

## From The Editor...

**Business Plans 101.** Business owners who have sought financing to grow their businesses have probably heard Bankers say, “Give me a copy of your business growth plan, and I will take a look at your request.” Typically the business owner has not put a formal business plan together but has some general ideas of what he/she wants to do. Now faced with the need to put this business plan together, the business owner sits down at a computer and “Googles” something like “how to write a business plan.” Did you know that that query will result in 79,500,000 links that have something to do with writing a business plan? All these links are probably pretty good, with some being better than others. Most will include a general template to follow, but at the end of the day the business owner is the one who knows the specifics of his/her business best and what the growth plan is all about.

Usually when Bankers receive the completed business plan, they turn to the financial information section first, because that is the most important section to them. This financial section should detail in clear and realistic terms where the business has been and what the growth plan will generate in additional revenues, what the added expenses will be and how the new debt will affect the balance sheet and the all-important key financial ratios.

Further, how the financing request is structured is fundamental in any business plan. Bankers like to see debt structured to the purpose of the loan. As an example, if the growth plan includes the business needing to purchase new equipment that will last for a number of years but the request is an increase in a revolving line of credit with a one-year maturity, then the payback does not match the useful life of the asset being financed. In this case, a three or five year term would be a much better request.

Many Bankers today do not have much creativity when it comes to matching financial structure with the actual use of the money being borrowed. So, if the request does not fall into their computer modeling programs, the request will frequently be declined without much dialog other than “If it was up to me, I would make this loan, but our committee did not feel comfortable at this time.” What does that mean? You will probably never be told.

So what do you do now? I would recommend that you seek out an experienced business advisor, consultant or mentor with a financial background for your Company: Contact a **Silver Fox Advisor**. Remember, having experience on your side always helps.

We encourage you to visit our Website at [www.silverfox.org](http://www.silverfox.org) or [www.silverfoxadvisors.com](http://www.silverfoxadvisors.com) to select a **Silver Fox Advisor** and also to learn more about the **Silver Fox Advisors**, our **Associates** and their businesses, as well as our great programs and community outreach endeavors. ♦

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