

Tips on channeling prospect leads to commercial lending

By D. Neil Berdiev

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This article was written for customer service personnel of commercial banks and other lending institutions who are first to interact with prospects.

When a business owner contacts your commercial bank or lending institution, chances are he or she knows nothing about your organization, capabilities, or culture. This is a perfect opportunity to wow a prospect and gain his or her confidence and trust, whether it results in establishing a business relationship or not.

While as a “front line” employee you may have the experience and knowledge to prospect your callers further, you should focus on spending the minimum amount of time asking several essential questions that will help you connect your customer with the right lending area.

Here is a list of suggested questions:

- **Are you looking for a loan for your business?**
- **Are you already in business or will it be a start up company?**
- **Where are you and your business located?**
- **What is the approximate loan size you are interested in?**

• **What industry does your business fall into?**

Now, let’s take a look at each of the above questions to determine why you should ask them.

1. Are you looking for a loan for your business?

Some people say that they are looking for a business loan. Some people say that they are looking for a personal loan (to then invest it in their business). As long as the purpose of the loan is to finance a business need, it is likely to be a business loan which will be handled in commercial lending area. Exceptions are possible, but generally this is a safe first step.

2. Are you already in business or will it be a start up company?

Although start up companies generally do not qualify for traditional commercial bank loan financing, it does not mean that you should not be talking to start up entrepreneurs. Some entrepreneurs may have sufficient personal wealth to start a company and qualify for a business loan. Some may be starting a company while they already have business ventures and therefore may qualify for a business loan. Getting an answer to this question will help you determine which lending group to

get your prospect in touch with. Typically, particularly with larger commercial lending institutions, start up companies will be handled in small business lending.

3. Where are you and your business located?

This question will again help determine which group within your organization to direct your prospect to. For instance, if you work for a large lending institution and receive a call in Massachusetts while your caller is based out of Vermont, you may need to connect that individual with a lending unit that handles Vermont. If you are employed by a smaller commercial lending firm that does not lend outside of its state, this is valuable information to pass on to a lending officer. It may determine whether a call back should be made immediately or can wait a few hours.

4. What is the approximate loan size you are interested in?

This is a very important and frequently missed question. I myself have called several commercial lending companies to test their systems and have been bounced around several times before reaching the right area. On a couple of occasions I simply gave up trying because I was misdirected too many times. Find out loan limits for individual lending departments within your organization, so you know exactly

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where to forward your lead. Too many transfers will result in your prospect going to your competitor.

5. What industry does your business fall into?

This question will help the person in commercial lending to set the right pace and tone and get ready to structure a conversation in a certain way. Many lending institutions have specialty lending groups that serve specific industries or lending officers who have experience in lending to certain industries. You may also want to ask **whether a loan is for investment real estate purposes**. Most lending companies I have worked with have separate investment real estate groups (investment real estate typically excludes owner occupied property). For example, if a wholesale company XYZ is looking to buy a new warehouse for its own use, this loan will be deemed owner-occupied and usually will not be handled by a real estate lending group.

Here are the key benefits to your prospect of asking the above qualifying questions:

- Saves your prospect time by getting him or her to the right person as soon as possible;

- Builds confidence in your prospect and willingness to work with your organization;
- Educates your prospect on what type of information may be asked and has to be ready when calling for commercial lending products and services.

Benefits to you and your organization:

- Develops a positive professional reputation for you and your company as a reliable business partner -- you know what you are doing, you are organized and efficient, you are customer focused, you value your customers' time and want to help them as soon as possible;
- Allows you to handle a call quickly and effectively, so you can move on to assisting other customers;
- Creates a better, mutually beneficial relationship with your colleagues in lending units, in part by earning their respect for the quality of prospecting you do;
- Last but not least, allows you to learn more about what your lending colleagues do so you can develop your own career goals and contacts.

If you strive to build a customer-centric organization that is highly respected in the business community, you should strongly consider implementing the following whether you are a front-line employee or a loan officer:

- Always return calls of prospective customers as soon as possible, and no later than within 24 hours;
- Never speed-dump¹ your callers to the next person. I have started my career at Fidelity Investments and worked at a calling center for several years. Properly transferring a call was one of the first rules I learned. Most financial institutions fail in this area;
- Always be professional and patient, even if the level of expertise and sophistication of your caller is inferior to yours. You never know who your callers know and how badly they can damage your reputation if you do not treat them well.

About the author

D. Neil Berdiev has worked in various roles for commercial banks,

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such as Fleet Bank, Cambridge Trust Company, Boston Private Bank, and Citizens Bank. During his career in credit and lending capacities he has participated in the analysis and approval of \$100 million in new loans and over \$250 million in loan renewals to small and mid-size companies. He also evaluated quality of over 1 billion in commercial loans to companies of various sizes from a wide range of industries.

While still a banker, he found his passion in coaching small business owners on how to secure loan financing and manage financially successful companies. He authored a book titled *Loan Financing Guide for Small Business Owners*, which received many positive reviews and acceptance by small business owners, librarians, and lenders. Neil writes for Inc.com and several professional publications, providing advice on the issues surrounding small business financing.

If you have questions related to loan financing or want to suggest future article ideas, email him at inquiry@LoanFinancingGuide.com.

A copy of Loan Financing Guide for Small Business Owners can be ordered from www.LoanFinancingGuide.com/Discount.

FOOTNOTES:

¹ Speed-dumping or speed-transferring a call -- call transfer to someone else without an introduction and/or without passing along information your caller has spent the time providing you with.