



What a lender reads after your business plan

Description

Your business plan has a job, and it does that job well. It sets out where the business is heading, who it serves, what makes it defensible, and how the pieces connect. It forces you to answer questions you would otherwise postpone. It gives a partner, an investor or a landlord a way into your thinking in twenty minutes rather than twenty conversations.

What it does not do, on its own, is get you funded.

That is worth understanding early, because the disappointment usually arrives at the wrong moment. An owner spends weeks on a plan, submits it, and finds the lender barely mentions it. The plan was not wasted. It simply answers a different question from the one a credit decision turns on. Funding providers assess a file built largely from things your plan does not contain. [BusinessCapital.com](https://businesscapital.com), a national business financing platform with over \$10 billion deployed and an A plus BBB rating, publishes its requirements openly: six months in business, \$15,000 in monthly revenue, a 500 credit score and three months of bank statements. A business plan appears nowhere on that list.

The four things verified separately

Your bank statements. Recent months of business banking sit at the centre of most non-bank applications. Average daily balance, deposit frequency, days the account closed below zero, returned items, and any existing obligations already debiting the account. None of this appears in a plan, and all of it is checked.

Your trading history. How long the business has actually been operating, evidenced rather than asserted. Six months is a common threshold. A plan describing a business that has not started yet has no trading history to verify, which is why pre-revenue funding is a different market with different providers.

Your existing commitments. Other facilities, other daily debits, filings against your assets. These surface during underwriting whether or not you mention them, so mention them.

Your revenue, as banked. Not projected revenue. Not invoiced revenue. Money that arrived in the account.

Why projections get discounted

This is the part owners find hardest, and it is not a judgment about your forecasting.

The U.S. Bureau of Labor Statistics tracks cohorts of new business establishments through its Business Employment Dynamics programme, following each group year by year to measure how many are still trading. Its finding is that [survival rates follow a similar path regardless of the birth year of the cohort](#), and that survival rates vary by industry, with health care and social assistance consistently ranking among the highest and construction among the lowest.

Read that from a lender's chair. The pattern is consistent enough to price, and it is driven by structural factors rather than by the quality of any individual plan. So a lender leans on the things that pattern responds to, which are time in business and sector, and treats forward projections as context rather than evidence.

The plan still matters here. It simply carries a different kind of weight, and forecasting is the one thing no document can evidence ahead of time.

Where the plan does carry weight

None of this means the plan sits idle during a funding process.

SBA and bank applications commonly require one, and for those routes it is a gating document rather than a supporting one. Investors are buying the future, so the plan is the primary artefact rather than the annexe. Landlords weighing a long lease, suppliers considering extended terms, and franchisors assessing an applicant all read plans, and all of them are making judgments your statements cannot answer.

There is also the internal use, which tends to be the most valuable and the least discussed. A plan that sets out what the money is for, what it should produce and by when gives you something to measure the decision against a year later. Being able to explain what the last facility achieved tends to make the next conversation a shorter one.

Making the two documents agree

The most avoidable problem is a plan that contradicts the file sitting next to it.

If the plan projects \$40,000 in monthly revenue and the statements show \$22,000, you have a credibility question to answer before you have a funding question. The same applies to headcount, to the launch dates of things described as already running, and to any cost base that looks lighter on paper than it does in the account.

Go through the plan before you submit anything and check every number that also appears somewhere verifiable. Where they differ, either fix the plan or be ready with the explanation. A well-evidenced discrepancy is fine. An unexplained one is expensive.

Building the funding annexe

The practical move is to treat funding preparation as its own short document that travels with the plan rather than inside it.

Three or six months of statements, depending on what is asked for. A one-page summary of the ask: the amount, the specific use, and how repayment is covered from current trading rather than from the projection. Your entity documents and registrations. A short note on any existing obligations. And a single paragraph reconciling the plan's numbers to the banked ones.

That annexe takes an afternoon. It also means that when a lender asks the obvious question, the answer is already written down instead of being assembled under pressure.

Frequently asked questions

Do lenders read business plans at all? It varies by lender and product. Bank and SBA applications commonly require one. Revenue-based and non-bank lenders may not ask, because their assessment leans on banking history. Even where a plan is not requested, writing one usually improves the quality of the answers you give.

How far back do lenders look at bank statements? Three months is a common request, with some providers asking for up to six. Requirements differ, so confirm before you start assembling documents.

My projections look strong. Does that help? It helps with investors, landlords and partners, who are buying into the future. It carries less weight with lenders, who are assessing whether current trading services the repayment. Strong projections alongside thin banking history rarely change a lending decision on their own.

Should I change my plan to match what a lender wants? Change it only where it is inaccurate. A plan written to flatter an application stops being useful for running the business, which was its actual purpose. Add the funding annexe instead and leave the plan doing its own job.

What if my business is too new to have trading history? Then time is the constraint rather than the plan. Options narrow to personal guarantees, secured arrangements, grants, supplier terms or investment. Building a few months of clean, consistent banking through a dedicated business account is one of the more reliable ways to widen them.

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1. Finance

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1. Business Loan

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