

Education, Diversity, Perseverance: a Recipe for Success

by Joy Ann Venverloh, CFS, Million Dollar Club 03/01/2005

To me, education, diversity, and perseverance are the ingredients for being successful as a factoring consultant or, for that matter, as a consultant for all cash flows in 2005. Here is my viewpoint on these ingredients.

Education: Cash flow consultants should avail themselves of every opportunity to become more knowledgeable about cash flows. And there are so many opportunities to do so within our own ACFA. Read Jeff Callender's Factoring Tips, listen to Fred Rewey's interviews with cash flow funders and Master Consultants, participate in online seminars, join your local ACFA Chapter to learn and contribute all you can, read the Journal, ask Terry Craig and his advisors for help, listen to tapes or CDs of past conventions, and if you have not already done so, sign up to attend the 2005 Convention in San Francisco.

There is a real need for the ongoing education of a consultant. Today you are dealing with a more educated public. Your prospective client is more sophisticated and will become even more so in the coming years. They log on the Internet and your Web sites before they even call you. They know for the most part that as a cash flow consultant, you can be instrumental in getting them the money that they need whether they have a note or structured settlement to sell and invoices or a REALTOR's® commission to factor. They may not know how the process works but know that you have the connections to help them. Newly graduated consultants in St. Louis, and elsewhere, call me and want to know about a particular niche. Sometimes, I'm the one that must do the research and find out about this niche to be able to inform the consultant intelligently. As president of the St. Louis Chapter, I want to help others get the education that they need as quickly as they can so that they can become successful as quickly as possible.

Diversity: A consultant who can handle several cash flows will be successful in 2005. Every day my phone rings, and prospects are asking if my company handles a particular cash flow. Just recently, after attending a note seminar, I was approached by a local mortgage broker who asked me if I could help someone who needed money for his business and who was willing to give a first mortgage on his commercial building. Banks would not help him because of his poor credit score. This prospect had several free and clear commercial buildings that he wanted to keep. He had ruined his credit score while trying to keep his specialized IT business going. While the preliminary work is just started on this transaction, I believe that the building will be the only collateral that will be necessary because the loan-to-value is there.

Another new consultant called and asked about factoring REALTOR's® commissions, a new niche for me. There are calls about venture capital, purchase order funding, equipment leasing, etc. The cash flow consultant does not have to know everything about every niche, but he certainly should find out the answers to the questions prospects ask him/her. There is no shame in saying that "I don't know about how this particular transaction works, but I will find out for you." Find out and direct your prospect to the funder that can help him. Little transaction fees can add up when they regularly occur. Also, consider construction factoring in 2005 along with your chosen niche. In my area (St. Louis, MO) and I believe in most areas, construction of buildings is occurring at record speed. Construction companies always need money for payroll and payroll taxes. It also has been my experience that some small companies do not have good bookkeeping systems in place. If you have office experience, for a small fee you might want to offer to prepare and mail invoices. This can be another way of adding income while you are waiting for the "big one."

Perseverance: As the public gets more educated about the buying and selling of cash flows, the competition will become greater among consultants. A good marketing plan should be made and followed. It may take several meetings before a business prospect trusts you enough to ask for your help in solving his problem. Don't pressure. You have a product that can solve a company's or an individual's needs. That product is money or access to it. So in 2005, continue to educate yourself, add a cash flow or two to your marketing plan, and persevere in your dream. Chances are good that you will be successful.

If I can be of any help to you, either as a factor of small invoices or as a source of encouragement, please contact me at 636-458-2612 or e-mail me at joyann@lexxfunding.com.

Joy Ann Venverloh is president/CEO of Lexx Funding, Inc., a factoring company that specializes in directly funding small company invoices and consults with ACFA funding companies to handle the larger transactions. Joy Ann is a member of the Million Dollar Club and can be reached through www.lexxfunding.com.