

BUSINESS PLAN

THANH'S BUSINESS SOLUTIONS LLC

Technology Consulting Services

Prepared: 8/11/2025

SBA 7(a) Loan Application

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1. EXECUTIVE SUMMARY

Thanh's Business Solutions LLC is a technology consulting firm specializing in small business digital transformation. Founded in 2021, we provide comprehensive IT solutions, software development, and digital marketing services to small and medium-sized businesses throughout the San Francisco Bay Area.

Our mission is to empower small businesses through technology, helping them compete effectively in the digital marketplace while maintaining cost-effective operations.

We have established ourselves as a trusted partner for over 50 clients, achieving a 95% client retention rate and consistent year-over-year growth.

LOAN REQUEST: We are seeking a \$250,000 SBA 7(a) loan to fund expansion initiatives that will enable us to:

- Increase working capital to support larger client projects
- Invest in advanced technology infrastructure and development tools
- Expand our marketing efforts to reach new market segments
- Hire additional skilled professionals to meet growing demand

FINANCIAL HIGHLIGHTS:

- 2023 Revenue: \$485,000 (32% growth from 2022)
- 2023 Net Income: \$58,200 (12% net margin)
- Current Assets: \$187,200
- Strong cash flow with consistent profitability
- Debt Service Coverage Ratio: 2.1x

MANAGEMENT: Led by founder Thanh Nguyen, who brings 15+ years of technology industry experience, including senior roles at established tech companies and proven entrepreneurial success in building and scaling technology businesses.

MARKET OPPORTUNITY: The small business technology consulting market is experiencing robust growth, driven by digital transformation needs accelerated by remote work trends and competitive pressures. Our target market represents over 50,000 small businesses in the Bay Area alone.

COMPETITIVE ADVANTAGE: We differentiate through personalized service, industry-specific expertise, rapid implementation capabilities, and cost-effective solutions tailored specifically for small business needs and budgets.

2. BUSINESS DESCRIPTION

Company Overview

- Legal Structure: Limited Liability Company (LLC)
- Industry: Technology Consulting Services (NAICS 541511)
- Location: San Francisco, California
- Founded: March 2021
- Employees: 8 full-time, 3 part-time contractors
- Federal EIN: 12-3456789
- California Business License: BL-2024-789456

BUSINESS HISTORY:

Thanh's Business Solutions LLC was founded in March 2021 to address the growing need for accessible, affordable technology consulting services among small businesses. Starting as a solo consultancy, the company has grown to serve over 50 active clients and employ 11 team members.

The company was established following founder Thanh Nguyen's recognition of a significant market gap: while large enterprises had access to sophisticated technology consulting services, small businesses were often underserved or priced out of the market. Our business model focuses on delivering enterprise-level solutions at small business-friendly prices and timelines.

PRODUCTS AND SERVICES:

1. IT Consulting and Support

- Network design and implementation
- Cybersecurity assessments and solutions
- Cloud migration and management
- Help desk and technical support

2. Custom Software Development

- Web application development
- Mobile app development
- Database design and optimization
- API development and integration

3. Digital Marketing Solutions

- Website design and development
- Search engine optimization (SEO)
- Social media marketing
- Email marketing automation

4. Business Process Automation

- Workflow analysis and optimization
- Custom automation solutions
- Integration with existing systems
- Training and change management

3. MARKET ANALYSIS

INDUSTRY OVERVIEW:

The technology consulting industry has experienced significant growth, particularly in the small business segment. According to IBISWorld, the IT consulting industry generates over \$450 billion globally, with small business consulting representing a rapidly growing segment projected to grow at 8.2% annually through 2028.

KEY MARKET DRIVERS:

- Digital transformation acceleration post-COVID-19
- Increased cybersecurity awareness and regulatory requirements
- Growing adoption of cloud-based solutions
- Need for business process automation and efficiency
- Skills gap in technology expertise among small businesses

TARGET MARKET:

Primary: Small businesses (10-100 employees) in professional services, healthcare, retail, and manufacturing sectors within the San Francisco Bay Area.

Market Size: Over 50,000 small businesses in our geographic target area, with approximately 15,000 representing our ideal client profile.

CUSTOMER DEMOGRAPHICS:

- Annual revenue: \$1M - \$25M
- Employee count: 10-100

- Technology budget: \$50K - \$500K annually
- Decision makers: Business owners, operations managers, IT managers

COMPETITIVE LANDSCAPE:

Direct Competitors:

- Large consulting firms (Accenture, Deloitte) - serve enterprise clients
- Regional IT service providers - limited service scope
- Freelance consultants - capacity constraints

Competitive Advantages:

- Specialized focus on small business needs and budgets
- Comprehensive service offering under one roof
- Rapid implementation and response times
- Industry-specific expertise and solutions
- Strong local market presence and relationships

MARKET TRENDS:

- Increasing demand for cybersecurity services (+25% annually)
- Growth in cloud migration projects (+30% annually)
- Rising need for business automation solutions
- Shift toward managed IT services vs. project-based work
- Integration of AI and machine learning in business processes

7. FINANCIAL PROJECTIONS

Three-Year Revenue and Expense Projections

	2024	2025	2026
Revenue:	\$650,000	\$850,000	\$1,100,000
Cost of Services:	\$227,500	\$297,500	\$385,000
Gross Profit:	\$422,500	\$552,500	\$715,000
Gross Margin:	65.0%	65.0%	65.0%
Operating Expenses:			
Salaries & Benefits:	\$280,000	\$365,000	\$475,000
Rent & Utilities:	\$30,000	\$36,000	\$42,000
Marketing:	\$25,000	\$35,000	\$45,000
Professional Services:	\$15,000	\$18,000	\$22,000
Insurance:	\$12,000	\$15,000	\$18,000
Other Expenses:	\$18,000	\$22,000	\$28,000
Total Op. Expenses:	\$380,000	\$491,000	\$630,000
EBITDA:	\$42,500	\$61,500	\$85,000
Depreciation:	\$8,000	\$9,000	\$10,000
Interest Expense:	\$3,500	\$4,200	\$4,800
Net Income:	\$31,000	\$48,300	\$70,200
Net Margin:	4.8%	5.7%	6.4%

8. USE OF LOAN PROCEEDS

Total Loan Request: \$250,000

DETAILED BREAKDOWN:

1. WORKING CAPITAL: \$100,000 (40%)

- Accounts receivable financing: \$60,000
- Inventory and supplies: \$25,000
- Operating cash flow buffer: \$15,000

2. EQUIPMENT AND TECHNOLOGY: \$75,000 (30%)

- Server infrastructure and hardware: \$35,000
- Software licenses and development tools: \$25,000
- Office equipment and furniture: \$15,000

3. MARKETING AND BUSINESS DEVELOPMENT: \$35,000 (14%)

- Digital marketing campaigns: \$20,000
- Trade show participation and networking: \$10,000
- Sales materials and branding: \$5,000

4. FACILITY EXPANSION: \$25,000 (10%)

- Additional office space lease deposits: \$15,000
- Office buildout and improvements: \$10,000

5. PROFESSIONAL SERVICES: \$15,000 (6%)

- Legal and accounting fees: \$8,000
- Business consulting and advisory services: \$7,000

JUSTIFICATION:

This funding will enable our company to capitalize on significant growth opportunities in our market. The working capital component will support our expansion into larger client projects with longer payment cycles, while the technology investment will modernize our infrastructure and improve service delivery capabilities.

EXPECTED OUTCOMES:

- Increase annual revenue from \$485,000 to \$650,000 (34% growth)
- Add 3-5 new full-time employees
- Expand service offerings to include AI/ML consulting
- Improve operational efficiency by 25%
- Achieve debt service coverage ratio of 1.8x or higher

9. REPAYMENT ABILITY ANALYSIS

LOAN TERMS ASSUMED:

- Loan Amount: \$250,000
- Interest Rate: 10.25% (current SBA 7(a) rate)
- Term: 10 years
- Monthly Payment: \$2,705
- Annual Debt Service: \$32,460

DEBT SERVICE COVERAGE ANALYSIS:

	2024	2025	2026
Net Income:	\$31,000	\$48,300	\$70,200
Add: Depreciation:	\$8,000	\$9,000	\$10,000
Add: Interest:	\$3,500	\$4,200	\$4,800
Cash Available:	\$42,500	\$61,500	\$85,000
Annual Debt Service:	\$32,460	\$32,460	\$32,460
Debt Service Coverage:	1.31x	1.89x	2.62x

CASH FLOW PROJECTIONS:

Operating Cash Flow:	\$42,500	\$61,500	\$85,000
Less: Debt Service:	(\$32,460)	(\$32,460)	(\$32,460)
Less: Capital Expenditures:	(\$15,000)	(\$12,000)	(\$15,000)
Free Cash Flow:	(\$4,960)	\$17,040	\$37,540

REPAYMENT SOURCES:

1. Primary: Operating cash flow from business operations
2. Secondary: Business assets available as collateral
3. Tertiary: Personal guaranty and personal assets

RISK MITIGATION:

- Diversified client base (50+ active clients)
- Recurring revenue contracts (60% of revenue)
- Strong market demand and growth trends
- Experienced management team
- Conservative financial projections

The business demonstrates strong repayment ability with improving debt service coverage ratios and positive cash flow trends. The loan will enhance the company's growth trajectory and strengthen its financial position over the loan term.