



## Robyn Barrett of FSW Funding discusses how asset-based lending remains an industry built on relationships

Guess what? Relationship lending is alive and well. Also good news: robots won't replace us any time soon. Sometimes this can be hard to believe since it seems the hot topic at every commercial finance meeting or networking event is how to obtain and retain clients. Do we use the traditional model of marketing, such as business development officers on the street, or do we use technology, such as Internet search words and social media? The easy answer is we have to use a mix of the two methods – traditional marketing and technology – but the quandary is what mix.

### The Internet is Not the Best Place to Find Deals

Whenever I ask a prospect how they found my company and the answer is the Internet, I am immediately suspect. Why? We don't spend money on search words because it is not financially feasible. While we can use marketing dollars to get the word out about our companies and what we offer, we will never be able to compete against the technology companies that are driving up the cost of pay-per-click search words. Technology companies are spending millions of dollars each month to get in front of potential

prospects. I don't know many asset-based lenders that are willing to spend at least a million a month just on Internet marketing.

### ABL Lenders and Factors are Relationship Lenders

ABL lenders and factor prospects each have a story and the lending decision cannot be extrapolated from a few bank statements and data points. Underwriting these deals may have multiple hurdles for lenders such as competing UCC filings and negotiating intercreditor agreements. All of these issues take time and require a lender who can work to find a solution. These prospects are not served well by FinTechs and the only way asset-based lenders and factors will find these prospects is good old-fashioned marketing. That means having good sales people in the field and a good network of brokers and referral sources.

### Relationship Lenders are Community Lenders

ABL lenders and factors all sell the same thing, money, so we need to differentiate ourselves at the local level via public relations, company website and perhaps targeted social media. The problem with social media is there is so much information out there that your message just gets lost. Thus, I am a firm believer in public relations, company website and sales people. Public relations are more than press releases and can be used as a marketing tool to build a positive reputation via a strategy to give back to the community. This doesn't mean big dollars and can be as simple as organizing and promoting a food drive. The goal is to deliver good news and build a trustworthy reputation.

Unless you have an unlimited marketing budget and can get your website to the top of every search engine,

your website's primary goal is to be informational. Your website is the first impression a prospect may have of your company, so make it great.

Sales people are the foot soldiers and do all the really heavy lifting of getting deals in the door. Whether your company is regional or national, you will need to have sales people that can find the deals and sell a prospect on your company. Sales people are your ambassadors to the communities you serve and will be the first step to building relationships with prospects.

At the end of the day, people want to do business with people they like and trust. This is why people have a favorite grocery store, restaurant or dry cleaner. We have favorites because we want to align ourselves with companies and people that share our values. Differentiating your company as a relationship lender will attract better prospects and keep clients retention up. **TSL**

Robyn Barrett founded FSW Funding and brought with her over 25 years of experience in finance with an emphasis on asset-based lending. Prior to founding FSW, Barrett worked for a national commercial finance company, FINOVA Capital Corporation, where she last served as assistant vice president, marketing for FINOVA Portfolio Services. Robyn also worked as a senior underwriter and senior analyst, where she gained knowledge in underwriting, sales, loan negotiations and management.

Barrett is also a Certified Public Accountant and has a Master in Business Management.