

BUSINESS DEVELOPMENT STRATEGIES



Learning to Market & Network

Now that you have a better understanding of your product and services, its time to talk about business development or in more direct terms, how you earn money as an independent industry broker. But before we get started, you need to understand a few marketing concepts so you will have a better feel for creating a marketing plan that works for your new and exciting business.

It's All About Lead Generation

Each and every day, your goal as an industry broker will focus on something called *lead generation*. It could not be more simple. The various marketing tools an individual broker may choose to utilize in order to generate such leads will vary from person to person, depending on their particular circumstances. Some career factoring brokers will market intensively. Others, operating on what can be described as an “occasional basis”, will barely market at all. Either way, no matter what group you fit into, your focus will be exactly the same. You will simply be engaged in generating leads.

**FOCUS WILL ALWAYS
BE LEAD GENERATION**



As a factoring broker, you will never become involved in tedious paperwork. You have absolutely no business responsibilities when it comes to:

NO RESPONSIBILITIES

- **Contracting with a client**
- **Filing security agreements**
- **Performing background checks**
- **Doing credit analysis**
- **Creating funding documents**

In fact, its unlikely you will ever actually be the person that closes a deal. Your normal business day will typically focus on completing just three (3) tasks.

- **Generating quality leads for factoring / business financing services**
- **Qualifying those leads**
- **Submitting your qualified leads to a factor or lender**

ITS ALL ABOUT LEAD GENERATION

Since some percentage of your leads will become qualified leads and some percentage of your qualified leads will become clients, it should be crystal clear the more leads you generate, the more clients you will generate and the faster your business and income will grow. So again, your business is very, very simple. It's all about lead generation. And to generate those leads, you will use *marketing*.

Marketing Defined

Marketing terminology is a bit dynamic with new definitions and phrases being coined almost daily. The rapid growth of the internet and social media has been the catalyst for all types of new marketing creations and strategies. They are everywhere and it seems new books are being written daily by “new age” marketing gurus who tout their sure fire method for making a million using the internet and “their system”. And, they all seem to have a new definition of for our old friend, marketing.

For our purposes, however, we are going to define marketing as something quite simple. Marketing will be:



"anything you do to promote your business"

The ultimate goal of marketing for your consultancy is to present or communicate the value of your financial services to small business owners in need of them. This will very often involve education. In fact, a great number of the marketing methods you will employ for business development will focus heavily on educating small business owners about the availability of this thing called factoring and a few other financing alternatives to traditional bank loans.

Lead Generation Styles

Since the business of brokering is all about lead generation and you know you need to market to do that, the obvious question then becomes: *How DO I do that? What marketing methods do I use to generate these leads?*

**HOW DO I
GENERATE LEADS?**

The answer is you will use two primary marketing types or styles. These are

- *inbound marketing ...and*
- *outbound marketing.*

And the reality is this. When it comes to generating new commission-generating leads and clients for factoring both *inbound marketing* and *outbound marketing* work pretty well. In fact, recent factoring industry polls continue to reflect that when it comes to bringing in new clients for factoring, its about a 50/50 split. Roughly one half of all new clients are the result of some inbound marketing strategy and the other half come from some form of outbound marketing.



ITS A 50 / 50 SPLIT

Which of these methods is right for you and which you choose to primarily focus on will be determined by your marketing budget and whether you are attacking this industry with a career motivation or you are simply looking for a little extra part-time income. In either case, both seem to do the job just fine if you can become accomplished in their use.



Outbound Marketing

Outbound marketing revolves around *direct marketing* or its more favored modern name, *direct response marketing*. This is because all direct marketing messages are designed to induce an immediate response or a “call-to-action” from the receiver of the message. The response can be to return a reply card, a request to call, or to click the link to a website, etc. Direct response marketing is also sometimes termed *interruption marketing* because it interrupts the receiver with a coercive message to act right now.

CALL-TO-ACTION
INTERRUPTION
MARKETING

Outbound marketing utilizes many methods to deliver its powerful call-to-action message. These include *direct mail, classified ads, cold calling, cold canvassing, email marketing, television advertising, radio advertising, holding workshops*, etc. No matter what the delivery method used, however, the message is always the same:

ACT RIGHT NOW...BEFORE IT'S TOO LATE!

INBOUND
PERMISSIONS
MARKETING

Inbound Marketing

In modern marketing circles, *inbound marketing* is all the rage. Marketing gurus simply can't talk enough about it. Using the various strategies common to inbound marketing (sometimes referred to as *permission marketing*), you will promote your business utilizing *social media, blogs, e-newsletters, podcasts, featured guest public speaking, press releases, word of mouth, networking, authoring*, etc.

INBOUND
MARKETING
STRATEGY



STRATEGY

VISITORS

LEADS

CUSTOMERS

PROMOTERS

Inbound marketing is a term coined by *Brian Halligen*, CEO and co-founder of the internet marketing company, *HubSpot*. As opposed to outbound direct response marketing,

inbound marketing revolves around types of marketing activities that attract prospective customers to a website, social media hub, or blog by producing interesting and informative articles and content. Strategies common to inbound marketing also tend to be the “cornerstones” in the networking and relationship building process, a primary goal for all factoring brokers with a focus on building solid referral networks.

What's Right for You?

The probability is, most factoring brokers will use some combination of inbound and outbound marketing as they start out. What tools they use will often be determined by how proficient or skilled they are at employing a particular market method. Almost all will want to try some direct mail since everyone comes equipped with the means to stuff an envelope and apply a stamp. Others will want to dive into social media since they are already engulfed in it anyway and know how to tweet and post on an expert level.

Unfortunately, when utilized as “top billing”, those two tools will return almost zero results when it comes to your factoring consultancy. They will fail and fail miserably. They can, however, be very beneficial when used in a “supporting role”. For example, direct mail can garner very good response when used to announce a workshop or to alert a group of business owners about a free report or case study available on your website.

Marketing: Success or Failure

So your success in the industry will all come down to marketing. In fact, if you excel in marketing as a factoring consultant, the rest of the business really takes care of itself. While you may have thought the work involved to become a broker was acquiring an in-depth knowledge of the products, you were wrong. True, you must have the knowledge. But factoring and its related CORE areas of finance are really very simple in structure and anyone can learn everything they need to know in a short time and certainly within a few weeks.



The work, and what separates success from failure in the industry, is marketing. It is not likely, as you start out, that you have the all the necessary marketing skills you need to truly succeed. What tends to separate successful brokers from industry dropouts is their drive to develop and acquire the marketing skills necessary to generate the quality leads (in sufficient numbers) to earn the commission income that has made the factoring industry famous.



NOTES

**SOCIAL MEDIA
WILL FAIL MISERABLY**

**THE “WORK” IS TO
DEVELOP YOUR
MARKETING SKILLS**



Defining Your Business Goals

You need to have some business goals in mind when you begin operations. For some, this will be a relatively easy task. You may simply say, *"I want to be at the \$100,000 + income level within three years."* Well, that's certainly a goal and it is probably very attainable. But it's a little too simplistic. Setting realistic business goals actually involves a little bit more thought and this is especially true for freelancers. As a factoring broker, you need to keep focused and make your goals very specific. Try not to drift!

SET REALISTIC BUSINESS GOALS

There are many sites you can visit on the web with good references and interesting articles for setting business goals. One can be found at *The Goal Setting Guide* (www.goal-setting-guide.com) which utilizes a model called "SMART" goal setting. The SMART model is easy to understand and one which most should be able to adhere to. Business goals using this model should be:

THE "SMART" MODEL

- **SPECIFIC:** Specific relates to What, Why, and How of the SMART model. Examples of your goals might be:
 - **What:** *I'm going to build a factoring broker business which generates \$10,000 + in monthly income.*
 - **Why:** *My company is downsizing and I fear losing my job.*
 - **How:** *I'm going to build an extensive network of referral sources.*
- **MEASURABLE:** Your goal should be easily measurable: For example: *I'm going to add at least one new client every month.*
- **ATTAINABLE:** Don't set your goals out of reach. For example, the previous goal of *adding one new client at least per month* is very attainable.
- **REALISTIC:** Do you have the skillsets and abilities to achieve your goal? For example, if your goal is to: *Bring in 2 new clients per month using a monthly workshop program.* Do you have the necessary skill (public speaking) to do so?
- **TIMELY:** Set a reachable timeframe for your goal such as 6 months, 12 months, 2 years, etc. Set an endpoint for your goal.

MAKE YOUR GOALS ATTAINABLE

Reaching the \$100,000 Mark

Reaching the \$100,000 income level tends to be a “rite of passage” for most industry brokers and that is understandable. You are a freelance professional consultant, and that is a consultant’s wage. What will it take for you to reach that goal? From the numbers side, surprisingly little. From the work side, quite a lot. Here is the numbers side.

STOCKBROKERS: We have all met stockbrokers. They are financial consultants too. They primarily deal with consumers. In today’s marketplace, in order to take home \$100,000 per year, a stockbroker will need between \$75,000,000 and \$125,000,000 under his or her management. That’s \$75-\$125 million dollars. A stockbroker will need to get “x” number of clients to WRITE checks for millions and millions of dollars. But it is a great business, requiring a great deal of knowledge, and most successful stockbrokers reach that level of earnings and even more.

FACTORING BROKERS: Factoring brokers are a bit different. They deal with business owners. In today’s marketplace, in order to earn the same \$100,000 per year, a factoring broker will only need \$2,000,000 to \$3,000,000 under management. That’s just \$2-\$3 million dollars. Of greater importance, the money goes the other way. Clients RECEIVE checks from factors, not WRITE checks to them.

JUST \$2,000,000. How do we calculate just \$2,000,000? Very easy!

Let’s say a factoring broker has developed 20 clients over the course of 2 years. Less than one per month. Each client is of small to average size (print shops, janitorial services, small manufacturers, etc.) and let’s say each factors just \$100,000 in invoices each month or \$2,000,000 total (20 x \$100,000).

At an average factoring discount of just 3%, that will generate a total of \$60,000 per month in total fees. As the broker of record, you will receive between 10-15 percent of those fees. Let’s use a 12.5% average which will give us an income of \$7,500 per month or \$90,000 per year. That assumes all invoices are paid at 30 days. Longer payment times will increase fees as well as your income.



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RITE OF PASSAGE

LESS THAN ONE AVERAGE CLIENT PER MONTH



Developing Your Marketing Plan

You will need to develop a marketing plan. It does not have to be elaborate, but you need a plan. You will find tens of thousands of articles on the web regarding how to develop a good marketing plan and they will all impart some great tips. But you are a consultant in a very specialized field and your marketing strategies will differ significantly, from say, a florist or a auto repair shop owner.

In his classic book, *Ogilvie on Advertising*, David Ogilvy addresses the challenges of advertising and these dovetail perfectly with what you, as a factoring broker, will face. Challenges like...



- * *I don't know who you are*
- * *I don't know your company*
- * *I don't know your company's product*
- * *I don't know what your company stands for*
- * *I don't know your company's record*
- * *I don't know your company's reputation*
- * *Now...what was it you wanted to sell me?*

So when developing your marketing plan, a great place to start would be to focus on addressing the statements above. They provide a perfect road map to building a marketing plan for your consultancy. To address these challenges, you may use dozens of different marketing tools. But with every campaign you create, you should be addressing one or more of the challenges above. The more overlap a campaign has, the better. Some marketing tools will be limited on their impact. A simple business card, for example, will address the first three challenges. A well designed website can easily address all seven.

A major component of your business is one of *education*. Most small business owners know little of factoring or the other products you represent. But not only do you need to educate, you need to develop, combine, and format the types of marketing strategies which will allow you to both educate and at the same time, position yourself as THE “expert” consultant that can get the job done.

About Your Marketing Budget

When it comes to developing a marketing budget, factoring brokers are very fortunate. This is due to the fact that networking, and especially face-to-face networking, can be such a productive tool for business development. As opposed to direct marketing, networking tends to be very inexpensive. No matter what your initial monetary limitations are, when it comes to marketing your business, you can almost always find a myriad of affordable networking opportunities available in your own community or within a short drive.



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**INEXPENSIVE
NETWORKING
OPPORTUNITIES**

Marketing Cost / Benefit Analysis

You really cannot create a realistic marketing budget for your consultancy without at least sketching out a rough analysis of costs vs. benefits and here's the reason. The referral commissions (benefits) paid to independent brokers in the factoring industry are so generous, that almost any marketing expense (cost) to generate a client can be easily justified.



If you calculate the monthly commission on even a relatively small account of say \$50,000 in invoice purchases per month, you'll find you will earn somewhere between \$300 and \$350 monthly. That's \$3,600 to over \$4,000 per year. And we know that once contracted, it is not unusual for a business to employ the services of its factor for 3,4, even 5 years or longer. That means the broker of record will earn a whopping \$9,000 to \$20,000 on that single account over its life. There are no maintenance costs or additional service expenses paid by the broker. Once the client is referred, all the broker will do is open a welcome envelope every month containing a commission check.

So what is the other side of the equation? What is the marketing cost to generate that one account? Maybe it was just a few hundred dollars in classified ads. Maybe it was \$500 paid for some radio spots. Maybe it was \$1,000 paid for a sponsorship. It really makes little difference. A cost / benefit analysis, when applied to the costs of marketing vs. commissions generated for factoring brokers, is so skewed towards the latter, as to make the discussion almost always inconsequential.

**EXCEPTIONAL
COST / BENEFIT
COMPARISON**



Marketing...What Works

Since you are about to spend a good portion of your time focused on generating quality factoring leads, it's probably a good idea to learn what types of marketing tend to work better than others for our industry so you can avoid the time wasters. Here's what we know works for our industry.

**TAKES TIME TO
REAP BENEFITS**

- ⇒ **FACE-TO-FACE NETWORKING:** This is the 800 pound gorilla in the room. The downside is it takes time to reap the benefits. But if you build meaningful relationships with bank loan officers, accounting professionals, and members of business support groups (S.C.O.R.E., SBDCs, EDCs, etc.), business will certainly come your way.
- ⇒ **BLOGGING:** Blogging is such a powerful tool for building relationships, its importance can simply not be over estimated. Whether you utilize an integrated blog with your consultant website or a standalone blog with its own domain, this is too important a lead generator to overlook. There is also no limit to the number of blogs you can publish. *WordPress* is the most popular format.
- ⇒ **DIRECT MAIL:** Use only in conjunction with a newsletter or an event (workshop, promotion, disaster) and only if followed up with a phone call. You will likely be very disappointed with "mass" mailing results. The structure of your mail message should always give you a reason (excuse) to follow up with a phone call to the prospect.
- ⇒ **CREATIVE SPONSORSHIPS:** For networking, creative sponsorships can be a very, very, potent weapons. (see the *Bankers Bash page 177*)
- ⇒ **NEWSLETTERS & ARTICLE WRITING:** Newsletters (in print format) can generate excellent leads on a local basis. Writing articles for local publication as well as online blogs is a powerful tool and "credentials builder" when it comes to compiling an expert reputation.
- ⇒ **CLASSIFIED ADS:** Use these in publications where you see the owners of service sector businesses advertising their companies. Classified ads are inexpensive, a good place to start, and can lead to some very pleasant surprises.

**A VERY POTENT
WEAPON**

Your Primary Target Groups



Your targets for marketing can be categorized into two very broad MAIN segments or groups.

1. **PROSPECTS GROUP:** A demographic target group of small B2B business owners who may need the services of a factor now or in the future.
2. **REFERRAL GROUP:** A target group made up of local community professionals who through referral, can send business your way.

Roughly 50% of all new factoring clients are sourced using some form of direct response marketing. The source of these new factoring clients will be your PROSPECTS GROUPS.

Roughly 50% of all new factoring clients are sourced as a result of referral from a professional such as an accountant, banker, etc. This would be the result of networking with members of your REFERRALS GROUPS.

Members of your first target group, your PROSPECTS GROUP, can be subdivided many ways. You may subdivide the list into sectors:

- **SERVICE SECTOR**
- **MANUFACTURING / DISTRIBUTION SECTOR**
- **GOVERNMENT CONTRACTORS SECTOR**
- **CONSTRUCTION RELATED SECTOR**
- **RETAIL COMPANIES SECTOR**

**SUBDIVIDING
PROSPECT
GROUPS**

You can further subdivide your sectors into sub-sectors. You can, for example, subdivide your SERVICE SECTOR CATEGORY into:

- **Guard Services**
- **Staffing Companies**
- **Landscaping Companies**
- **Janitorial Services**
- **Maintenance Companies**
- **Freight Companies**

**DIVIDING INTO
SUB-SECTORS**



Members of your second target group, your REFERRAL GROUP, can also be subdivided dozens of ways. For example, you may create sub-groups of:

- **BUSINESS SUPPORT / INCUBATOR STAFF**
- **ACCOUNTING PROFESSIONALS**
- **LENDING OFFICERS**
- **BANKING PROFESSIONALS**
- **ATTORNEYS**
- **INSURANCE PROFESSIONALS (COMMERCIAL)**
- **BUSINESS BROKERS**

You can further subdivide these sub-groups into more manageable lists. You can subdivide your BUSINESS SUPPORT / INCUBATORS into:

- **SCORE members**
- **SBDC members (Small Business Development Centers)**
- **EDC members (Economic Development Centers)**
- **BAC members (Business Assistance Centers)**
- **Other Local Business Incubators**

**SEASONED BROKERS
MAY HAVE 7,500
CONTACTS OR MORE**

As you know, it is not unusual for a seasoned industry factoring broker (one who has been in the industry 3 or more years) to have 2,500, 5,000, 7,500 or even more individuals in their various groups.

To market to such numbers efficiently, you must subdivide and manage each group. For example, if you stumble across an interesting online article on how factoring benefitted a small service sector business, you would probably want to send a targeted email with a link to that article to your service sector companies only. If you found an article on how a bookkeeper had doubled her client base by helping them source business loans, you would certainly want to send a link to that article to your accounting group. To do so, you will need the help of some quality contact relationship management software (CRM) and a good email marketing service.

The Importance of List Building

When you first launch your brokering business, a great deal of your marketing efforts will be focused on list building. In fact, you will always be adding to or pruning your various lists. List building is an essential part of marketing your business and you can't ignore it. There are four primary types of lists you will be dealing with:

- **DATABANK LISTS:** Databank lists are commercially available lists that you order and are purchased based upon demographics. For example, you might order a list of 300 manufacturers and distributors in 7 or 8 local zip codes around you. You will order the owner's name, the business address, and a phone number. These lists, purchased from list brokers, can be a great way to "prime the pump" and get things started when you first open your doors.
- **COMPILED LISTS:** Compiled lists are those you personally construct from sources such as trade magazines, trade shows, internet research, members of professional associations, etc. Where databank lists are usually used for some form of direct mail solicitation, compiled lists may be employed for face-to-face marketing or telephone solicitation in conjunction with a workshop or luncheon seminar.
- **E-LISTS:** E-lists are used for email marketing and are a powerful tool for all factoring brokers. Unfortunately, they are also the most difficult and time consuming lists to produce. E-lists are made up of opt-ins from your website. They contain the names of website visitors requesting newsletters, additional information, a free report, etc. All members of your e-lists **MUST** be opt-in. You should avoid purchasing an e-list from a list broker.
- **RESPONSE LISTS:** Response lists are comprised of members of your databank, compiled, and e-lists that have responded to one of your offers. They have requested a free booklet, asked to attend a workshop, replied to a classified ad, or contacted you through your website. Response lists are your "PROSPECT" lists. Members of response lists are often just one phone call away from becoming a commission-generating client.



**A GREAT WAY TO
PRIME THE PUMP**

**NEVER PURCHASE
AN E-LIST**

**YOUR MOST
VALUABLE LIST**



Service Businesses That Employ Factoring

There are hundreds of types of businesses from the various business sectors that have been known to employ factoring. If purchasing a databank list or constructing a complied list, below is a short list of service related industries you may wish to focus on.

Passenger / Bus Transportation	Office Administration Services
Freight and Trucking	Staffing / Employment Services
Air Transportation	Telephone Call Centers
Water Delivery	Pest Control Companies
Limousine Services	Janitorial Services
Warehouse / Storage Facilities	Guard / Protection Services
Broadcasting Services	Detective Agencies
Internet Services	Carpet Cleaners
Telecommunication Services	Waste Management Companies
Sound Recording Services	Commercial Building Maintenance
Data Processing Services	Welders
Property Management Services	Remediation Services
Equipment Rental Services	Medical Labs
Environmental Testing Services	Child Care
Accounting / Bookkeeping Services	Tutoring / Education Services
Engineering / Design Services	Sports Promoters
Drafting Services	Charter Bus Services
Building Inspection Services	Food Catering Companies
Surveying Services	Automotive Repair / Bodywork
Computer System Design	Electronics Repair Services
Environmental Consulting	Parking Lot Maintenance
Technical Consulting	Linens and Uniforms Cleaners
Advertising Services	Market Research Providers
Marketing Research Companies	Specialized Design Services
Photographers	Air Conditioning Maintenance
Translation Services	Commercial Contractors and

Manufacturers & Distributors That Commonly Employ Factoring



Of course, factoring is not just employed by the service sector. There are many manufacturers and distributors that utilize the services of factors as well. Below is a very small list of examples.

Forestry / Logging	Durable Goods
Fishing and Hunting Products	Automotive Accessories
Paper Goods	Commercial Equipment
Agricultural / Growers	Refrigeration Manufacturers
Oil and Gas Producers	Hardware and Plumbing Supplies
Oil and Gas Support Products	Sporting Goods
Mining (Coal and Mineral)	Toys
Fertilizer Producers	Hobby Crafts
Commercial Construction	Jewelry
Highway Bridge Construction	Petroleum Related Products
Food Manufacturers / Gourmet Prod.	Beer / Wine / Craft Brewers
Textile / Garment Manufacturers	Farm Supplies
Footwear Manufacturers / Distributors	Flowers and Nurseries
Lumber / Wood Products	Tobacco Products
Chemical Products	Paint Manufacturers
Rubber Products	Electronics Manufacturers
Plastics Manufacturers	Lawn Equipment and Supplies
Pharmaceutical Manufacturers	General Hardware
Paints and Coatings	Newspaper / Magazine Publishers
Soaps and Cleaners	Book Distributors
Glass Products	Power Sports Equipment Manufacturers
Pottery Products	Boats / Boating Equipment
Metal Fabricators	Specialty Aircraft Equipment
Electrical Equipment	Bakeries
	Sign Manufacturers



Firing Up Your Marketing Engine

The time has come to open your doors. You have developed a high level of factoring expertise and also a working knowledge of the other niche and CORE product areas. Now it's time to start exploring your sales tools. Here's what we recommend:

- Start slow and test the waters. Don't blow your marketing budget on your first ideas.
- Focus heavily (80% of your time) on list building utilizing *networking* opportunities. Learn to use your CRM.
- Start attending some local small business workshops. Visit local SBDC, EDC, and SCORE websites and sign up for their newsletters which will include times and dates of events.
- Join a local *Chamber of Commerce* and start attending after hours meet ups. Your local *Chamber of Commerce* is the "big leagues" when it comes to networking.
- Begin filling your *white board* with upcoming events (see page 157). One of your very early goals is to have ZERO empty weeks on the *white board*. Once you have one solid networking event scheduled for each week, then focus on filling in the blanks day by day. Book yourself solid.
- Start placing some inexpensive classified ads in local publications as well as online venues based on your research.
- Look for locations where you can leave your brochures. The local *Chamber of Commerce* main offices will likely be one, but there are many other locations available as well.
- Work on a quality article on small business finance. The same publications you are using for your classifieds may be a great place to publish your first articles. Most are always looking for free content. We recommend a subject like: "*How to Finance Your Service Business*". Naturally, feature factoring as a method of finance.
- Set up the "squeeze page" of your website with a FREE offer and begin testing some highly targeted direct mail. Focus on service sector companies at first. Use the same article you just authored for your offer of a "FREE Report".



**BEGIN FILLING YOUR
WHITE BOARD**

A Secret Tool of Networking Pros



New brokers entering the industry will test the waters with all types of marketing programs and ideas to see what works. Because of its very low cost, social media participation and face-to-face networking should naturally be very high on that list. In fact, a broker's normal daily routine should always include at least one hour of planned networking. And one of the best methods of making sure you stick to this routine is with a simple, dry-erase white board wall calendar.

Though having a dry-erase calendar take the place of a day planner might seem a bit old fashioned in today's world of high technology, it is really anything but. One of your early goals as an industry broker is to literally immerse yourself in networking opportunities.



Strategic Planning: Filling the Board

To get the most from network marketing, you need plan ahead...at least four months ahead. Now is the time to begin filling the board. You can't avoid some overlap of scheduled meetings but the best way to avoid conflicts and a networking "drought" is with this simple in-your-face tool.

**AVOID NETWORKING
DROUGHTS**

Research possible opportunities for your future networking and start fitting them on the board. Start with "premier events" first. Premier events are those that do not occur frequently and those you definitely do not want to miss. For example, a small business symposium held once a year by a local SBDC or a class on government contract financing for entrepreneurs sponsored by the SBA would be the types of events that could provide a learning experience, excellent prospecting opportunities, as well as the ability to meet with some very good sources of business referral.

**HAVE AS LITTLE
WHITE SPACE
AS POSSIBLE**

Log your local Chamber of Commerce events. These are an easy referral path to your local banking community. Virtually all bank loan officers periodically attend Chamber events. Add in weekly meeting dates of social and civic organizations. Then throw in some time for unscheduled but soon to be booked lunch dates. Your goal here is to have as little unfilled white space as possible.



Email Newsletter Marketing

When it comes to email marketing, building and managing lists is just half the formula for success. The other half is creating interesting, attention-getting content. And here's where it gets a little tricky. How do you create e-newsletter content that:

- will interest a prospective small business client, get them to contact you, and at the same time..
- interest a referral source and assist in the relationship building process with that referral source?

That's easy! Publish multiple e-newsletters. In fact, we know broker "marketeers" that publish 3 or more e-newsletters each month. E-newsletter marketing is their primary source of lead generation. E-newsletters help to build relationships with both prospective clients and sources of referral. But where do they get all their fascinating content to create great newsletters? That's easy too, the internet!

On the web, its easy to find thousands of articles, polls, and blogposts dealing with great topics for any business related newsletter. Subjects will include:

- **CASHFLOW PROBLEMS OF BUSINESS**
- **GOVERNMENT REGULATION**
- **TAXES**
- **LENDING AND ACCESS TO CAPITAL**
- **HEALTH CARE**
- **THE ECONOMY**
- **HOW TO GENERATE NEW SALES**

Knowing the "hot buttons" of your readers will go a long way in helping you create newsletters that are opened and read. E-newsletters should never, however, focus entirely on just problems. You need to have other attention-getting content that is of the "general interest" type.

**CREATING
MULTIPLE
NEWSLETTERS**

**KNOW THE
HOT BUTTONS**

There are thousands of very good articles on the internet as well as excellent books on the subject of how to write and publish great e-newsletters. If you have never published a business newsletter, invest some spare time in learning how its done. When setting your goals, make one to add a certain amount of new subscribers to your email lists each and every month. Make the target attainable, but focus on meeting those goals and building your lists. A goal of 50 to 100 new subscribers each month is probably reachable in your first "networking intensive" months as you join new clubs and organizations. Remember, however, all subscribers must be opt-in.



The Importance of Offers

**OFFERS TRIGGER A
CALL-TO-ACTION**

Offers are by far the most important component of any marketing campaign and especially outbound campaigns. They are designed to trigger a response and a call-to-action from the reader. Offers can be as simple as an e-newsletter subscription or they can be for free reports, white papers, booklets, workshops etc. Classified ads, your website, any direct mail, cold calls, etc. always must feature an offer.

So, when publishing your newsletter, always make certain it contains an offer for a case study, free report, booklet, etc. on small business finance. To get the offer, readers should visit a specific page on your website. That page should include two types of offers.



1. **SOFT OFFER:** This is the most common type of offer. It is "painless" from the receiver's point of view. It gives them the opportunity to say, *I may be interested. Tell me more.* Soft offers for factoring brokers will include reports, booklets, white papers on factoring, workshop invitations, etc.
2. **HARD OFFERS:** Hard offers involve personal contact in the form of a face-to-face meeting or a telephone call. Hard offers appeal to "serious" prospects ready to make a decision. For brokers, a typical hard offer would be: *"To speak with an underwriter about ready financing for your small business, just give us a call during normal business hours"*.

**THE MOST COMMON
OF ALL OFFERS**



**AN OFFER IS
QUID PRO QUO**

More On Offers

Direct marketing, and even successful networking, is all about offers. Offers are the prime method used to build your business. In fact, absolutely nothing happens in business without an offer. An offer is *quid pro quo*. You do this for me and I'll do that for you. You sign up on my website and I'll give you my free report.

There are always two simple components to any offer. They are:

1. **What does the prospect get?**
2. **What does the prospect have to do to get it?**

In factoring, the offer is simple.

1. **What does the prospect get? Money on a timely basis to speed up problems of cash flow.**
2. **What does the prospect have to do to get it? Pay a factoring fee.**

To some, networking is really a form of advertising. It creates an awareness of your personal brand and your status as an expert in your field. There is no *quid pro quo* because you are not soliciting a sale. But the referral side of networking is different and based on a *quid pro quo* offer.

1. **What does your new referral source get? Referrals from you.**
2. **What does the referral source need to do to get it? Send some referrals back your way.**

**BUSINESS DOES NOT
HAPPEN WITHOUT
AN OFFER**

Offers: Your Business Starting Point

Now you understand business simply does not happen without *offers* and a level of acceptance to those *offers*. So to begin your marketing efforts, you need to create some basic offers. Every marketing event you launch MUST contain one or more *offers*.

Getting Leads Using Classified Ads



Classified advertising is a great marketing method to utilize when you just starting out and testing the waters. Classifieds are:

- **Inexpensive. This is one of the greatest advantages to utilizing classifieds.**
- **Used in conjunction with your website to provide an immediate and measurable response.**
- **Exceptional tools to help build your email lists through the use of offers.**
- **Able to generate an immediate "hard offer" contact response and prospective new client.**

When you place classified advertisements, you will normally be able to contract for multiple insertions and receive a discount. Many experts on classified advertising say a prospect needs to see your ad at least three times before they act. Others say up to seven. Either way, when you select a publication to place your ads, plan on multiple insertions over a period of at least four to six weeks.

**SELECTING THE
RIGHT PUBLICATION
IS THE SECRET**

Use small classified ads that focus on problems of PAYROLL to generate service company leads. Make certain each ad you place contains a FREE offer, your phone number and your website's internet address.

Trouble Making **Payroll** This Week?

If your business is having trouble making payroll due to slow paying customers...
WE CAN HELP!

Call James the Payroll Pro at (000) 000-0000
or

Visit www.*****.com
for our FREE 2015 Payroll Finance Report

Payroll is Friday and NO CHECKS IN THE MAIL?

We Finance Your Accounts Receivable!

Call James the Payroll Pro at (000) 000-0000
or

Visit www.*****.com
for our FREE 2015 Payroll Finance Report

Need Quick Cash for This Week's **Payroll**

Let Our Payroll Pro HELP!
WE FINANCE YOUR ACCOUNTS RECEIVABLE

Call James the Payroll Pro at (000) 000-0000
or

Visit www.*****.com
for our FREE 2015 Payroll Finance Report



Glenco Naples

Business Finance Consultants

Glenn Johnson, a Naples, FL based bookkeeper started *Glenco Consultants* on his 30th birthday. *Glenco* was to provide a new service to Johnson's existing clients, that of sourcing factoring and small business finance. Johnson also felt the new finance arm would provide a good marketing niche to attract more clients to his bookkeeping service.

Johnson's bookkeeping business was doing well and he actually had little time to do any real marketing for the new company. He had developed a knowledge of factoring through a study course provided by the International Association of Commercial Finance Brokers (IACFB) and felt he knew enough to begin offering the service.

To test the "marketing waters" Johnson decided to place a small classified ad about PAYROLL FINANCE in a local shopper-style weekly newspaper. The total cost was just \$35 per insertion and he agreed to run the ad four consecutive weeks to get a small discount.

Though he got nothing the first week, Johnson was very surprised to get not one but two inquiries the second week of the ad. One was a very small company making sea shell novelties for sale in various Florida gift shops. The other was a painting contractor who painted apartment interiors for local complexes. The complex management companies paid very slowly. Both small businesses needed factoring.

Johnson introduced both companies to a factor in Tampa, FL and factoring arrangements were quickly set in place. While the sea shell novelty company was a very small client doing less than \$15,000 per month in factoring, the painting contractor invoiced well over \$100,000 per month. Additionally, once the contractor had a factoring arrangement in place, it began to grow rapidly and soon was invoicing between \$150,000 - \$175,000 each month. Johnson's monthly commission check from the factor averaged well over \$750.00 or about \$9,000 per year.

Johnson continued with his classified ad program but had little success until nearly 6 months later when he generated another quality lead that resulted in an account with a staffing company that had just opened in the area.

Where to Run Classifieds for Factoring

A cost / benefit analysis on classifieds is eye-opening and they are a great campaign choice for those just starting out. Additionally, there are literally thousand of publications where you can run them. Placing classifieds can certainly be a little "hit or miss", but doing some background work on the publications you intend to advertise in will boost the amount of leads your classified ad campaigns generate. Here are some tips when choosing a publication.

- Make sure the publication has a well laid out classified section. Publications with just one or two pages of classifieds show limited readership.
- View the types of businesses advertising in the publication. If the publication has a lot of ads placed by service sector companies such as staffing, janitorial, guard, maintenance, etc., it is good publication for your ad.
- All advertisers will view their ads to make sure they were inserted correctly. When viewing theirs, make certain they can see yours. Look carefully at how you can place your ad so business owners can easily see it.
- Study the winners. When looking at a publication's classified section, make note of which ads immediately draw your attention. Mimic those ads, their type face, size, etc. when placing your ad.



NOTES

THOUSANDS OF PUBLICATIONS

STUDY THE WINNERS

Exploring Online Classifieds

Classified ads tend to reach people that are already shopping and one of the most economical methods of getting at such shoppers is online classifieds. Before getting too involved with online classified advertising, be aware you are also opting in to the classified site's newsletters and advertisements. Be prepared to receive such email.

Online classifieds are worth the time and they are a great way to build your own mailing / newsletter list. Many factoring brokers have generated quality leads from online sites such as *Craig's List* and while advertising in that particular online venue is no longer free in many larger cities, in smaller cities it continues without cost.



NOTES

Holding Informative Workshops

HAS NO EQUAL

Those interested in quickly revving up their new consulting business and putting immediate clients on the books have an exceptional tool at their disposal for doing so and that is by hosting informative workshops and seminars. For garnering immediate response, this method of marketing simply has no equal. In fact, almost every other type of direct marketing tends to pale in comparison. If you're in a hurry to start generating some of the industry's legendary commission income, workshops and seminars are the way to do it.

MANY TOOLS FOR A SINGLE PURPOSE

One of the reasons for the success in generating clients with workshops is that workshop marketing utilizes so many different tools, all focused on a single purpose. It is "guerrilla marketing" at its finest. Each part in the process of holding a workshop supports the others. When holding a workshop, you will "touch" each of your attendees at least eight different ways including:

- ⇒ **DIRECT MAIL:** in the form of "invitations" targeted to a specific business group such as service sector companies.
- ⇒ **YOUR WEBSITE:** and its "invitation page" where those receiving your invitation and responding can reserve their seat and download information.
- ⇒ **WARM CALLING:** by placing a telephone call to each recipient to either confirm their attendance or to ask if they received your "personal" invitation.
- ⇒ **CONFIRMATION CALL:** done the day before or day of the workshop as a reminder to the attendee.
- ⇒ **PUBLIC SPEAKING:** when you make your presentation to your group of target business owners or referral sources.
- ⇒ **FOLLOW UP TO ATTENDEES:** follow up with a call after the presentation. Get specific about the attendee's business.
- ⇒ **FOLLOW UP TO THOSE WHO COULD NOT ATTEND:** follow up with the no-shows and those that could not attend. Try booking them for the next workshop.
- ⇒ **NEWSLETTER:** continued direct-response marketing to both attendees and no-shows.

Tools You Will Need for Workshops

To get into the "workshop marketing" business, you will need certain supplies and pieces of equipment. In many cases, the provider of your lecture room can provide some of these. In other cases, you are going to need to supply everything. What you will need includes:

- a laptop computer
- a projector (visit www.dell.com)
- table top presentation screen (visit www.draperinc.com)
- Microsoft's *PowerPoint* software
- a presentation package (presentation folders, brochures, handouts, etc.)
- an easel with flip chart and markers



Types of Workshops You Can Hold

All of your workshops will naturally be on factoring and small business finance but there are several venues you will use to reach certain audiences. Some will be perfect for your earliest ventures into workshop marketing. Others will be difficult to promote until you fill and grow your prospect lists with sufficient names of small business owners to invite. Here are some examples:

- **BREAKFAST / CLIENT:** These are probably one of the most expensive and poorest choices, especially when you are just starting out. You will need to reserve a room at a local restaurant and provide the meal. Think \$8-\$10+ dollars per attendee, 20% gratuity, plus a modest room charge. Invitees will be from your *compiled lists*.
- **LUNCHEON / CLIENT:** Luncheon seminars are relatively modest when it comes to cost. Do NOT, however, hold these in a restaurant. Here you can offer subs and soft drinks that you purchase for about \$5 per attendee. Luncheon seminars tend to be the best attended since everyone likes a break in their day for lunch anyway and your seminar gives them a place to learn something while they eat for free. Invitees will be from your *compiled lists*.

**DIFFERENT VENUES TO
REACH CERTAIN
AUDIENCES**



- **AFTER HOURS / CLIENT:** These you will hold after 6:30 pm since attendees will need to get through rush hour traffic to be present. Attendance will usually be lower than luncheon workshops and costs can be all across the board. Invitees will usually be from your prospective client lists which can include databank lists or *compiled lists*.
- **EDC / SBDC / REFERRAL:** Workshops you provide in concert with Economic Development Corporations (EDC), Small Business Development Corporations (SBDC), or almost any other local business incubator, will usually focus on start-up entrepreneurs. Often, you will simply be asked to be a guest speaker at a scheduled monthly meeting for such business owners.

HONE YOUR SMALL GROUP SPEAKING SKILLS

For new factoring brokers, these incubator workshops are a good place to learn. They provide you with a great opportunity to hone your small group speaking skills. Since they are held at the EDC /SBDC facility, there are usually no costs involved or equipment required. You simply need to have your presentation on a flash drive and an adequate supply of handout packages. You may agree to provide pizza, sandwiches or a similar inexpensive lunch item, but either way, the cost is minimal or nothing at all.

- **SPECIALTY PRESENTATIONS / GUEST SPEAKERSHIPS:** There are dozens of unique groups of business owners or organizations always looking for a guest speaker for their pre-scheduled monthly get-togethers. These include local SCORE Chapters, Community Civic Clubs (*Kiwanis, Lions, Rotary, etc.*), and local trade groups or organizations. Being asked to speak at such organizations or groups is another perfect opportunity to develop your presentation skills and at the same time, foster some good relationships.

Civic clubs, such as those mentioned above, are filled with small business owners, accounting professionals, bankers, etc., and can be a great source of both referrals and clients. Similar to the incubators, many will also have all the electronics and equipment you require other than a flip chart. You will simply need to bring your presentation on a flash drive along with your handouts.

When and Where to Hold Workshops

When it comes to what time of day to hold your workshops, it really comes down to just a little common sense.



- **EXAMPLE / JANITORIAL SERVICES:** If you are going to give a presentation to a group of janitorial services providers, do NOT schedule an after hours workshop. Commercial janitorial companies clean their customer's buildings after the day is over. They will not be able to attend your after hours event.
- **EXAMPLE / SUB-CONTRACTORS:** If you are going to hold a workshop for sub-contractors, it must be held after hours. Most go to work way too early to attend a breakfast meeting and are likely a bit too dirty to be comfortable for a lunch event. An evening workshop is perfect for this group.
- **EXAMPLE / DISTRIBUTORS:** The time of the workday for manufacturers and distributors is lunch. By noon, they are looking for a little relief from their hectic day and your workshop gives them the perfect informative break.
- **TUESDAYS, WEDNESDAYS, THURSDAYS:** Always hold your events during the middle of the week. Mondays can be too hectic and attendance will be poor. By Friday, most small business entrepreneurs will only have the weekend on their minds.
- **RESTAURANTS vs. HOTELS / MOTELS:** Holding a workshop event in a restaurant can be expensive and to keep costs under control, you'll need to do some research and shopping. Some facilities will provide the meeting room for free, as long as you spend a minimum amount for food. Hotels and standard motels are usually identical. Many major hotel chains and motels now have "lite" versions for travelers. They are typically featured as "Suites" or "Inns". Such properties have good meeting rooms and economical meeting room rental prices. They will supply water and coffee but often do not have restaurants. This means you can supply the food, such as inexpensive sandwiches, as well as the liquid refreshments.

**TUESDAYS
WEDNESDAYS
THURSDAYS ONLY**

**LOOK TO INNS OR
SUITES FOR ROOMS**



Showcase Benefits & Deal With Objections

When holding a workshop, seminar or just networking for that matter, you will naturally showcase the benefits of factoring, but you may also have to deal with objections which can arise. Here's how to do it.

The benefits of factoring business accounts receivable are relatively simple for anyone to see and understand. They include:

- **UNLIMITED CAPITAL:** Factoring is the only source of business funding which is unlimited. A factoring facility grows in size as business grows. The more quality invoices a business can generate, the larger the factoring facility.
- **NO DEBT:** Factoring is not a loan so no debt is incurred. It is an "off balance sheet" transaction which can be important to larger manufacturers and distributors.
- **NO PERSONAL GUARANTEES:** Business owners do not have to personally guarantee any debt.
- **PROFESSIONAL COLLECTIONS:** Factors are courteous collectors of overdue payments. This can free up back office staff for other important duties.
- **CREDIT ANALYSIS:** Factors will screen and monitor the credit of both new and existing customers. This is an important task which can prove very difficult for a small business owner to accomplish alone.
- **FASTER INVOICE PAYMENTS:** Factors typically report their collection experience to *Dun & Bradstreet*. This will help to build a customer's credit history so long as they pay timely. Customers know this and will often go out of their way to pay factored invoices before others.
- **READY, EASILY ACCESSED FUNDS:** Unlike a typical bank loan where the business owner's credit is of primary importance, factors are much more concerned about the creditworthiness of the customers of a business. This makes factoring an easily accessed form or ready cash for new, early stage business owners with limited credit history.
- **ELIMINATION OF BAD DEBT:** Under non-recourse factoring arrangements, factors will assume the risk of non-payment from customers, thus eliminating bad debt.

**NO PERSONAL
GUARANTEES**

EASILY ACCESSED

Showcasing the benefits of factoring is relatively simple. The primary “hot buttons” when marketing to business owners are factoring’s accessibility as a financing source when the banks say “NO!” and the immediate availability of cash for payroll, supplier payments, and other expenses.



NOTES

Objections to factoring are usually based on imperceptions and there are really only three. Most often, these will come from professionals who should know better, such as accountants.

ABOUT THE SAME AS TAKING A CREDIT CARD

- **FACTORING IS EXPENSIVE:** You will very often have an accounting professional say something like: *“Factoring? That’s way too expensive for my clients. Factors charge over 30% per year!”* Accountants should know better and its up to you to point it out, in a nice way of course.

Factoring is a “transactional” method of financing very similar to accepting credit cards for payment. The average fee for factoring is about 2.5% for 30 days. The average fee for a not-on-premises credit card swipe is about 2.3%. So for the business owner, the costs of factoring for 30 days and the costs of accepting a payment by credit card are virtually the same. When you add in all the other benefits of factoring, it’s easy to see why it is often the chosen method of payment by many small business owners. It’s true that factoring is more expensive than a bank loan, but so are credit cards. And, if the business could get a bank loan, it wouldn’t need either.

- **FACTORING FACILITIES SHRINK AS BUSINESS SHRINKS:** This is true and is the opposite of the expansion of credit as a business grows. The reality is, factoring is a great method of finance for fast growing businesses. If your business is shrinking, you are less likely to need as much factoring.
- **NOTIFICATION:** Some business owners perceive the notification process as sending a signal to customers that the business is experiencing financial difficulties. This, however, is seldom the case. Factoring notifications are usually written in such a way that conveys the need for factoring as one for a business enjoying “explosive growth” and because of their exceptional credit rating, the business was able to secure the services of a factor to assist in such times of expansion.



Twillie & Associates

Business Finance Consultants

Carlie Twillie is a factoring consultant in St. Louis, MO who focuses 100% of her lead-generation efforts on networking and workshop marketing. When starting her business several years back, Carlie immediately joined a local *Toastmasters Club* so she could improve her public speaking capabilities. Within a short time at *Toastmasters*, she had lost all of her fear of public speaking.

Carlie realized the importance of building relationships with bankers for referral and created a "bankers" group in her CRM and built a list of local community banks. Her goal was to make as many presentations to this group as possible so she could begin building productive referral relationships. She also quickly developed a plan to reach them.

Carlie created a special "invitation page" in her website titled "luncheon.html". She began using direct mail invitations addressed to the local bank presidents offering to host an informative luncheon workshop on factoring for all bank employees. For convenience, it was to be held in the bank's boardroom. Carlie would supply lunch and refreshments from a local sub shop.

To get the bankers to respond, Carlie utilized a great little direct mail trick: *Invitation Cards*. She modified the very same type of heavy stock card used to invite guests to a party. Each invitation was hand addressed and featured a commemorative stamp rather than machine postage. The cards were very simple. On the front it said "A Special Invitation for You". On the inside it said, "Please visit www.CTwillieAssoc.com/luncheon.html".

Every component of a direct mail package has a job. The job of the envelope is simply to get opened. One hundred percent of Carlie's envelopes were opened due to their unique appearance. Using the website analytics installed on her website, she found that over 90% of the bankers receiving her invitation also made the journey to her site's special invitation page.

Her invitation page, luncheon.html, utilized some good graphics and featured a short presentation package with a PDF download she had designed. The PDF package contained several great case studies and an explanation of how factoring and alternative commercial finance could help with business customer retention at small community banks.

The results of even her first small mailing were impressive. She was able to book three presentations for the following month....a marketing coup for *Twillie & Associates*.

Marketing with Direct Mail



Utilizing traditional direct mail marketing tends to produce poor results for most factoring brokers. And, it can be a bit expensive when you include all its components. If using a standard #10 envelope, brochure, and sales letter, it is unusual to get even a 1% response rate on large bulk mailing campaigns.

Direct mail does have its uses for factoring brokers, however, and it can be used powerfully as seen in the preceding example. You just need to be a little creative in how its used. Here are a few tips when using direct mail for your consulting business.

- Never use a regular #10 envelope. Too many such "normal" mailings simply find their way into the circular file.
- Always hand address envelopes if possible. Add your personal touch. If your handwriting is terrible, employ someone that comes equipped with that skill.
- Use special commemorative stamps and never machine postage. Commemorative stamps are available from your local post office and you'll have many movie stars, famous people and depictions of historical events to choose from. They cost no more than regular postage.
- Only use direct mail to drive the receiver to your website for an *offer*. Direct mail and your website make a potent team. It is very easy, using *Google Analytics*, to measure the response rates of your direct mail campaigns.
- Make the size of your direct mail campaigns manageable. Always plan on following up each piece of direct mail with a personal call to the recipient. This will no longer be a pure cold call but rather a "warm" call since your mail (if opened) has softened up the prospect.

**ALWAYS HAND
ADDRESS MAIL**

**USE COMMEMORATIVE
STAMPS**

Good uses for direct mail by factoring brokers tend to focus around special events or unique offerings. For example, your newsletter marketing program can utilize a monthly e-newsletter but feature a print newsletter once each quarter or twice a year. Use the direct mail newsletter special print version for "local distribution only". Your e-newsletter can be received by the masses.

**DIRECT MAIL
NEWSLETTERS**



Direct Mail & Disaster Funding

Another great time to use direct mail for marketing is during some catastrophic event. Factors are very quick to adapt to changing circumstances and when natural disasters occur, factors can provide ready funding to small businesses within hours. One of the reasons factoring is so necessary during such events is that customer payments tend to slow down markedly, a perfect time to employ factoring. Floods, tornadoes, hurricanes, wildfires, blizzards, drought, etc. all provide excellent opportunities to market your professional consulting services via direct mail. You can even find such marketing opportunities by visiting www.fema.gov.

When marketing in a community ravaged by a disastrous occurrence, you may not be able to depend on your website for support. Often after such events, the infrastructure is damaged to the extent that internet access will be unavailable for weeks or even months. Under such circumstances, it will be direct mail and only direct mail that carries your message.

In many cases of natural disaster, FEMA will be present (Federal Emergency Management Agency) and while disaster funds will be made available, FEMA is notoriously slow in paying its bills. Businesses tendering invoices to FEMA for reimbursement can often expect to wait 90-120 days or longer until receiving payment.

For freelance brokers interested in employing direct mail marketing, mailing to businesses suffering from a recent disastrous event can lead to booking some very profitable new accounts. This is one of the few areas where direct mail will be the number one choice for delivering your message. To use direct mail for such occurrences:

- Purchase a list of business in the area selling B2B. Order the list by ZIP codes affected by the event.
- Create a good cover letter offering your services and include your latest brochure.
- Include a plastic *Rolodex card* in each envelope. Have the heading tab on the card printed to read: “*Disaster Funding*”.

**CUSTOMER PAYMENTS
SLOW DOWN MARKEDLY**

**NOTORIOUSLY
SLOW IN PAYING**

**PURCHASE A LIST
BY ZIP CODE**



HAMMERWHISTLE & ASSOCIATES

Commercial Finance Consultants

Belinda Hammerwhistle (Bell) is a factoring consultant and has operated *Hammerwhistle & Associates* in Port St. Lucie, FL for 9 years. Bell is always on the lookout for unique business development opportunities and immediately took notice when a local news broadcaster reported a story on a large Gulf oil spill which was going to impact the Florida coastline. It is well known that such natural disasters almost always expose opportunities for landing new factoring accounts as local small business owners struggle in the disaster's aftermath.

Bell knew from previous experience that hundreds of part-time workers would be needed to assist in beach clean up once the oil began to wash ashore. Many of these workers would be sourced through local staffing companies. Bell also knew that in such disasters, FEMA and other very slow paying emergency relief organizations would become involved and the local staffing companies would require ready sources of funding to be able to bridge the time gap between the payment of the weekly payroll for the temporary help and the slow release of cleanup reimbursement funds by the emergency relief organizations. It was a perfect opportunity to bring in some new factoring clients.

Bell had ordered some plastic rolodex cards for just such occasional "disasters" some years back and although the idea of using rolodex cards seemed a bit antiquated in today's electronic age, they worked perfectly for these "special" campaigns. The cards were made of thin red plastic and featured a tab at the top that simply said "DISASTER FUNDING". The body of the card had all of Bell's contact information along with her web address.

Bell quickly bought a mailing list of staffing companies using zip codes located along the beach areas where the oil was due to come ashore and did an immediate direct mail campaign of 500 pieces. Over the next 30 days she opened two new factoring accounts for staffing companies and had several referrals for area construction cleanup companies making this \$300 mailing one the most successful in her 9 year history in the industry.





NOTES

More Opportunities for Direct Mail

When talking direct mail, most visualize blanketing large lists of prospects with thousands of pieces and advertisements. But the costs of such mailings are really prohibitive even with the earnings potential of a single factoring account. This is especially true when you consider the average direct mail response rate is just 1/10 of one percent. To justify using direct mail in mass quantities, you will need a response rate 20 times that amount.



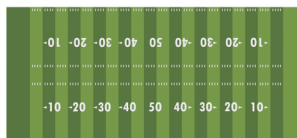
Factoring brokers that use direct mail successfully tend to use a much more personalized version on a much smaller scale, as in our previous example of “disaster marketing”. Other perfect opportunities will involve using direct mail in combination with other media to promote a FREE OFFER of some kind. For example, use direct mail to:

- Invite members of your compiled list to one of your upcoming workshops or teleconferences
- Contact small groups of brand new business owners in your area with a B2B factoring example. (Always follow up with phone call)
- Follow up on local promotions and giveaways you’re involved in.
- Announce a “Special Guest” teleconference. Always follow up with a phone call and also announce this event in your newsletter. See page 176.
- Invite business owners to sponsored events. (Drive them to your website for more detailed information)
- Announce a special offer on your website. Direct mail is much more efficient than email for such promotions. If you have authored a booklet on small business finance, for example, make it available in PDF format for download on your website’s invitation page. Announce this offer to your compiled list with invitation mailers. Track the results with website analytics. Add those that respond to your response list (prospect list).



CAMELTHORPE & ASSOCIATES

Commercial Finance Consultants



“Cam” Camelthorpe is a retired postal worker in Biloxi, MS and was looking for a good home-based business to start to provide some additional part-time income for himself and his wife in retirement. When he stumbled upon factoring and commercial finance consulting, he knew that was perfect for him.

Although living in Biloxi, Cam grew up in Green Bay, WI and has always been a *Packers* fan. Every Sunday during season, he religiously dons some green and gold and heads to the *Didgeridoo Saloon and Sports Bar*, a local sports hangout, to watch games. He has met dozens of other *Green Bay* fans including some bankers and accounting professionals. Cam is a very creative “marketeer” and has turned almost every personal pastime he has into a marketing event of some kind for his new business. He thought these recurring Sunday meetups would be a good addition. So he began putting together a creative sponsorship for his consultancy, *Camelthorpe & Associates*.

Cam negotiated a deal with the owners of the *Didgeridoo Saloon* to show the *Packers* game on the bar’s largest big screen television along with sound. The condition was that Cam needed to produce at least 20 *Green Bay* fans in the group every Sunday to get the “special treatment”. Cam knew that would be easy and he quickly designed a program that he felt would do the job. His single goal for this marketing campaign was to drive visitors to his business website so they could learn more about him and his business.

Cam got his web designer to create a new page for his site called “invitation-gb.html”. This would be the new landing page for his direct mail marketing campaign. He then arranged for a local print shop to prepare some classy invitation cards with a football helmet on the front. The inside simply said; “You’re Invited. Visit www.camelthorpeassoc.com/invitation-gb.html”

Each week Jim would promote the event by giving away a jersey, cap, block of Wisconsin cheddar, or similar prize. His webpage announced the weekly winner and became the source for group’s local updates. Jim would mail cards to prospective new participants when he was referred a name and address by another member. He had already met nearly a dozen *Green Bay* fans simply by networking at local after hours Chamber meetings and had built a special “group category” in his CRM just for this campaign. He kept fans up to date through an email blast every week which had a hot link directly to his special invitation page.

His weekly football fan sponsorship has provided Cam with the opportunity to build relationships with several bankers and accounting professionals in the group. He has also been asked many questions about his business and services by other members. Cam knows clients or client referrals will just be a matter of time.



Holding “Special Guest” Teleconferences

Another opportunity which can be marketed through direct mail is when the factoring broker holds a "*Special Guest Teleconference*". This is a great tool for list building and especially when you are new to the industry. Who is your special guest? Why a factor of course.

When you first begin to work with a factor or a factor's BDO, see if they would be interested in being the special guest speaker on a teleconference you arrange. Marketing using such teleconferences is much like workshop marketing, just a little less effective. There are no expense to holding such teleconferences other than the direct mail marketing required to get the attendees on the call.

When holding *Special Guest Teleconferences*, the broker really has just three tasks which are to:

**MAKE SURE THE
CONFERENCE CALL
IS FILLED**

- **Introduce the speaker (factor or BDO) to the audience**
- **Make sure the teleconference is filled with attendees**
- **Moderate the teleconference**

**50% DROPOUTS
AND NO-SHOWS**

The second job is obviously the most critical. Most factors will gladly be a guest speaker and make a 15 - 30 minute presentation IF you can fill the conference with attendees. The magic number you want here is 25-30 small business owners to make everyone happy. If you fail to perform and don't bring in the numbers, the factor or BDO will probably take little interest in speaking a second time.

To meet the minimum requirement of attendees, you will need about 60 people that actually respond to your invitation and R.S.V.P. they will attend. In other words, expect about 50% no-shows and drop outs for your presentation.

When moderating, simply make a good introduction of the factor and his firm and then step out. Get attendees to mute themselves while listening so there is no background noise. If some do not mute, then you can mute the audience from your phone to make certain your guest can be heard. To close, thank everyone for attending. Make certain you email a list of attendees to the factor.

Creative Sponsorships

When you sponsor something, you are financially supporting a person, organization, or cause. Sponsorships are considered to be the fastest growing form of marketing in the U.S. and also represent one of the most powerful networking and relationship building tools for your factoring and commercial finance consulting business. Recognizing good opportunities for sponsorships and arranging to participate in them will allow you to meet and network with very large numbers of potential referral sources and even prospective clients all at one time.

Though sponsorships often involve some form of charitable cause or philanthropic event, the financial contribution of the sponsor is almost always provided with some financial benefit in mind. In other words, sponsors expect a "payback" for their support and a great example of such payback would be the "*Bankers Bash*".



NOTES

**FASTEST GROWING
FORM OF
MARKETING**

**SPONSORS EXPECT
A PAYBACK**

**PROMOTIONAL
GIVAWAYS**

GOLF TOURNAMENT

Join us for the 4th Annual...

Bankers Bash

Long Drive Contest

MAKE YOUR RESERVATION EARLY!

call us for more info
Call (000) 000-0000
name@yoursitename.com : yoursitename.com

Win a Car!

Hole In One!

ENTRY \$99
INCLUDES
Lunch • Beverages • Dinner
Registration Deadline is May 17th 2014

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The *Bankers Bash*

Creative Sponsorship

Bill, a factoring broker, belongs to a popular service club in his community and over time, has worked his way into a position of leadership and authority. One of the club's primary annual fundraisers is something called the "*Bankers Bash*", a charitable golf tournament made up of teams strictly from the local banking community. Bill has worked hard to get put in charge of the *BASH*. He knew it meant having the opportunity to meet and build relationships with dozens of local loan officers and other bank employees each year. Once in charge and in typical "Bill" fashion, he decided to make the *BASH* bigger and more popular than ever. He was going to give away a car by having his company sponsor a "Hole-In-One" contest.

Bill contacted an insurance company that offered promotional hole-in-one insurance and found he could purchase an insurance policy for about \$1,000. The insurance would cover the cost of a popular \$40,000 German import in the event a participant made a hole-in-one. This was well within Bill's annual marketing budget so he quickly purchased the insurance for the event. After a call or two, he found the local import auto dealer was more than happy to have one of his bright red sport coupes on display at the event which would be parked right on the on the grass next to the par 3's tee box. As an added bonus, the dealer even offered to pick up half the cost of the \$1,000 insurance policy.

Although Bill was an avid golfer, he did not play in his own event. Instead, he set up shop right on the par 3's tee box so he could meet, greet, and shake hands with every banker as they tried to win the car. He had coolers of refreshments available and gave each contestant a free sleeve of "lucky" golf balls with his company's name and a four leaf clover boldly imprinted on each ball.

The Bottom Line



The "*BASH*" was a networking and relationship building BONANZA for Bill!

- Prior to the "*BASH*", Bill visited every bank in the area, passing out entry forms and invitations to play in the tournament. And...meeting loan officers while doing so.
- At the tournament, Bill personally shook hands with each player, gave them a logoed gift, and wished them luck on winning the car HIS COMPANY was giving away.
- Over the next several weeks, Bill stopped in every bank that fielded a team, thanked the bank officers personally, handed out "leftover" promotional items with his company's logo, and began the relationship process by inviting them to have lunch sometime.

Community Recognition Benefits

Sponsorships can be a great way to give a little back to your community. They are also a great way for you and your business to become a community topic of conversation. Whether you hit a home run, as in the previous *Bankers Bash* example, or simply get on base with a few singles and smaller ideas, sponsorships can provide fertile ground for growing relationships and joining the ranks of your community's movers and shakers.

As mentioned, good sponsorships for your consideration should provide you with recognition, and we don't mean having your name along with hundreds of others in miniscule type at the bottom of a event program. Good sponsorships are geared to opportunities which are *quid pro quo*. From your standpoint, there must be a way provided for local business owners or referral sources to know about your generous participation in the event.

In some cases, such quality exposure can be generated by you. For example, have your webmaster create an area on your website which features your company's advocacy or volunteerism. If you routinely work for *Habitat for Humanity* building homes, for example, have a photo album of pictures of your recent projects on your site. You can feature an article about upcoming projects in your newsletter and provide a direct link to your website's photo album. The goal here is to create an awareness of you and your company.

Here are some guidelines when considering a sponsorship:

- Will this event give you exposure to B2B business owners?
- Will you have the opportunity to be included in the event's publicity?
- Can you comfortably afford it?
- Will participating in this event provide you with quality networking opportunities and good sources of referral?

Sponsorships can be excellent ways to generate interest in your business while at the same time providing an outlet for your need to do good. Just make certain there is real benefit in your investment.



NOTES

**JOIN THE RANKS OF
MOVERS & SHAKERS**

**CREATE AWARENESS
FOR YOU AND YOUR
COMPANY**



Expert Status Through Authoring

If you are a reasonably good writer and enjoy it, you will find many local publications which will be interested in publishing interesting articles you write on small business finance and factoring. Often, these can be the very same publications where you are placing your classified ads, giving you a real one-two marketing punch.

Writing articles, columns, and case studies will help you to reach one of your primary goals as a factoring broker, which is being locally recognized as an industry expert. It gives you local visibility and a lot of it if your articles appear in the right publications.

Writing Informative Articles

Writing short, interesting articles on factoring and small business finance is a great place to start your authoring career. In almost any locale, there are dozens of small advertising-focused publications looking for informative “filler” content. A majority of such small publications are free to the public. They generate 100% of their revenue from the placement of small business ads and will have an active classified section.

Do your research. These magazines can be found outside of your local grocery stores, retail stores, and restaurants in great numbers.

Grab a few copies and page through them when the opportunity permits. Look at the article content and get a feel for what the magazine is looking for. Go to the magazine’s website and research submission guidelines. View sample article length and see if it seems like a fit for you. If the magazine feels like a good match, query the editor.

It is very easy to query the editors of these small publications to determine their interest. Don’t get upset with a “no” or no response at all. There are several ways around this and if you cannot move around it there are dozens of other publications where you can find interest in your article.



**SAME PUBLICATIONS
AS FOR CLASSIFIED
ADVERTISEMENTS**

**LOOKING FOR
FILLER CONTENT**

Sample Query Letter



Below is a sample query letter to use for your article submissions.

From: (Your Name)
To: (Editor's Complete Name & Job Title)
Subject: Query Letter
Email Address: (Editor's Email Address)

Hello (Editor's First Name)

Our local small business owners are faced with many challenges in today's economy. One of the greatest is locating ready sources of working capital for normal operations and sustained growth.

Small business entrepreneurs, and especially many B2B (business-to-business) operators such as your advertisers, are often faced with an inability to secure traditional bank financing due to their short time in business, a lack of meaningful collateral, or a slightly tarnished credit history. But many small B2B business owners are learning of a powerful option available to them, regardless of their credit history or time in business. That option is ACCOUNTS RECEIVABLE FACTORING!

Would a feature article on factoring and its ability to provide financing for small businesses be a good fit for (Magazine Name)? Factoring is one of the simplest forms of commercial finance available to entrepreneurial enterprise. I foresee this article addressing:

- *the well known cash flow problems your small business readers face*
- *how factoring can quickly address those problems*
- *why factoring is so readily accessible to small business owners*

(Editor's First Name), I am a freelance small business finance consultant and specialize in providing small business finance solutions to very young "start up" ventures and minority business enterprise.

I look forward to hearing your feedback. Thank you in advance for your consideration.

Your First Name, Last Name, & Email Address
 Website Domain



Writing Columns and Blogs

If an editor accepts one of your article submissions, talk to them about a periodic column on small business finance. The column does not need to be weekly or even monthly, just periodic. Landing this appointment will not only set you up as a recognized expert in your community, but will also give you excellent opportunities for networking.

Writing a periodic column for a small local publication will require that you address financing alternatives other than just factoring. And to get the latest up-to-date information for your column, you will naturally need to meet with and interview:

- **Members of your local SCORE**
- **Officers of your local SBDC and EDC**
- **Bank Loan Officers**
- **Officers of other local incubators**
- **CPAs and accountants**

**EXCELLENT
NETWORKING
OPPORTUNITIES**

In other words, becoming a column writer will give you immediate and almost unlimited access to important contacts in your small business finance community. These are the very same people you are trying as hard as you can to meet and network with at local Chamber of Commerce events. The difference is, they are now just a phone call and interview away.

Blogging

Blogging is incredibly popular and it's really relatively easy to set up and start a blog with *WordPress*. Though easy, you will need to do a little research on this subject since it is beyond the scope of this book to detail. Blogging not only represents an exceptional opportunity elevate yourself as an expert, but it also represents an opportunity to post short articles on subjects other than factoring that might be of interest to the general public. In fact, from a pure lead-generation standpoint, there is probably no other method, other than fact-to-face networking, that can build relationships more quickly than blogging.

Writing Case Studies

Case studies can provide detailed examples of how factoring can be utilized to deal with a particular small business cash flow problem. They are relatively easy to prepare and you have already seen many examples of case studies in this guide.

When marketing, factoring case studies are commonly used as an offer and part of a direct mail campaign. The receiver is able to download the case study after visiting your website and completing an opt-in form. The report is then dispensed through your website as a PDF.

Case studies are also an important component of your handout packages when holding workshops and seminars. They are a very compelling tool which can be easily created or modified to address problems of a specific target group.

Most factoring consultants will always have at least two case studies featured on their website at any given time.

1. The first will typically be more like a small booklet which explains factoring to any visitor which passively happens upon the site. It will be a bit generic, but may include several good examples of how factoring works, the costs involved, etc.
2. The second will be more specific and will be housed in the site's invitation or "squeeze" page. This case study should have a direct correlation to a specific type of business such as a janitorial service, staffing company, etc. Those accessing this particular case study will have received an email or invitational piece of direct mail with the specific URL for the page.

Though it does not have to be done immediately, you will need to have a good selection of case studies to always have on hand. When meeting and networking with a new owner of a guard service, for example, it will be very beneficial if you can say; *"By the way, I have a great little report on financing alternatives for guard services just like yours. Would you like me to email a free copy to you?"*



USED AS AN OFFER

TWO CASE STUDIES ON YOUR WEBSITE



The Power of Networking

All factoring brokers with an eye on success will become heavily involved in networking and relationship building. And rightfully so, since over 50% of all new accounts are sourced simply as a matter of referral. All types of businesses can benefit from networking. Your business of brokering factoring transactions actually thrives on it.

Networking and relationship building is often called "Word of Mouth" marketing. It is a "keystone" of your inbound marketing efforts. On the upside, it will be much less costly than direct

marketing (an often important trait for those first entering the industry), but on the downside, it will likely take longer for you to see commission-generating results if you use it exclusively.

For those entering the industry on a part time basis, networking may be the perfect low budget business development strategy for you to implement while getting started. If you're entering with more of a career focus, using networking as an exclusive source of lead generation will probably be quickly recognized as being a bit too slow. Even for full-time freelance professionals, however, it should probably be

part of 50 /50 marketing mix that includes various types of direct response campaigns as well.

As you know, your consultant business is all about generating leads and keeping your *response list* full. Direct response call-to-action marketing does this in one quick step, as the name suggests.

- **Place an ad...get a response.**
- **Place a lot of ads...get a lot of responses.**

And of course, some percentage of the responses you receive become clients. Sales is often referred to as a "numbers game" and nothing could be more true. Especially when it comes to direct marketing.



Word-of-mouth marketing is quite a bit different. It is a multi-step process. With word-of-mouth you must:

- meet a person that is a member of a professional group that can either become a client or send referrals your way
- interact with that person, explore mutual interests, and impress them with your expertise
- wait for opportunities to exchange referrals (yes, it works both ways)

When it comes to networking and relationship building, you really need to look at these two processes separately. Although they are definitely a duo, the processes and results are quite different.

- **NETWORKING:** Networking can be defined as any face-to-face contact that may establish a relationship which can lead to business.
- **RELATIONSHIP BUILDING:** Can be defined as a mutual affiliation between two parties. In short, it is a friendship. Networking opens the door for relationship building.

Networking tends to be quick and painless. It “establishes” a momentary relationship. Exchange business cards, converse for a few moments, and then off to the next conquest. Maybe referral business comes from it. Maybe not. But you have sown a seed.

Relationship building, on the other hand, requires time and effort. It “builds” on the introduction established by networking and takes it to a higher and more beneficial level. It is usually a slow and difficult process, but it is the relationships that you nurture and grow that will be the real source of your referrals and leads.

Although the use of networking and relationship building will probably account for at least 50% of your time once you have become established, for most brokers it will be a much larger marketing portion when first starting out. We would estimate that networking should probably account for roughly 75%-80% of your time when first opening your doors with traditional outbound direct marketing making up the balance.



NOTES

**THEY ARE DEFINITELY
A DUO**

**NETWORKING
ESTABLISHES A
RELATIONSHIP**

**RELATIONSHIP
BUILDING TAKES IT
TO A HIGHER LEVEL**

**75%-80% OF YOUR TIME
SHOULD BE SPENT ON
NETWORKING**



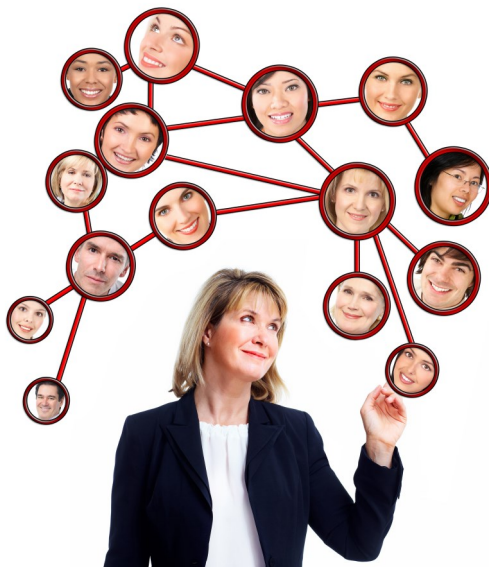
Positioning For Networking

One of the most important considerations in networking is *positioning*. By positioning, we mean making certain you have positioned yourself in the “right” clubs and organizations...those which will yield the best results. Too often new brokers simply join a civic organization with the idea that all are basically the same. That is definitely not true at all.

YOUR CHOICE OF CLUBS

For example, you may decide you want to join a *Rotary Club* and you find there are no less than seven such clubs in your area. *Rotary Clubs* typically only allow one member from each specific vocation per club so newer clubs are started as older clubs get filled up. For you, as a factoring broker, it is likely you will have your choice of clubs. The competition in the industry is actually that light. So which club do you choose?

You will need to do a little research. One club might be located downtown in the courthouse district. It will be full of attorneys (one for each specialty area) and a few other professionals. Another club might be in the industrial district. It will be full of manufacturers, distributors, service providers, etc. and all prospective clients for your services. You can network at both and you can network exactly the same way. But while you might get an eventual referral or two from a room full of attorneys, the opportunities would pale in comparison to a club full of potential small business clients.



So do your research before you join clubs and organizations for your networking adventures. Most clubs will provide you with a sponsor and with a “free look”. Come as a guest and view the size of the crowd and what type of members make it up. It can make an enormous difference when it comes to networking and all important referrals. Make certain the networking venues you choose represent truly fertile ground where you will have opportunities to “harvest” results.

Your Networking Advantage



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When it comes to networking, you will have a natural “advantage” over almost everyone else in the room. At networking events, virtually everyone in the room is there to sell something. Buy mine instead of theirs. Use me instead of her. That is, everyone except you. Your business is one of pure service and not a service of convenience. There is no choice. A business owner either:

- **needs working capital or it doesn’t**
- **can obtain bank financing or it can’t**

And it’s really that simple. You do not compete with banks. You augment banks. You provide services when they can’t or choose not to. Your business is one that radiates confidence. Your goal is simply to let those you meet know what you do. You sell nothing. When they need you, you’re there.

**YOU DO NOT COMPETE
WITH BANKS**

So when networking, the pressure is off. Everyone else in the room is there to impress everyone else. And while you certainly do want to make bankers and accounting professionals aware of your potent financing knowledge, that’s about it. Your product stands alone and you will likely have zero competition.

**YOUR PRODUCT
STANDS ALONE**

When a new acquaintance asks what you do, simply say, I’m in “specialty finance” and pass them your card. Since specialty finance is a bit vague, they will likely ask questions and you can then expand a bit with some details. Ask them what they do and then provide a quick example (mini-case study) of how your services can help. If they are a retailer, you will give an example of merchant cash. If they are B2B, you can use factoring. If they are a large B2B, you can use asset-based lending. If they export, you can use international factoring. You will find you probably have a ready financing tool for everybody in the room.

You should also be prepared to occasionally be the center of attention at networking events and especially around bankers. This is because they are interested in what you do. Most have never really heard of your services. They are curious and will want to know more and to find out how you can help them.

**BE PREPARED TO BE
THE CENTER OF
ATTENTION**



How to Follow Up

As you work the room at any networking event, you'll find many business owners who will say, "*I have all the money I need right now*". And, they are probably telling the truth. But, are they a prospect for your services? You bet. In business, the one thing you can be certain of is change and especially when it comes to cash flow. Making the initial contact at a networking event is simply step one. You now need to keep the introduction from going stale. Here's how.

ENTER INFORMATION IN YOUR CRM IMMEDIATELY

After the event, always get the information from those you meet into your CRM. Do it immediately, while details are fresh in your mind. When you add their personal record, also assign them to a "group" you have set up for the networking event. For example, if you meet an accountant at a Chamber of Commerce meet up, create a personal record but also assign it to the "group" called *Chamber of Commerce*. That way, you can scan group members before each subsequent Chamber event to refresh your memory regarding the names of important contacts. Remembering a person's name when you meet a second or third time will impress them. It tells them you are interested in them personally and their business.

Attend meetings regularly. For example, if you met an individual at a specific bi-weekly after hours event, make certain you attend that same event again. Try to "touch" people you have met at least 2 or 3 times.

Send a Personal Business Email

PERSONAL BUSINESS EMAIL

While you are adding the new contact to your CRM, send them a simple email from your business email address. ONLY use your business email such as bill@brokerwebsite.com.

Any short email will do such as:

*Great to meet you at the Chamber event last Wednesday.
Looks like that's a pretty well attended meetup.*

Bill Broker
www.brokerwebsite.com

A business email address is a pretty important “stealth” marketing tool and very inexpensive. In fact, you should probably have two business email addresses associated with your website.

- A general business email such as info@ or contact@
- A personal business email such as bill@ or gina@

Once created, you should begin using your personal business email for everything. Personal business emails provide a perfect method of letting everyone you know you are in business. Because the email address contains your business website’s URL, those that receive your email can easily satisfy their curiosity about your business and what you are up to these days without personally asking you.

Never add those you have met personally to your marketing service email for e-newsletters and bulletins. Once you have met someone face-to-face, you are beyond such generic marketing tools. You now need to utilize direct mail to maintain a periodic relationship-building contact. What you need is a print newsletter.

Touch With Powerful Print Newsletters

Once you begin networking in earnest, you must stay active on your networking circuit. Unfortunately, just because you stay active doesn't mean those you meet stay active as well. And what many networking experts say is this. If you do not "touch" someone you've met at a networking event within a month of your first introduction, any relationship value you initially established is reduced by at least 25%. If you do not interact with them for three months, the seed you planted for a relationship is likely valueless.

So how do you touch those important contacts who are not showing up or have dropped out of your circuit? One of the best ways is with an informative print newsletter.

When it comes to staying in touch with quality prospects and important sources of referral, print newsletters are the elephant in the room. Not only do they provide a medium for showcasing your expert knowledge of business finance through their interesting and informative articles, they also begin setting the stage for building a more meaningful personal relationship.



**USE YOUR PERSONAL
BUSINESS EMAIL FOR
EVERYTHING**

**THE ELEPHANT
IN THE ROOM**



When it comes to networking, nothing can replace the face-to-face contact found at a live event. But until such opportunities again present themselves, print newsletters can provide a mode of communication which will keep you front and center in a contact's mind.

STAYING POWER AND PASS AROUND VALUE

Good print newsletters are much more than advertisements for your business. They are publications that you, the expert, author. If properly constructed, they will not only have staying power, but also "pass around" value. To take advantage of these two features, you need to make sure your newsletter contains attention-getting local content of interest to readers as well as some case studies and feature articles. Here are some suggestions.

ADD A POLL

- Readers love to know what's happening locally. Add a calendar column for upcoming local events. These can be of an entertainment or civic in nature.
- Add a poll. Your readers want to make their opinions known. Present the poll in your newsletter but let readers take the poll by visiting your website.
- Create a crossword or similar word puzzle. You can post answers to the puzzle in the newsletter or on your website. There is excellent free software on the web that will construct your crossword puzzle for you.
- Add a joke or cartoon. Everyone loves a bit of humor.
- Add a "recipe of the month".
- Add an article on an under-the radar, cool vacation spot.
- Use pictures and graphics liberally. Use at least one graphic per page.
- Add a quote of the month.

So there are many ways to not only make your print newsletter interesting, but also add to its staying power and pass around value. Most experts say the perfect size for a monthly newsletter is 4 pages. That is a single sheet of 17 x 11 paper folded. Software such as *Microsoft Publisher* or *Adobe InDesign* will make publishing a monthly newsletter a breeze and actually fun.

Relationship Building

Relationship building is the ultimate goal of all networking and the most important relationships you need to build are those with bank lending officers, accounting professionals, attorneys, insurance agents, incubator managers, directors of SBDCs, and others. All are highly desirable. None will have more referral potential, however, than commercial lending officers.

When you meet a commercial lending officer, your goal is to advance to a one-on-one meeting and at first, this usually means lunch. It may grow over time to include golf, tennis, family dinners or more. But first, try to arrange a simple lunch meeting.

As you converse you will find out important personal information. Through informal conversation, gather information on the person's:

- Favorite sports and sports teams
- Favorite hobbies
- Family situation. What are the children's names?
- College affiliations
- Residence. How long in the area?
- Favorite vacation and travel spots
- Birthday
- Holiday plans
- Political affiliations

The more personal information you can glean during normal conversations, the faster you can find common interests upon which to build a friendship. Make sure, however, you avoid converting an enjoyable lunch between two people into an interrogation. Just make note of the normal conversational content that comes up that provides you with some insight into the person.

Make certain you update the person's record in your CRM as soon as possible after any meeting. It's easy to forget important information even after just a few hours.



NOTES

**THE ULTIMATE GOAL
OF ALL NETWORKING**

**AVOID
INTERROGATIONS**

