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ADVISORY

Business Plan

Hearth & Honey Bakery, LLC

Garner, North Carolina

Prepared for an SBA 7(a) small-business loan application

SAMPLE PLAN — ALL FIGURES ARE ILLUSTRATIVE

Prepared by GroundPyle Advisory · groundpyle.com

About this sample

This document is a sample business plan produced by GroundPyle Advisory to demonstrate the structure, depth, and credibility of a lender-ready plan. The business described — Hearth & Honey Bakery — is fictional, created to illustrate how a real engagement is assembled.

Every financial figure in this plan is illustrative and clearly labeled as such. In a live client engagement, each number is built from the client's own records and market data, and each figure is marked as either a confirmed fact or a stated assumption. GroundPyle does not fabricate data, traction, or sources, and does not guarantee funding outcomes.

Where you see "[Verify]", that marks a figure or claim a real applicant would confirm with a primary source (for example, current SBA program terms, local lease quotes, or industry data) before submitting.

This plan is organized in the order a lender reads: what the business is, who buys from it, how it operates, who runs it, how much money is needed, and — most importantly — how the loan gets repaid.

Contents

1. Executive summary

Hearth & Honey Bakery is an established artisan bakery in Garner, North Carolina, seeking an SBA 7(a) loan to open its first full retail storefront. The business has operated profitably for three years as a farmers-market and online custom-order bakery, building a loyal local following and proven demand that now exceeds what its current home-based production can serve.

The owner is requesting $185,000 in SBA 7(a) financing, contributing a $45,000 owner equity injection toward a total project cost of $230,000. Funds will be used for leasehold improvements, commercial bakery equipment, fixtures, opening inventory, and a working-capital reserve.

The storefront is projected to generate illustrative revenue of $445,000 in Year 1, growing to $575,000 by Year 3, with debt-service coverage strengthening from 1.30x to 2.46x over the same period — comfortably above the 1.25x most lenders look for. [Verify: confirm lender's required DSCR.]

Key highlights

- **Proven demand.** Three years of profitable operating history with documented sales and repeat customers.
- **Real location.** A signed letter of intent on a high-visibility retail space in a growing Garner retail corridor. [Verify]
- **Skin in the game.** Owner contributes roughly 20% equity, demonstrating commitment and reducing lender risk.
- **Repayment cushion.** Projected debt-service coverage of 1.30x in Year 1, improving each year.

2. Company overview

Business description

Hearth & Honey Bakery produces handcrafted breads, pastries, and custom celebration cakes using locally sourced ingredients. The brand is known for naturally leavened sourdough, seasonal pastries, and custom cakes for weddings and events. The new storefront will add a small café component — coffee, espresso, and grab-and-go items — to capture daily foot traffic and weekday morning sales.

Mission

To be Garner's neighborhood bakery — a daily gathering place that makes exceptional baked goods accessible to everyday families and celebrates the community's milestones.

Legal structure & ownership

Hearth & Honey Bakery, LLC is a single-member limited liability company registered in North Carolina, wholly owned by its founder. [Verify: confirm entity status and registration with the NC Secretary of State.]

History & traction

Since launching in 2022, the bakery has grown from a single weekend farmers-market stall to a multi-market presence with a steady custom-order business. Illustrative trailing-twelve-month revenue from current operations is approximately $138,000, generated entirely from markets and online orders without a retail location — the core evidence that a storefront can support meaningfully higher volume.

Illustrative figure. A live plan would attach the owner's actual sales records, tax returns, and bank statements as supporting documentation.

3. Products & services

The storefront will sell across four revenue lines, balancing daily-traffic items with higher-margin custom work.

Revenue line	Description	Illustrative share
Breads & daily bakes	Sourdough, baguettes, rolls, daily pastries	35%
Café & beverages	Coffee, espresso, grab-and-go breakfast	25%
Custom cakes & events	Wedding, birthday, and event orders	28%
Wholesale & catering	Local cafés, offices, and event catering	12%

Revenue-mix percentages are illustrative and would be grounded in the client's historical sales data in a live plan.

Custom cakes and catering carry the highest margins and build on the existing custom-order business; the café line is the primary new revenue the storefront unlocks through daily foot traffic.

4. Market analysis

Industry overview

The U.S. retail bakery industry is large, fragmented, and dominated by small independent operators — conditions that favor a differentiated neighborhood bakery. [Verify: cite current industry size and growth from a primary source such as IBISWorld, the U.S. Census, or an SBA industry profile before submitting.]

Target market

The bakery serves three overlapping customer groups in the Garner and greater Raleigh area:

- **Neighborhood households —** families and individuals seeking high-quality daily bread and pastries within a short drive of home.
- **Celebration customers —** couples and families planning weddings, birthdays, and milestones who want custom work from a trusted local maker.
- **Local businesses —** cafés, offices, and event planners seeking a dependable local wholesale baker.

Local market & demand

Garner is part of one of the fastest-growing metro areas in the country, with steady residential development in the surrounding corridors. [Verify: confirm current local population and growth from

U.S. Census / local planning data.] The bakery's three years of market sales provide direct, location-specific evidence of demand that most first-time applicants cannot show.

Competition

Competitor type	Strength	Hearth & Honey advantage
Grocery-store bakeries	Price, convenience	Quality, freshness, customization
National coffee chains	Brand, speed	Local identity, superior baked goods
Other local bakeries	Established location	Existing loyal following, custom niche

5. Marketing & sales strategy

Marketing leans on the audience the business already has, then converts storefront foot traffic into repeat customers.

- **Warm base first —** Migrate the existing farmers-market and online following to the storefront with launch announcements and a grand-opening event.
- **Local social —** Active Instagram and Facebook presence showcasing daily bakes and custom work, where the bakery's audience already engages.
- **Repeat traffic —** A simple loyalty program and email list to drive repeat weekday café visits.
- **Custom-order engine —** Continued wedding and event referrals, plus partnerships with local venues and planners.
- **Community presence —** Local press, neighborhood groups, and community-event participation to anchor the “neighborhood bakery” identity.

6. Operations plan

Location & facility

The planned storefront is an approximately 1,800-square-foot retail space in a Garner retail corridor, configured for a production kitchen, retail counter, and limited café seating. [Verify: confirm square footage, lease terms, and zoning/permits for food service.]

Production

Baking runs on an early-morning production schedule, with breads and pastries made fresh daily. The equipment package (see Use of Funds) is sized to support projected volume with capacity to grow.

Suppliers

Flour, dairy, and specialty ingredients are sourced from a mix of regional suppliers and wholesale distributors, with local sourcing emphasized for marketing and quality. [Verify: confirm supplier quotes and lead times.]

Staffing

Year 1 staffing is illustratively planned at the owner plus the equivalent of four to five full- and part-time roles spanning baking, counter service, and custom-cake decorating, scaling with volume in later years.

Hours

Planned hours are Tuesday through Sunday, early morning through late afternoon, capturing both the morning café rush and afternoon bread and pastry sales. [Verify against local norms and staffing capacity.]

7. Management & organization

The business is owner-operated. The founder has three years of direct operating experience running Hearth & Honey as a market and custom-order bakery, having handled production, sales, customer relationships, and the books personally.

In a live plan, this section presents the owner's full résumé, relevant experience, and a brief organizational chart — the lender is underwriting the operator as much as the business.

Advisors

The owner is supported by a bookkeeper/accountant and intends to engage a local attorney for lease review, plus a business advisor for planning. [Verify: confirm advisory relationships.]

8. Funding request & use of funds

Hearth & Honey requests an SBA 7(a) loan of $185,000, with a $45,000 owner equity injection, for a total project of $230,000.

Use of funds	Illustrative amount
Leasehold improvements & buildout	$70,000
Bakery equipment (ovens, mixers, proofer, refrigeration)	$64,000
Furniture, fixtures, display cases & POS	$24,000
Opening inventory & supplies	$10,000
Soft costs (permits, branding, grand opening)	$14,000
Working-capital reserve	$48,000
Total project cost	**$230,000**
Less: owner equity injection	($45,000)

SBA 7(a) loan requested	**$185,000**

Illustrative figures. Real amounts would be built from contractor bids, equipment quotes, and lease terms.

Loan terms (illustrative)

Modeled at a 10-year term and an illustrative 11.5% annual rate, the loan carries an estimated monthly payment of approximately $2,600 (about $31,200 per year). [Verify: SBA 7(a) rates, terms, and fees change — confirm current figures with the lender.]

9. Financial plan

The projections below are illustrative and built on conservative assumptions drawn from the bakery's existing operating history. All figures would be replaced with client-specific numbers in a live plan.

Three-year projected profit & loss (illustrative)

Line item	Year 1	Year 2	Year 3
Revenue	**$445,000**	**$520,000**	**$575,000**
Cost of goods sold (≈32%)	$142,400	$166,400	$184,000
Gross profit	**$302,600**	**$353,600**	**$391,000**
Staff labor	$140,000	$158,000	$172,000
Owner compensation	$42,000	$50,000	$56,000
Rent	$36,000	$36,720	$37,450
Utilities	$14,000	$14,500	$15,000
Marketing	$11,000	$12,000	$12,500
Insurance	$6,000	$6,180	$6,370
Other operating (supplies, fees, repairs)	$13,000	$14,000	$15,000
Operating income (EBITDA)	**$40,600**	**$62,200**	**$76,680**

Debt-service coverage (illustrative)

Metric	Year 1	Year 2	Year 3
Operating income (EBITDA)	$40,600	$62,200	$76,680
Annual debt service	$31,200	$31,200	$31,200
Debt-service coverage ratio	**1.30x**	**1.99x**	**2.46x**

Debt-service coverage ratio (DSCR) measures how comfortably operating income covers the loan payment. Lenders typically look for at least 1.25x; this plan clears that threshold in Year 1 and strengthens each year. [Verify lender's required minimum.]

Break-even (illustrative)

With a gross margin near 68% and illustrative fixed costs (including debt service), the business reaches break-even at approximately $388,000 in annual revenue — below the Year 1 projection of $445,000, leaving a cushion of roughly 13%.

All financial figures in this section are illustrative. A live plan includes a startup-cost schedule, monthly Year-1 cash-flow projection, and balance-sheet assumptions, each tied to the client's real inputs.

10. Repayment & risk

How the loan is repaid

The loan is repaid from storefront operating income. Even in Year 1, projected operating income of $40,600 covers the approximately $31,200 annual debt service with margin to spare, and coverage improves materially in Years 2 and 3 as the café and wholesale lines mature.

Key risks & mitigation

Risk	Mitigation
Slower-than-projected ramp	Working-capital reserve funds operations through ramp-up; existing customer base reduces cold-start risk
Ingredient cost increases	Menu pricing reviewed regularly; supplier diversification; high-margin custom work offsets
Key-person dependence	Cross-trained staff and documented recipes/processes reduce reliance on the owner alone
Seasonality	Café and wholesale lines smooth the seasonal swings of the custom-cake business

Addressing risk directly — rather than hoping a reviewer doesn't ask — is one of the clearest signals of a prepared borrower.

11. Appendix: assumptions & checklist

Key assumptions (all illustrative)

- Cost of goods sold modeled at approximately 32% of revenue.
- Revenue growth of roughly 17% (Year 2) and 11% (Year 3), tapering as the business matures.
- Loan modeled at $185,000, 10-year term, illustrative 11.5% rate.
- Owner equity injection of $45,000 (≈20% of project cost).

Documents a real applicant would attach

- Two to three years of business and personal tax returns.
- Year-to-date profit & loss and balance sheet.
- Personal financial statement and résumé of the owner.
- Signed lease or letter of intent for the location.
- Equipment quotes and contractor bids supporting the use of funds.
- Business licenses, permits, and entity registration.
