WRITING GUIDE

Readers who do not yet have the advantage of knowing you will judge you by your writing. Pay some attention to what you say and how you say it. What follows is a sample cover letter for a bank loan request. Note how much information is packed into a short letter, and that it focuses on what a banker would most want to know.

Write as you would speak, but just a little more formally. Avoid slang and contractions. Do not try to make it too fancy. Start with a list of the main points you need to get across; then start explaining them. Use only the three basic tenses, past, present, and future. Refer to your business by its name, or "it". Thus, Contoso, Ltd. was formed in 1996 etc., is now called Adventure Works. Use "I" or "we" only when referring to the actions of the individual owners. Write in the active voice and in short sentences.

Executive Summary

ADVENTURE WORKS is a high-end design and remodeling firm with a reputation for integrity, quality craftsmanship, and excellence in management. In three years annual sales have increased to be well over a million dollars.

ADVENTURE WORKS was formed by Brian Groth as a Sole Proprietorship in December 1997. In 1998 a combination of activities involving residential design, consulting, and general construction brought Gross Sales of $250,000.

The Company experienced steady growth since its inception, and incorporated in March 1999, (see Appendix 6, Articles of Incorporation). In 1999 Gross Sales of $750,000 were achieved. In 2000, signed contracts show that Gross Sales are expected to be $1,300,000 (see Appendix 2, current Backlog).

The Company has its address in leased premises at 1234 A Street, Springfield, MD 40523. Its activities fall under the Standard Industrial Classification SIC 1521 and 1522. The owners are Brian Groth and Julie Bankert.

ADVENTURE WORKS is involved in four distinct activities:

1. Architectural Design
2. Residential & Light Commercial Construction
3. Property Services
4. Retail Floor Coverings (see Appendix 4).

Eighty to ninety percent of the Gross Sales are in design and construction. At the moment (May 2000), there are 25 permanent employees on the payroll and 10 subcontracted workers excluding subcontracting companies (see Appendix 1 for resumes).

The company's Short Term Objectives (within the next three years) are to increase activity in all Divisions, and to achieve annual profit, net after taxes, of $200,000 by 2005. Its Long term objectives are: to maintain the level of current business achieved up to 2005, and then to move into historical restorations, more light commercial work, and increased new custom home construction.

To implement these objectives the company needs:

1. A loan of $100,000 at Prime plus 2%. This loan to be used for current near term expenses including _____, _____ and _____ It will be repaid in five years.
2. A line of credit of $50,000 to take advantage of discounts available, avoid associated penalties, and expand into high profit areas requiring positive cash flow.

The prospects for ADVENTURE WORKS' continued growth are excellent, with 2000 construction and design contracts underway already exceeding $550,000 (see Appendix 2, Backlog 2000).

For equity the company has assets of $227,000 (see Appendix 9, Balance Sheet as of mm/dd/2003). Additionally, the company's owners are willing to offer as collateral a second mortgage on a residence with an estimated equity of $150,000. The address of this residence is 456 Oak Dr., Mt. Vernon, CA 31304.

The company's overall objective is to satisfy that market segment that demands integrity and quality construction, and to maintain a steady growth in sales volume that will sustain the company for twenty years. Brian Groth has enhanced his reputation to the point where the company is regarded by many architects as the recommended choice with their clients due to the excellence of its craftsmen and management.

Market research shows that the population in Springfield has increased by 200,000 between 1985 and 2003. This increase in population brought about an increase of 19,850 new single family homes valued at over three billion dollars. This increase gives the area over 128,000 existing homes as a potential remodeling market. Demographic estimates published by the State Office of Financial Management, 2002, indicate that an additional 20,000 persons will need to be housed between 2002 and 2020. ADVENTURE WORKS intends to pursue this market vigorously. (See Appendix 7 for data on anticipated changes in the population of the County).

Financial Objectives

The financial objectives of ADVENTURE WORKS over the next few years are as follows:

	2005	**2005-2010**
Sales	$7,000,000	$10,000,000
Net Income after Tax	$500,000	$1,000,000

Please review the enclosed business plan and loan proposal, and of course feel free to ask for any additional information or explanations you may want. I will call you in about one week's time to arrange an appointment so that we can discuss the loan in person.

I look forward to a mutually profitable relationship with the Woodgrove Bank.

Sincerely,

Brian Groth