

GETTING READY FOR BUSINESS



Consulting: Pre-Opening Tasks

As we said, factoring brokers come in many shapes and sizes. Many will simply be individuals seeking to supplement their income from a current profession such as bookkeeping, tax preparation, insurance, financial planning, etc. Others will be looking forward to a more career-oriented industry participation on a full-time professional level. So, how you set up your business and business office will naturally depend on your personal business goals. Regardless of those goals, however, you will at least need the following:

- A well thought out work space (home office or commercial space)
- Computer and printer (desktop, laptop, or both)
- Software (several specialty software products)
- Telephone & answering system (hard line preferable with cell backup)
- Apparel (business suits for both men and women)
- Vehicle (dependable and visually acceptable)
- Storage space (and lots of it)



**WHAT ARE
YOUR GOALS?**



All of the previously mentioned are business essentials and if you are seeking to enter the industry on a truly professional basis, there are few benefits in being overly frugal here. You should also avoid, however, going completely overboard and burying yourself in debt. Simply get the best you can afford. After you land your first deals, you can upgrade these basics as required. You will however, need all in some form or fashion to get started on any kind of an operational basis.

Creating Your Business Identity

One of the first hurdles you will need to tackle is choosing a good name for your new consulting business and there are several important business name characteristics to consider including:

- **PROFESSIONALISM:** You are not about to open up a neighborhood lemonade stand but rather a very prestigious financial business as a highly compensated freelance consultant. When choosing a name for your consultancy, think very professional, not gimmicky.
- **NAME LENGTH:** You will be using your business name on business cards, letterhead, advertisements, and your website. In many cases, exceptionally long business names can cause unforeseen marketing problems such as when you are placing column width classified ads.
- **DOMAIN AVAILABILITY:** If you haven't already done so, you will very shortly be purchasing a website domain (your address on the internet) and here, shorter is always better. When exploring business names, you should immediately check to see if a domain is available that either matches your business name or one that represents a shortened version of it. It should also be available with the TLD extension of .com You want to avoid extensions such as .net, .biz, .us, etc.
- **CHECK FOR TRADEMARKS:** Make certain your name does not infringe on a registered trademark. This is easily done at the website of the U.S. Patent and Trademark Office. <http://tmsearch.uspto.gov>

**CHECK DOMAIN
AVAILABILITY**

**CHECK FOR
TRADEMARKS**

- **CHECK YOUR STATE FILINGS:** Businesses operating in any name other than that of the owner will be required to file or register that name with the state. They may be registered as a corporation, LLC, partnership, or simply as a DBA (doing business as). Check to see if your business name choice is already active and not available. If you decide to incorporate or form a partnership, get some legal and/or tax advice from a competent professional. Most brokers operate as an LLC, but that election may not be the right one for you. Get advice!



Using a Business Name Generator

When choosing a business name as a consultant, one good option is to simply use your own name much like an attorney, CPA, or similar professional. For example, if your last name is Smith, names such as Smith Business Capital, LLC or Smith Capital Associates, LLC are more than acceptable. But if you're trending towards something a little more creative, you can get some great ideas from an online *Business Name Generator*.

**BUSINESS NAME
GENERATOR**

Using your favorite internet search engine, type in "free business name generator" and you will find a host of these useful tools available to you. With a *business name generator*, all you do is type in a word or two that you want your business name to contain and the generator works its magic, displaying thousand of combinations and suggestions. Many generators will not only generate suggested business names, but will also check to see if that particular domain name is available for your company website.

Before using a business name generator, it's a good idea to do a little searching on the internet for financial websites first, so you can select a few "key" words or combinations you might like in your business name. Many will give you great ideas to help get started. Financial companies tend to use names that project strength and trust. Use your favorite search engine and search the words "factoring" along with a major city such as "Miami". You will pull up dozens of companies offering factoring services and make note of the components of their name. Take some time to visit sites and research names and common combinations.

**COMBINATIONS OF
KEY WORDS**



Registering Your Website URL

Once you have settled on your business name, you need to immediately reserve your URL. This will be your website's "www" address on the web. On the internet, there is no room sharing. Only one entity can have a particular address (called a URL). If the one you want is already registered, you will need to select another.



Even though you have the legal right to use a business name in your state, the internet is a world stage.

Someone, somewhere, may already have registered the domain you want. To check to see if a particular domain is still available, you can go to IACFB's www.dmswebhost.com

Here are a few rules, helps and hints in choosing your URL:

**MOST IMPORTANT
PART OF A DOMAIN**

- There are several parts to a URL. Only two, however, are of significant importance to you. The most important part is called the "label" or simply "domain". That is usually your business name or some abbreviated version of your business name such as "smithassoc" or "atlantabizcap". Its the part that goes between the dots in your URL.
- The second most important part is called the TLD which stands for "top-level domain". This is the part that goes after the second dot and is most often "com". So a typical domain may be something like "smithassoc.com".
- The third and fourth parts are of little importance to you. The "http" part stands for *Hyper Text Transfer Protocol* and is used to identify a particular location on the internet. The "www" part is a sub-domain that tells the world your particular location is the *World Wide Web*.

**ALWAYS SELECT .COM
IF AVAILABLE**

**ONE MISTAKE EVERY
SEVEN KEYSTROKES**

When selecting your website's domain, always remember that shorter is better. The average web visitor makes a mistake of some kind every 7 keystrokes. Although the label portion of a domain can legally be as long as 63 characters, having such a long domain is just asking for trouble. A very long domain means many potential visitors (clients) may never find you. So when it comes to your website's domain, shorter is always better. Make it as short as possible while still maintaining your business identity.

Another reason for shorter domains is you will be using them in classified ads and other important marketing materials. In some cases, fitting long domains into available ad space will require fonts of such a reduced size, that they are almost illegible.



Also be aware that when shortening your domain, it is easy to generate completely unintended (and occasionally unsavory) words as you abbreviate. Once you think you have created a good domain and one which is available for registration, step back and look at what you've created. Your domain will be imprinted on every type of marketing support item you create such as brochures, flyers, business cards, etc. If you make an embarrassing mistake when creating your domain, it can cost hundreds or even thousands of dollars to correct later.

UNINTENDED CONSEQUENCES

Business Email Options & Setup

Now that you have a business name and web address, you need to set up a business email address. Here again, you have several choices. Some good...some bad.

- **PERSONAL EMAIL:** This is usually a very bad choice. Avoid it!
- **FREE BUSINESS EMAIL:** Often you can get a free email address through providers such as *Gmail* or *Yahoo* that relates closely (or exactly) to your business name.
- **EMAIL FORWARDING:** This is usually FREE or very inexpensive and is provided by your domain host. It is a "mask" of your personal email and is receive only.
- **DOMAIN HOST BUSINESS EMAIL:** This is a true business email associated with your domain name usually of the POP3 or IMAP variety. Domain associated emails are provided by your domain host and will look something like *info@mydomain.com* or *joe@mydomain.com*. This type of business email is a true send / receive email address and a great marketing tool. It is very inexpensive and we will talk a little more about how to use this email for marketing in the next chapter on business development.

SEND / RECEIVE BUSINESS EMAIL





Choosing an Office Location

Another early decision you will need to make is where you will operate from and just what type of office you will have. Here, you really have three choices.

- **HOME OFFICE:** Utilize a current home office or establish a new one in your residence
- **EXISTING COMMERCIAL OFFICE:** Use an existing office you already use related to another profession
- **NEW COMMERCIAL SPACE:** Lease or rent new office space

MOST COMMON OFFICE CHOICE

For most new freelancers just starting out, the most common choice for initial operation is a home office. This is simply because it is both convenient and will almost always come with few “visible” costs. With a home office, you will certainly save on rent, utilities, time spent commuting, and probably some furnishings. This is all good when start up capital is at a minimum. A home office does, however, come with its own set of problems.

INVISIBLE COSTS OF A HOME OFFICE

As an independent freelancer, YOU MUST BE PRODUCTIVE and home offices are famous for providing distractions which can significantly impact your performance and overall industry success. Such negative attributes of a home office can be looked at as the “invisible costs” of working from home. And, such costs can be significant. So if you have decided to work from home, these invisible costs must be addressed and overcome.



Work From Home Productivity Killers

After selecting a location and laying out your home office, try to avoid the following pitfalls and productivity killers when working from home.



- **Distractions:** Avoid distractions such as the need to do a load of laundry or vacuum a floor. Install a highly visible wall clock in your office and avoid the rest of the house during your set hours of operation.
- **Poor Dress:** Shower and dress for work every day. This does not mean you have to put on a suit and tie. But, don't attempt to work in your pajamas either.
- **Boredom:** If you find yourself getting bored or losing interest in work, take a break. Head to a coffee shop for "intermission". As you will learn in the later chapter on marketing, you should always try to schedule a networking opportunity around lunch. Get some breathing space.
- **The Dungeon Effect:** Locating a home office in a room without a window is a sure way of killing productivity. Natural daylight is a productivity enhancer and the best type of lighting for your office. If you have a window with a view, it will provide you with a way to take an occasional "brain break". You will need additional task lighting, of course, for cloudy days and after hours work. Stick with "natural daylight" shades of light and avoid harsh types of lighting that produce an uncomfortable glare.
- **Television:** Background televisions (for news only) can offer small benefits by providing you with mini-breaks, but limit listening to "news only" type programming. Catch up on world events during office hours. You need mini-breaks at least every hour.

DUNGEON EFFECT



**BACKGROUND
NEWS PROGRAMMING**



Moving to Commercial Office Space

There are tremendous benefits to be had for factoring brokers when operating from certain types of commercial space. You will likely need to sit down and have a serious talk with yourself, however, before making such an expensive plunge. Considerations will include:

- **CASH FLOW:** Can you afford rent, utility expenses, new furniture, and still pay your current living expenses?
- **SKILLS:** Do you have or are you determined to develop the necessary skills required to succeed as a career broker so you can justify such a move and long term expense?
- **DETERMINATION:** Do you have the determination and perseverance to succeed as a factoring consultant on a truly professional level?
- **FULL TIME COMMITMENT:** There is no real reason to opt for commercial space unless you are focused on the business full time. If you are simply operating part time, the home office route is probably right for you.

**FULL TIME
COMMITMENT**

If you have doubts about any of the above, confine yourself for the time being to your home office. Wait until you have landed your first deals, have some residual commission income coming in each month, and can comfortably afford the additional expense which comes with a move to commercial space.

Gauging the Benefits of Commercial Space

Let's start out by saying this: a home office provides a perfect launching pad for almost every factoring freelancer. It's easy. It's convenient. It's cheap. But if you've decided your residence can no longer provide you with what you need for productivity or if you find that not having meeting space or an assistant is crippling your marketing efforts, you may need to look at the commercial option. If located properly, good commercial space can lead to walk-in business. And, one or two average walk-in clients per year can completely cover the expense of your commercial space and more.

**WALK IN
CLIENTS**

Choosing the Right Location



Having a commercial address will add enormous amounts of credibility to even the smallest consultancy. Your status as a true industry professional will be enhanced dramatically. Not all commercial space is created equal, however, when it comes to your unique area of consulting. Before you sign on the dotted line, here are some tips, ideas and good recommendations for what will benefit you the most as a freelance factoring consultant.

- **BANK SPACE:** When a local bank builds a new building they will always overbuild for future expansion. Until they actually need the space, it will be leased. Such space is perfect for your business. The opportunities for networking and relationship building with loan officers will be endless. If you are looking for commercial space, look for space within a bank. You simply cannot do better than this.
- **ACCOUNTING FIRMS:** Space adjacent to large accounting firms runs a close second to banks. CPA's and accountants can send a great deal of business your way once they get to know you. Its unlikely you will find space within the premises, so look for space next door or in close proximity to a large accounting firm.
- **EXECUTIVE SUITES:** Executive suites are a group of small to mid-size offices housed within a large commercial building. They provide not only a private office, but come with extensive "common" amenities. These amenities will include a reception area with receptionist, conference rooms, lunch area, bathroom facilities, business services room, and an adequate parking area. An executive suite can be an excellent choice if located in the "mover and shaker" part of town with many good networking opportunities.
- **LAW FIRMS:** Fourth on our list would be law firms involved with business law. All the same benefits apply and especially those firms heavily involved in corporate bankruptcy filings and reorganizations.

**BANKS WILL
OVERBUILD**



**CONFERENCE ROOMS
AND COMMON
AMENITIES**



When choosing a commercial space for your brokering business, one of your primary considerations should be networking and walk-in traffic. Gauge what networking benefits and walk-in opportunities this particular location has to offer. For example, locating your office near or adjacent to small business assistance organizations such as the local SCORE office or a local small business incubator can be a real goldmine for referrals and prospecting. As you build relationships with the staff of such organizations, the opportunities to participate in workshops and educational seminars will be never ending.

INVESTIGATE LOCATIONS

So the rule here is this. If you decide the time has come for commercial space, don't just lease a cheap "anything". Spend some time investigating the best opportunities for a new location. A few extra hundred dollars a month is a very small price to pay for the right location if it leads to a bonanza of networking opportunities, referrals, and walk-in traffic.

Designing the Perfect Business Card

With your business name, business address, web address, and email address in hand, you can now have your business cards printed. Do not take business card design lightly. Business cards are a very powerful, yet inexpensive prospecting tool if designed correctly.

Your business cards should be printed on a quality white or cream colored stock. No wild colors and nothing flashy. They should scream out "I'm a professional". But now the good part.

In marketing, there is an old adage that states:

Prospecting is all in the questions.

Sales is all in the solutions.

And nothing could be more true. Make certain your card includes a list of product areas. When someone receives your card, you want them to ask: "What's factoring?"



You want a business card that makes the receiver ask questions about you and your business. Questions you can provide answers to. Questions that lead to excellent relationship building opportunities. And your business of factoring broker is perfect for this powerful marketing tool, if your business card is properly designed.



Productivity Tools You Will Need

Now that you have an identity and an office, its time to start creating or setting up the productivity tools you will need when you open your doors and begin your business development efforts. Some can be considered optional if you are going to farm out certain work, such as the production of your brochures, for example. These productivity tools include:

CRM: AN INDISPENSABLE MARKETING TOOL

- **COMPANY WEBSITE:** From your first day you will need a well designed company website.
- **WEBSITE ANALYTICS:** This is free and used to track responses to your business website's various pages.
- **EMAIL MARKETING SERVICE:** Used to manage your e-lists for newsletter and bulletin distribution.
- **A CONTACT RELATIONSHIP MANAGER (CRM):** This is a completely indispensable tool used to manage your lists, marketing campaigns, and relationship building processes.
- **BROCHURES & FLYERS:** You will need at least one quality brochure when you open your doors. Flyers and brochures can be created "on the fly" as you develop particular marketing campaigns.
- **ENVELOPES, REPLY ENVELOPES, AND LETTERHEAD:** Envelopes (#10), and reply envelopes (#9) are a must for general correspondence. Any mid-grade stationary will due, since you will be printing this as letterhead using your own computer when required.
- **WORD PROCESSOR OR PUBLISHER SOFTWARE:** You will naturally require some version of word processing software such as *Microsoft Word* or *Publisher*.





**WEBSITE IS
CRITICAL
COMPONENT**

Your Virtual Office: Setting Up Your Consultant Website

Of the many tasks which must be performed prior to opening your doors for business, setting up your business website is probably the most important. There is no option here. For anyone operating as a consultant, part-time or full-time, a business website is required. And you should not wait until well after you are completely up and operational. Way too many lead-generating activities are tied to your website, so it needs to be published and available for viewing well before you pass out your very first business cards.

What Your Site Should Contain

There are all types of websites. They can be very professional and laid back or they can feature audio, video, and all sorts of interactivity. And, they can be expensive to construct. But, there's good news here. For factoring brokers and commercial finance consultants, your business website does not need to be complex. In fact, a great professional website for consultants is a relatively simple affair. The pages your site should contain include a (an):

- **INTRODUCTION:** also known as a *Home* or *Index Page*.
- **PRODUCTS:** a page for each of the five “core” product areas (factoring, asset-based lending, purchase order finance, merchant cash advance, micro-loans).
- **CONTACT:** a page with your phone, fax, email address, etc.
- **APPLICATION:** a page containing an online application, a downloadable PDF application, or both.
- **INVITATION:** sometimes known as a “squeeze page”, this is a special marketing page used in conjunction with direct marketing and especially direct mail marketing.
- **REFERRAL:** referrals will be a big piece of your business and you will need a page which promotes them.
- **BLOG:** an integrated blog. Blogging is one of the most powerful networking and relationship building tools available to freelance consultants of all kinds.

**ALWAYS INCLUDE A
SQUEEZE PAGE**

Other Features Your Site Should Contain



In addition to pages, there are several features your business website should contain.

- **NEWSLETTER SUBSCRIBE FORM:** Publishing a newsletter is a very potent lead-generation tool and you should make it easy to subscribe with a short form right on your site.
- **OFFERS:** Your website is like a funnel and gathers leads from your *offers*. You must always have some form of offer on your site that visitors can request. Offers can be a FREE report or white paper, a case study, short booklet, etc., but an offer of some kind must always be present.
- **CALLS TO ACTION:** Every page in your website should contain a *call-to-action*. It might be as simple as a "contact us" link for more information or it might be a request for your current offer.



What Your Site Should Not Contain

We'll talk more about how to use your site for business development and the importance of your invitation page (squeeze page) in the *Learning Lab*. For now, get your site up and running. But when doing so, there are several things you should avoid during the building process. These include:

- **TOO MANY POP UPS:** 95% of web users report a negative or very negative experience regarding sites having pop ups. Use pop-ups sparingly such as when giving away a FREE booklet or report.
- **UNRELATED ADS:** Though allowing ads on your site can generate a little revenue, the last thing you want is to have a visitor click on an ad and leave your site. NO ADS!
- **LINKS TO OTHER BUSINESS VENTURES:** Many factoring brokers operate multiple businesses. It is not unusual for such active mobile creatives to have a website for each venture. Resist the urge to link them. NO LINKS!

TOO MANY POP UPS

**NO LINKS TO
OTHER VENTURES**



Optimization Your Site for Search Engines

After you have published your site, it is likely you will receive multiple emails from various *search engine optimization* (SEO) companies who, for \$500 or more, will optimize your site for a higher ranking on search engines. You should probably avoid such companies at all costs.

WEBMASTER TOOLS

There is little mystery on how to optimize your site for search engines. We can't go into all of the tricks of the trade here, but *Google* tells you exactly how to do it in their published *Webmaster Tools and Guidelines* which are available to anyone. Proper use of page titles, page descriptions, and headings (H1 and H2 tags) generally does a pretty good job of basic SEO.



Page titles and metatag descriptions of each page are very important and the use of a little common sense here goes a long way. If you have set up your consultant business in Miami, Florida, for example, don't just title a page; *Factoring for Your Small Business*. Make the title something like; *Small Business Factoring Services in Miami*.

Although there are no geographic boundaries for factoring brokers when it comes to website marketing, try to focus your site's attention on your local market if possible. That way, if a small business owner in Miami is typing in "*factoring services Miami*" in a search box, your site is much more likely to be displayed early in the page rankings.

Also, it's very important to understand the primary function of your website. Your site is published to support your inbound and outbound marketing functions, not to generate leads on its own simply due to its existence. If it turns in a few quality prospects for factoring every few months due to searches, consider that a welcome marketing bonus.

IMPORTANCE OF BACKLINKING

An important component in your site's search engine ranking is also backlinking. The more internet links which point to your site, the higher your ranking will become. This reflects on the importance of authoring short articles on factoring and small business finance.

Adding Analytics to Your Website



One of your primary marketing tasks as a consultant is list building and driving traffic to your website, where visitors can download or subscribe to an offer. Wouldn't it be nice to be able to gauge the effectiveness of such marketing campaigns almost immediately? Well you can. You simply need to add a website analytics program such as *Google Analytics*. <https://google.com/analytics>

Google Analytics is website analytics service that tracks and reports the traffic to your website's pages. It is a "freemium" service with basic subscription being free and then offering additional add-on features for a slight fee. It is the most widely applied analytics service on the internet, being used by approximately 50% of the top 1,000,000 visited websites. One of the best features about *Google Analytics* is its online training programs. This is a complex feature, no doubt. But you can learn to use all of its many benefits in just a few hours thanks to the excellent online training tutorials provided at the *Google Analytics* website.



With analytics installed on your website, you will be able to accurately measure visits to the site and even to particular pages as a result of your various marketing campaigns. For example, if you create a direct mail campaign using a list of staffing companies in your area and offering a FREE report or FREE case study, you can measure the number of visits to your website's *squeeze page* and also see how many downloaded the actual report. With the statistics in hand, you can then initiate a "warm call" follow-up program to contact this new response list or even use the list for invitations to an upcoming workshop or seminar.

**MEASURE VISITS TO
YOUR INVITATION PAGE**

Probably the most important reason to have a good analytics program installed on your website is simply to determine which marketing campaigns are working and which are not. With analytics, for example, you can test a direct mail program's effectiveness by just investing in a small sample mailing of perhaps 250 pieces. If the analytics report shows the results of the small mailing were successful, you can then feel confident launching a larger campaign.

**TEST DIRECT MAIL
PROGRAMS**



Your Email Marketing Service

OPT-IN ONLY

An email marketing service company is simply a business that provides what the name implies, bulk email services. An email marketing service helps to organize your email campaigns and contact lists. Its very important to note, all email marketing services require the names you add to your list to be “opt-in”. Or in other words, your lists cannot contain email addresses you simply collected, purchased, or picked out of thin air.

FORM BUILDER AVAILABLE

All email marketing companies will have a suite of ready-to-use templates for your newsletters and bulletins. They are very easy to edit and modify. Of even greater importance, your email marketing service will have a “form builder” for your website. The form builder will generate the html code necessary to display an opt-in form

for visitors to complete. Simply paste the code into your site’s html and you will have an opt-in form which will automatically add a subscriber’s name to a pre-defined list you’ve created. You can also add an automatic “Welcome” email which will be sent to your website visitors right after they subscribe.



Even though you may not publish a monthly e-newsletter on day one of operation, you need to start building e-lists of visitors to your website specifically for that purpose. An email newsletter does not carry the weight of a print newsletter, but it is an essential prospecting tool that provides you with the opportunity to display your small business finance expertise to thousands or even tens of thousands of prospects and sources of referral each and every month with the push of a button.

REVIEWS AND SERVICE COMPARISONS

There are dozens of quality email marketing companies for you to select from and one of the best ways to compare is to simply do an internet search for reviews of email marketing service providers. You’ll find lots of comparisons and recommendations based on price and services. Most will have a “free look” period of up to 30 days where you can try the program at no cost. Another important consideration when making a final selection is your CRM. Many contact relationship managers have built-in “integration” with certain email service providers and such integrations can save hours of work each month caused by duplicating contact entries.

Investing in a CRM System

When it comes to software for your business, nothing will be more important (or necessary) than investing in a *Contact Relationship Manager* or CRM. In fact, if you are entering the industry with a career focus, you simply cannot operate without this essential prospecting and marketing management tool. CRMs are indispensable organizers for your lists and relationship building efforts.

A CRM is a software system, either located on your computer or cloud-based, in which you will store information about every aspect of your factoring broker business. It will manage your:

- ⇒ **CONTACT / RELATIONSHIP BUILDING PROCESSES**
- ⇒ **ACTIVITIES SCHEDULES**
- ⇒ **MARKETING CAMPAIGNS**
- ⇒ **PROSPECT LISTS**
- ⇒ **LENDERS DATABASE**

You will find you need a CRM from day one of operation and actually, even while you're learning the business. You will, for example, be visiting the websites of hundreds of factors and lenders, building a lenders database as you explore and categorizing each lender by its specialty areas of services. You will be building group lists of small business assistance organizations such as local SBDCs. (Small Business Development Centers). As you meet individuals from such organizations, you will create a record for each and begin the highly important relationship building process.

Established industry brokers with 3 or more years in the industry, can easily have thousands of prospects and sources of referral recorded in their CRM. Some truly seasoned brokers with over 10 years experience can have over 10,000 contacts. There is simply no way to organize such numbers effectively unless you do so electronically. A first task as you set up your office and factoring broker operation is to research and purchase a quality CRM.



**YOU'LL NEED A CRM
FROM DAY ONE**



Flyers and Brochures

You'll find an almost immediate need for a quality brochure and probably several flyers when you begin your marketing efforts as a broker. If you have a little design experience and software such as Adobe's *InDesign* or *Microsoft Publisher*, a quality 3-panel brochure is not very difficult to create.



If you don't have any design experience, you can create inexpensive brochures using pre-printed brochure stock from companies like *Paper Direct* (www.paperdirect.com), *Stock Layouts* (www.stocklayouts.com) and many others. With such companies, you'll simply order pre-printed, nicely designed brochure stock and then fill in the blanks using your computer and word processor.



Request Our FREE Booklet... "When Banks Say NO!...The Small Business Guide to Factoring" from our website or contact us directly by phone.

Can't Say Yes to That Lucrative Contract?

With the economy in full recession and bank credit more difficult to obtain than ever, obtaining working capital for a small business can be a daunting task. And, good contracts and opportunities are scarce. Often, a great contract or job opportunity means 45 day, 60 day, 75day or even longer payment terms. This means that you will have to carry your "exploding" payroll while waiting for that first check to finally come in.

For many startups and young companies with a limited cash on hand, such contracts seem to be simply out of reach. But that is often not the case. Establishing an Accounts Receivable Factoring arrangement for your business can:

- Provide weekly advances against invoices so you can make payroll
- Help you meet 941 tax payments
- Give you working capital to pay suppliers on time (and take discounts)
- Allow you to seek out contracts with those creditworthy but slow paying large customers you have avoided for years

Factoring is the financing mechanism of choice for many small businesses in today's challenging economy and you can find out more by visiting our website and requesting our FREE Booklet... "When Banks Say NO!...The Small Business Guide to Factoring."

When you begin marketing in earnest, you will find uses for dozens of specialized flyers and brochures which target specific groups or industries. For example, you may have a unique brochure for service companies or may take it even one step further and have a specific brochure for staffing companies, maintenance companies, guards services, and many others. Brochures and flyers are strong marketing tools and you will need at least one tri-fold or bi-fold brochure from day one.

DRIVE VISITORS TO YOUR WEBSITE

Brochures and flyers are also great tools for driving visitors to your website and will help immensely with your list building and email marketing efforts. Make sure your brochure contains a quality call-to-action free offer such as a booklet on factoring, factoring case study, or similar white paper. Have your contact information located in a panel on the back of the brochure and make certain your web address is printed on the brochure at least two times.

HAVE A GREAT PROBLEM HEADLINE

To draw attention to your brochures and flyers, always have a great "problem" headline that a business owner can understand. Get the reader's attention and then present the solution to the problem (factoring) on the inside panels. Brochures are a visual sales tool so use lots of meaningful and colorful graphics along with your copy.

Envelopes, Reply Envelopes, & Letterhead



When it comes to marketing, envelopes, stuffers, brochures will all be very special in design. You will, however, need some very basic office supplies for everyday communications. This will include:

- **ENVELOPES:** Plain white envelopes (#10) imprinted with your business return address. No more than a hundred.
- **REPLY ENVELOPES:** Plain white envelopes (#9) imprinted with your return address. No more than a hundred.
- **LETTERHEAD:** A decent quality letterhead with all of your contact information (including web domain). This can usually be printed as needed if you have *Microsoft Word* or a similar word processing product .

Your goal here is simply to give a professional appearance on the rare occasion a regular letter is needed without breaking the bank. You will be surprised at just how little of this stock you'll really use in today's electronic world.

Additional Essential Software

Microsoft Office software is almost required for those seriously in the business of consulting. There are several different *Office* packages available but you will certainly find you need both *Microsoft Word (or Publisher)* and *PowerPoint*. You will find you need *Word / Publisher* for documents such as brochures, flyers, case studies, workshop handouts, etc. You will need *PowerPoint* for your workshop slide presentations. In addition, you will also need to be able to open *Word* documents (such as your Broker's Agreements) that are sent to you via email in *Word* format.

**ALMOST REQUIRED
SOFTWARE**

If this suite of programs was not installed on your computer when you purchased it or you did not upgrade to it at a later date, *Microsoft* now offers an annual cloud subscription version which can be downloaded for considerably less than purchasing the entire *Office* suite. If you have a laptop you intend to use for workshop presentations but also have a desktop for your office, you will need a subscription that allows at least two downloads since you will want *PowerPoint* installed on both systems.

CLOUD VERSIONS



NOTES

Take a "Soft Skills" Inventory

Very few (if any) individuals entering the business development side of the factoring /asset-based finance industry, are prepared to do so from day one. Real success as a factoring broker requires a unique combination of both hard and soft skills which seldom appear naturally, nor can they be found in a description of any college major or similar concentration of studies.

That's probably good news for industry "newbies", since most entering the broker community will have no significant advantage

over others. For example, university graduates majoring in finance and even MBAs will have little real knowledge of factoring. And the very few that may have some knowledge of the inner workings of factoring and other business finance alternatives will likely have developed none of the "soft skills" necessary to succeed on the business development side. In almost every case, such

skills will need to be developed by you over time.



SELDOM COME
NATURALLY

MUST BE DEVELOPED
OVER TIME

There are dozens of skillsets and personal traits which are defined as *soft skills*. But for those launching a business as a freelance factoring broker, there are several of really premier importance where you will need to focus some attention. These are:

LEARN TO SPEAK
FLUENTLY

- **PERSONAL SPEAKING SKILLS:** You must have a good command of the English language and there really are NO exceptions here. You should both speak and write fluently. If you need to upgrade your speaking skills, start doing so immediately and there are hundreds of free or inexpensive methods available There is no way to project the professional image required in this business and build the right kind of relationships necessary if you cannot speak fluently and write skillfully.
- **PRESENTATION SKILLS:** Developing your small audience presentation skills will add thousands to your income each and every year. GOOD NEWS: You will probably find as you develop your language skills, your presentation skills will improve right along with them.



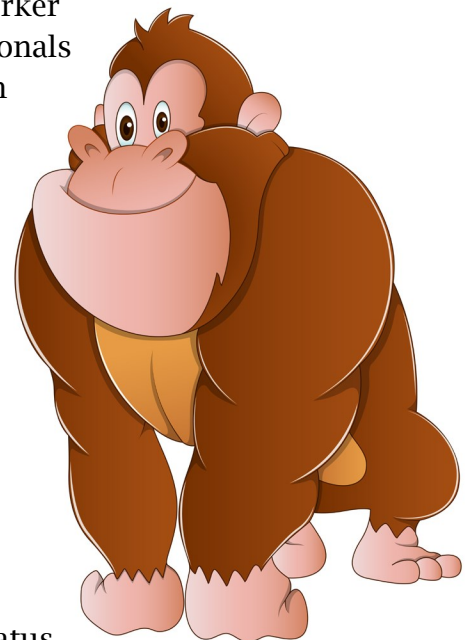
- **SELF CONFIDENCE:** This is another personal trait and necessity which will probably improve substantially as you improve your speaking and communications skills. From a purely "hard skill" product knowledge standpoint, passing the broker *Proficiency Exam* at IACFB will go a long way in providing you with the self confidence you will need to project your expert status when networking with local professionals.
- **PERSISTENCE & PERSEVERANCE:** Those that can overcome challenges and deal with obstacles will find a much easier path to success. This is especially true when you are first starting out. The exceptional income potential which accompanies successful entry into this industry is waiting for those self-starters that have determination and can stick with it.
- **NETWORKING / RELATIONSHIP BUILDING SKILLS:** The ability to be both interesting and interested at the same time in conversations is important. Building relationships based on an "expert status" in your field will go a long way in creating the fertile ground required for developing profitable referral networks.

PERSISTENCE AND PERSEVERANCE

THE 800 POUND GORILLA IN THE ROOM

As you will learn in the following chapter on marketing, face-to-face networking is the 800 pound gorilla in the room. In fact, if you can become a talented networker and successfully build relationships with professionals you meet in banking, accounting, and law, and can combine that with perseverance, it will only be a matter of time until your business succeeds and succeeds in a big way.

- **WRITING SKILLS:** Solid writing skills are one of the more difficult soft skills to develop. If you are one of the many chattering away on social media, you are probably losing your grammatical competence faster than it can be replaced. When it comes to networking, being "published" will help significantly in establishing credentials. If you lack good writing skills, look into taking a local college course or two to help develop them. They will assist you in establishing your expert status.





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Is It Time for a Personal Tune Up?

A career as a consultant in factoring and commercial finance means you will be engaging with all types of individuals and many on a very professional level. As we said, having good communication skills is essential. But just as important is how people perceive you when you walk into a room. Do you project the image of a true professional? If not, you may need a “personal tune-up”.

As it is always said, *you only have one chance to make a first impression*. And you will find that making a good first impression will make the processes of networking and relationship building just that much easier. We're not talking about hiring a professional image consultant here. But spicing up a wardrobe, changing a hairdo, or shedding a few extra pounds can often work wonders for your confidence when entering new and unfamiliar territory.

ONE CHANCE TO MAKE A FIRST IMPRESSION

BETTER TO BE OVER DRESSED

- **UPGRADE YOUR APPAREL:** Financial consulting tends to be a suit and tie business. You will be networking with professionals such as bankers, accountants, and attorneys. As a whole, this is not a casually dressed group. When attending your first meetings and events frequented by such professionals, it will always be better to be a little overdressed rather than underdressed.
- **GROOMING:** From time to time, almost everyone tends to get a little lax regarding their grooming. Take a little time to take personal stock and make improvements as needed.
- **HIT THE GYM:** There are too many benefits to mention here regarding exercise. It's positive effects on productivity are well known and for many people, shedding a few extra pounds can greatly improve your business appearance. If you already belong to a gym, use it. If not, become a member of a large one. Exercise facilities can offer exceptional networking and relationship building opportunities as a membership bi-product since you will already have something in common with everyone you meet.



- **TRANSPORTATION:** As shallow as it may sound, you will be judged by what you drive to appointments, meetings, and events. It is also unavoidable that there will be occasions where you will be the designated driver, transporting those you are trying to impress.

**NOTES**

You will probably have need for occasional four passenger seating. No matter how you are dressed or groomed, if you pull up to a meeting in a dented or rusty vehicle with rips in the seat cushions and smoke coming out of the tailpipe, you're doomed. So, the rule here is don't go crazy, but upgrade if necessary. You certainly don't need the latest version of an expensive German import, but your vehicle needs to be clean and free of visual signs of age and neglect. The right vehicle will greatly enhance your image as a successful industry consultant so don't make the wrong personal impression with what you drive. Think very conservatively, however!

**UPGRADE IF
NECESSARY**

The Bottom Line



In any business involving sales, having a high level of self esteem is vitally important to success. In short, you just really need to feel good about yourself and your appearance to be effective. If there are some personal characteristics about yourself which you feel need some attention, start to address them now. Get help and advice from those you trust. There are also thousands of excellent books and publications available to help you along in this important area.

The great news here is this. There is very little about a person's personal appearance or lack of particular soft skills that cannot be addressed and remedied. For many, a successful entry into the business development side of the factoring and small business finance industry can represent an incredible opportunity for a total lifestyle makeover. This is a career path you should look at as much more than a simple business opportunity. You can make your entry into this extraordinary industry a lifestyle "happening".

**LITTLE THAT CANNOT
BE ADDRESSED**



Pre-Opening Planning & Research

Before you begin your first marketing and networking efforts, you'll need to do some planning and research in five specific areas.

- **CLUBS & ORGANIZATIONS:** Because networking and relationship building are so vitally important to your business, you will need to begin researching local organizations which will be the best for you to join.
- **LENDERS DATABASE:** You cannot refer business until you know where to refer it. This will be an ongoing task but now is the time to begin building your lenders database.
- **SOCIAL MEDIA:** If you do not already have them, set up a *LinkedIn* account. This is a powerful social media tool.
- **MEASURING YOUR KNOWLEDGE:** Take the *Proficiency Exam* and measure your knowledge. Know your stuff before you begin attending networking events. You will be answering questions and explaining your business. There is a direct link to the exam at the IACFB's Learning Lab at the Brokers Forum. This exam is not about passing. It is about being an **expert**. Make certain you can score a 80% or higher on the *IACFB Broker Proficiency Exam* before embarking.
- **LICENSING:** You will need to get your business legal and this includes applying for your local business license. There currently are no professional licenses (state licenses) required for factoring brokers.

JOINING SOCIAL
MEDIA

BUSINESS
LICENSING

Joining Clubs and Organizations

Becoming an active member of local clubs and organizations will play a big role in your networking and relationship building efforts. In most communities of size, you will have dozens of great clubs and organizations to choose from so you need to do a little research before you make any decisions. For most factoring brokers, it is likely you will join at least two or three organizations over time.

Bear in mind that *networking* and *relationship building* is not simple. To be a successful networker involves a lot of commitment and hard work. Joining clubs and organizations is not like subscribing to a magazine you can read once and pitch. So the rule here is, unlike magazines, don't oversubscribe. It is much better to join just one or two clubs and organizations and devote serious time to them, rather joining a dozen groups where you never succeed in building real relationships due to the limited time you spend with each.

To get the most from joining clubs and organizations, make sure you join those you have a genuine interest in. In each organization you select, you want to eventually become one of the club's "movers and shakers". You don't just want to *serve* on committees, you want to *run* committees. Work your way up to being a true organizer within the group. This is where you will get the greatest benefit and most attention. Before you join any organization, however, we will AGAIN give you very strong word of caution. KNOW YOUR STUFF!

You will always be in reputation-building mode as you interact with others. Make certain you are very comfortable with your level of factoring knowledge. Prepare to often be the center of attention as those you meet strive to learn more about you and what you do.

Organizations to Join

When it comes to joining networking organizations, you will have dozens or even hundreds of choices depending on the size of your city. Here are a few of the most popular choices for factoring brokers.

- **CHAMBER OF COMMERCE:** This is basically an essential for all factoring brokers. Your local *Chamber* will be overflowing with bank lending officers, accountants, attorneys, and small business owners.
Cost to Join: On average \$300 - \$400 per year.
- **TOASTMASTERS:** If your public speaking skills and grammar need some attention, this is where to go. There are well over 15,000 active *Toastmaster* clubs worldwide but not all *Toastmasters* are the same. Each club is unique. Visit several. Find the club just right one for you.
Cost to Join: On average \$75 - \$100 per year.



NOTES

**DON'T
OVERSUBSCRIBE**

**JOIN YOUR LOCAL
CHAMBER OF COMMERCE
AND TOASTMASTERS**



NOTES

COMMUNITY AND CHARITABLE ORGANIZATIONS

- **COMMUNITY SERVICE ORGANIZATIONS:** Joining a community service organization not only helps you connect with the movers and shakers in your community, it also helps you become one. The benefits of getting involved in community service and volunteerism by joining clubs and organization such as *Rotary*, *Lions*, *Elks*, or *Kiwanis* are too numerous to mention, but almost all who join such organizations find the experience personally satisfying and rewarding. These clubs expect their members to do business with each other and most allow only one member from each type of profession. **Cost to Join:** On average \$100 - \$400 per year.
- **OTHER COMMUNITY / CHARITABLE ORGANIZATIONS:** Getting involved with a local charity or two should be high on your list when it comes to meeting influential people in your community. Such organizations can be church related or non-profits such as food banks, shelters for the homeless, soup kitchens, etc. They can be geared to a specific demographic like *Junior Leagues International*, which focuses on women and their role in civic leadership within the community or organizations like *Habitat for Humanity* with its focus on affordable housing for low income families. **Cost to Join:** Free - \$500



CLUBS THAT ARE ALL ABOUT YOU

- **PERSONAL INTEREST CLUBS:** This is a very broad category and can include everything from local car clubs to gardening clubs. Like to fish from a kayak? Join a kayaking club. Into model railroading? There's probably a club for that right in your area. Do some research and get involved in something you're passionate about. Joining a personal interest club or group may provide networking opportunities, but its also all about you.

Measure Your Working Knowledge

Before you open your doors for business and begin your day-to-day routine of prospecting for leads and referrals, you need to make certain of your industry knowledge. You will not become the expert you need to be overnight. In fact, it will probably take several months of hard work and research before you reach the level of knowledge you really need to attain.

One of the greatest fears of all new industry brokers first entering the industry is that they will be exposed as a neophyte at networking events. They are terrified to get into conversations with certain “credentialed” professionals such as CPAs and bankers about business finance because of a their perceived lack of knowledge.

As previously mentioned, to help you overcome this, we have prepared a “Proficiency Exam” to help you measure your level of knowledge. The exam is provided by IACFB and can be accessed by logging into the IACFB *Campus*. After you have registered and received your login credentials, you will have access to the full e-learning *Campus* and the exam. We allocate 2 1/2 hours for the exam so give yourself plenty of time.

Licensing, Bonding and Insurance

Before you begin operations, you will naturally need to “get legal” and this includes obtaining a local business license. There is also the matter of insurance, typically in the form of professional liability insurance or errors & omissions insurance to cover you in the event you are named as a party to a lawsuit involving a finance company you recommended. Unfortunately, we live in a very litigious world and its best to be on the safe side. Speak with your insurance agent.

In the state of California, brokers involved with commercial lending are required to obtain a *California Finance Lenders License*. There is an exemption, however, for those strictly considered “**finders**” who have no involvement in contracting or document preparation. As a commercial finance / factoring consultant, you will never assist in document completion or preparation. Additional information on California licensing can be found in the IACFB Broker Forums.



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**CREDENTIALLED
PROFESSIONALS**

PROFICIENCY EXAM

BROKER LICENSING

