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Expert help applying for loans

Small businesses seeking capital get a hand from UD

BY TED GRIFFITH
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Earlier this year, entrepreneur Liz Marden went looking for a business loan.

The co-owner of Gourmet Cakes and Desserts Inc. wanted money to open up a store in Hockessin. She and her business partner, Roger Andrews, now make wedding cakes. But they saw opportunity for growth if they could open a retail location where they could also sell other types of desserts -- such as apple pies and brownies and danishes.

After an initial meeting with bankers, however, Marden said, she realized they needed to do more work if they were to get the loan they needed. They discovered their business plan lacked the type of extensive financial details that bankers want to see before they'll make a loan.

So the two bakers turned to the University of Delaware's Small Business Development Center for help. The business development center this year established a "loan-packaging" program designed to help small business owners prepare their loan applications. The Delaware Bankers Association has helped the business development center with the program.

The business development center, which has offices at Delaware State University in Dover, Delaware Technical & Community College in Georgetown and at the University of Delaware in Newark, doesn't charge business owners for the loan counseling assistance.

Applying for a business loan can be a daunting prospect, but the task becomes easier with some expert guidance, said Clinton Tymes, the business development center's state director.

"What we're doing with the program is demystifying the loan process," Tymes said. "We want to get businesses better prepared to access capital that's available."

William Pfaff, director of the business development center in Georgetown, said counselors work with business owners over several months to help get them ready to make their case to bankers. He said most of the focus is on honing the business plan, which must document the market opportunity for the business and show how it will capitalize on that opportunity. Without a thorough business plan, prospective borrowers won't be taken seriously, he said.

Marden of Gourmet Cakes and Desserts said one of the business development

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Liz Marden and Roger Andrews got the loan they needed to open their store in Hockessin thanks to help from the Small Business Development Center.

FYI

For help in preparing a business loan application, contact one of the Small Business Development Center's offices:

Dover: **678-1555**

Georgetown: **856-1555**

Newark: **831-1555**

counselors, Robert Rausch, helped her develop a more detailed business plan, including more information about the market opportunity for the business.


"Our business plan went from less than an inch thick to more than four inches thick," she said.

Marden said the counselor also helped her and her partner understand how much they could realistically expect to borrow. Ultimately, they settled on \$250,000, an amount Wilmington Trust agreed to lend in June. The store location on Old Lancaster Pike in Hockessin is now under renovation, and Marden said they're hoping to open up within three months.

"We really learned about how to present ourselves to the bank," Marden said. "I'd recommend this program to any small business owner."

Contact Ted Griffith at 324-2880 or tgriffith@delawareonline.com.

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