §§ 634(b)(11) and 687b(a). For these purposes, you are asked to voluntarily provide your social security number to assist SBA in making a character determination and to distinguish you from other individuals with the same or similar name or other personal identifier.

When this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature, SBA may refer it to the appropriate agency, whether Federal, State, local, or foreign, charged with responsibility for or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. See 56 Fed. Reg. 8020 (1991) for other published routine uses.

OMB APPROVAL NO. 3245-0188
EXPIRATION DATE:11/30/2004

PERSONAL FINANCIAL STATEMENT

U.S. SMALL BUSINESS ADMINISTRATION

As of ______________ , ________

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any person or entity providing a guaranty on the loan.

Name	Business Phone
Residence Address	Residence Phone
City, State, & Zip Code	
Business Name of Applicant/Borrower	

ASSETS (Omit Cents)		**LIABILITIES** (Omit Cents)	
Cash on hand & in Banks	$	Accounts Payable	$
Savings Accounts	$	Notes Payable to Banks and Others (Describe in Section 2)	$
IRA or Other Retirement Account	$	Installment Account (Auto)	$
Accounts & Notes Receivable	$	Mo. Payments $	
Life Insurance-Cash Surrender Value Only (Complete Section 8)	$	Installment Account (Other)	$
Stocks and Bonds (Describe in Section 3)	$	Mo. Payments $	
Real Estate (Describe in Section 4)	$	Loan on Life Insurance	$
Automobile-Present Value	$	Mortgages on Real Estate (Describe in Section 4)	$
Other Personal Property (Describe in Section 5)	$	Unpaid Taxes (Describe in Section 6)	$
Other Assets (Describe in Section 5)	$	Other Liabilities (Describe in Section 7)	$
		Total Liabilities	$
		Net Worth	$
Total	$	**Total**	$

Section 1. Source of Income		**Contingent Liabilities**	
Salary	$	As Endorser or Co-Maker	$
Net Investment Income	$	Legal Claims & Judgments	$
Real Estate Income	$	Provision for Federal Income Tax	$
Other Income (Describe below)*	$	Other Special Debt	$

Description of Other Income in Section 1.

*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly,etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Property			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets. (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)

Section 6. Unpaid Taxes. (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities. (Describe in detail.)

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies - name of insurance company and beneficiaries)

I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

Signature: Date: Social Security Number:

Signature: Date: Social Security Number:

MANAGEMENT RESUME

A. PERSONAL DATA

FULL NAME				
ADDRESS (STREET, CITY, STATE, ZIP CODE)				
PHONE NUMBER HOME WORK		SOCIAL SECURITY NUMBER		BIRTH DATE
MARITAL STATUS SINGLE ☐ MARRIED ☐ DIVORCED ☐ SEPARATED ☐ WIDOWED ☐	GENERAL CONDITION OF HEALTH		PHYSICAL IMPAIRMENTS, DISABILITIES	
	SPOUSE'S FULL NAME		SPOUSE'S OCCUPATION	
	CHILDREN'S NAMES AND AGES			

B. EDUCATION

	NAME & ADDRESS OF SCHOOL	DATES ATTENDED FROM	TO	MAJOR COURSE(S)	GRADUATED YES	NO
HIGH SCHOOL						
COLLEGE						
TRADE, TECHNICAL OR VOCATIONAL						
OTHER						
CIRCLE HIGHEST GRADE COMPLETED	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16					

C. WORK EXPERIENCE

PRESENT OR LAST EMPLOYER	DATES EMPLOYED FROM TO
ADDRESS	POSITION
DUTIES & RESPONSIBILITIES	REASON FOR LEAVING
PREVIOUS EMPLOYER	DATES EMPLOYED FROM TO
ADDRESS	POSITION
DUTIES & RESPONSIBILITIES	REASON FOR LEAVING
PREVIOUS EMPLOYER	DATES EMPLOYED FROM TO
ADDRESS	POSITION
DUTIES & RESPONSIBILITIES	REASON FOR LEAVING

Project Cost Worksheet

Purpose

Completion of this worksheet should provide the consultant with the total cost of starting the venture.

Directions

In Column 1, show the amount you expect to borrow for the category listed. In Column 2, show the amount you will contribute for the category listed. Column 3 will then be the total start up needs for a particular category. If a category does not apply, skip it.

Category	Provided by Loan	Provided by Applicant	Category Total
1. Land Acquisition			
2. Land Improvements			
3. Building			
4. Building Improvements			
5. Leasehold Improvements			
6. Equipment			
7. Furniture/Fixtures			
8. Vehicles			
9. Franchise Fee			
10. Merchandise Inventory			
11. Working Capital			
12. Other-Explain Below			
PROJECT TOTALS			

Explanation of Item 12:

Explain the source of assets you will be contributing to the business:

How to Prepare the Projected Sales Revenue Worksheet

Month	Write in the months for your projected twelve-month calendar	12-Mo. Total
+ Sales: Product 1 + Sales: Product 2 + Sales: Product 3 + Other Sales	Enter your projected sales by month for each product of service	Sum your twelve-month totals and enter in this column
+ **Gross Sales**	Sum each month's total sales	
- Returns	List your projected amount of product returns, by month	
= **Net Sales**	Subtract the projected monthly returns from the projected gross sales to yield Net Sales	

Projected Sales Revenue Worksheet

Month													12-Mo. Total
+ Sales Product: 1													
+ Sales Product: 2													
+ Sales Product: 3													
+ Other Sales													
+ **Gross Sales**													
- Returns													
= **Net Sales**													

Sales Revenue Assumptions:

1. The sources of information for my sales projection are: ____

   ____

   ____

2. If the total market demand for my product/service =100%, my projected sales volume represents _________% of this total market.
3. The following factors might lower my sales projections: ____

   ____

   ____

How to Prepare the Projected Cost of Goods Sold Worksheet

Month:	Write in the months for your projected twelve-month calendar	12-Mo. Total
+Beginning Merchandise Inventory	Enter the beginning balance of inventory each month	Sum your twelve-month totals and enter in this column
+Net Purchases	Record each month's projected purchases of inventory	
+Freight In	Enter freight charges for inventory purchases	
=Total Merchandise Available for Sale	Sum beginning inventory, purchases, and freight costs to arrive at value of total merchandise available for sale	
- Ending Merchandise Inventory	Enter your projected amount of inventory on hand at the end of each month	
=**Cost of Goods Sold**	Subtract ending inventory from total merchandise available to get Cost of Goods Sold	

NOTE: *This worksheet does not include direct labor costs as part of total cost of goods sold. Labor costs would properly be part of cost of goods sold of manufacturers and some other types of businesses.*

PROJECTED COST OF GOODS SOLD WORKSHEET

Month:													12-Mo. Total
+Beginning Merchandise Inventory													
+Net Purchase													
+Freight In													
=Total Merchandise Available for Sale													
- Ending Merchandise Inventory													
=**Cost of Goods Sold**													

Cost of Goods Sold Assumptions:

1. The sources of information for my cost-of-goods-sold projections are: ______________________________

   ____

   ____

2. The following factors might increase my cost-of-goods-sold projections: ______________________________

   ____

   ____

How to Prepare the Projected Labor Expense Worksheet

Month =	Write in the months for your projected twelve-month calendar	12 Mo. Total
+ Owner's Salary	Enter amount of owner's monthly salary from business	Sum your twelve-month totals and enter in this column
+ Employee 1 + Employee 2 + Employee 3 + Employee 4	Enter each employee's monthly wages. To compute, multiply hourly wage by estimated hours per week times 4.3 weeks per month.	
= **Total Wages**	Sum owner's salary and all employees' wages, by month	
+ FICA	Multiply "Total Wages" by FICA rate *	
+ FUTA	Multiply "Total Wages" by FUTA rate *	
+ SUTA	Multiply "Total Wages" by SUTA rate *	
+ Worker's Comp Ins.	Enter projected cost of worker's compensation insurance	
+ Employee Benefits	Enter monthly costs of any additional benefits (health/life insurance, etc.)	
= **Total Labor-Related Expense**	Sum all labor-related expense, by month	

* FICA = social security and medicare tax
FUTA = federal unemployment tax, based on first $7,000 of wages per employee
SUTA = state unemployment tax, based on first $8,000 of wages per employee

PROJECTED LABOR EXPENSE WORKSHEET

Month =													12 Mo. Total
+ Owner's Salary													
+ Employee 1													
+ Employee 2													
+ Employee 3													
+ Employee 4													
= **Total Wages**													
+ FICA													
+ FUTA													
+ SUTA													
+ Worker's Comp Ins.													
+ Employee Benefits													
= Total Labor-Related Expense													

<u>Labor Expense Assumptions:</u>

The sources of my cost estimates in the following areas are:

Payroll Taxes: ____

Employee Benefits:____

Worker's Compensation Insurance: ____

Hourly Wage Rate: ____

How to Prepare the Projected Operating Expense Worksheet

Month =	Write in the months for your projected twelve-month calendar	12-Mo. Total
+ Total Wages	Enter total wages, by month, from Projected Labor Expense Worksheet	Sum your twelve-month totals and enter in this column
+ Labor-Related Exp.	Enter total labor-related expense, by month, from Projected Labor Expense Worksheet	
+ Commissions	Enter total monthly commissions paid to sales staff	
+ Advertising		
+ Auto/Truck		
+ Bad Debts	Projected bad debt expense on customer sales	
+ Bank Charges	Estimated bank fees on business checking accounts, bank credit card charges, etc.	
+ Depreciation	Estimated monthly depreciation expense on fixed assets (e.g., building, equipment) owned by business	
+ Freight Out/Postage		
+ Insurance	Projected business insurance costs (e.g., liability, building and property, business interruption, etc.)	
+ Legal/Accounting		
+ Rent		
+ Repairs/Maintenance	Projected facility upkeep or repairs per month	
+ Supplies		
+ Taxes/Licenses	Projected property taxes, privilege license fees, etc.	
+ Travel/Entertainment		
+ Utilities/Telephone		
+ Miscellaneous	Estimated amount for unplanned or unknown costs, by month	
= **Total Operating Exp.**	Sum of all operating expenses, by month	

NOTE: Enter projected monthly costs for each category of operating expense listed on the left; additional comments are offered for some cost items.

PROJECTED OPERATING EXPENSE WORKSHEET

Month =													12-Mo. Total
+ Total Wages													
+ Labor-Related Exp.													
+ Commissions													
+ Rent													
+ Utilities/Telephone													
+ Freight Out/Postage													
+ Repairs/Maintenance													
+ Advertising													
+ Supplies													
+ Insurance													
+ Auto/Truck													
+ Legal/Accounting													
+ Taxes/Licenses													
+ Bank Charges													
+ Bad Depts													
+ Depreciation													
+ Travel/Entertainment													
+ Miscellaneous													
= **Total Operating Exp.**													

Operating Expense Assumptions:

The sources of my cost estimates in the following areas are:

Rent ____

Utilities/Telephone ____

Advertising ____

Insurance ____

Legal/Accounting____

Depreciation ____

Applicant's Name ________________________

SUGGESTED FORMAT

OMB No. 3245-0017

SCHEDULE OF LIABILITIES

(Notes, Mortgages and Accounts Payable)

Date of Schedule_____________________

Name of Creditor	Original amount	Original date	Current balance	Current or delinquent?	Maturity date	Payment amount (Month- Year)	How Secured

____
Signed

This form is provided for your convenience in responding to filing requirements in item 2 on the application, SBA Form 5. You may use your own form if you prefer. The information contained in this schedule is a supplement to your balance sheet and should balance to the liabilities presented on that form.

____
Title

SBA Form 2202 (11-01)

Writing an Executive Summary

An executive summary is a brief overview of your business. It should include important facts, such as sales growth, profitability, and strategic focus. The executive summary should match your purpose for requesting a loan.

As a rule, your first paragraph should include your business name, the products and services, the business location, and the nature and purpose of the development plan. You might also refer to the keys to success for your business.

Another paragraph should highlight important points. Projected sales and profits are normally included, as well as unit sales and profitability. You may want to include new products or services, or any other plans you have for developing your business.

Sample:

> Mike's Trucking Service (Mike's Trucking) is a Dallas, Texas-based trucking company whose mission is to become one of the largest trucking companies servicing the United States. The company's strategy is to consolidate its excellent customer and client service by making timely deliveries, hiring the best drivers, and having a competitive pricing structure. Mike's Trucking plans to acquire the best equipment for the job.
>
> Mike's Trucking will focus mainly on the food industry companies in the United States. However, in the future, the company plans to diversify into other industries. In addition, the company will provide its services to the following companies: supply companies, lumberyards, and many other potential companies that use hauling for their cargo.
>
> Companies with whom we compete are Dynasty, Venture, Ace, and ACME. We have a competitive advantage, however, because of our reputation in the industry and competitive pricing of services.
>
> The company is seeking financing in the amount of $125,000 for the purpose of financing the acquisition of trucks, equipment, and funding operating expenses. Projected revenues for 2003 to 2005 are $10,000, $150,000, and $200,000, respectively.