

More Advertising for Your Broker Business

Besides regular advertising, you should be sending out direct mail letters, letting people know that you can help them with their money problems. Some money brokers have a combination letter-display ad made up and printed on the back of postcards. This is quite a bit less expensive than sending out letters, and could possibly downgrade your image somewhat, but on the other hand, those money brokers using postcards say they're very effective because the recipients are more likely to save a postcard than a letter. A general description of the way the direct mail system works is: You mail out your letters or postcards to the real estate brokers and small businesses in your area. Then a couple of days later, you follow up with a phone call to these people. You identify yourself, ask if the card or letter had been received, and then ask how things are going - if perhaps you can be of any help to them. Finally, you ask them to keep you in mind, and to be sure to let you know if something comes up that you can handle. About one-third of the people you talk to will say that they don't immediately need money, but they know of individuals or business looking for help. When you do get a referral, be sure to elicit as much information as possible, and then make a contact with them. You can also send out letters in search of lenders or private investors. All of these efforts are helpful in establishing and building your business. When you have put a loan or an investment proposal together, and you intend to sell it to a lender, you should first call the lending officer or the head of that lending organization. If you want to present your package to a private investor, you will more than likely have to call his attorney, broker or investment counselor. The purpose of your telephone call is to set up an appointment in order to present your package in person. Thus, during the course of this telephone call, you should brief the lender on the highlights of your client's loan proposal. If he's interested, he'll probably want you to send him a written summary. After he's received the summary and decided he's interested, he'll get back to you and set up an interview with you, and then with you and your client. You and the borrower should rehearse the entire loan proposal and have all examples, charts and graphic illustrations ready to go for a winning presentation. Any lender willing to listen at all wants to hear the full story, and when they have a question, they want the answer without hesitation. So be sure you're ready when you show up for that loan-selling interview - with a complete presentation. Once you start processing loan applications, you'll find that about 80 percent of the loans granted to small businesses are made by commercial banks. A few more than ten percent are made by friends or relatives of the borrower, and about three percent by finance companies. Another three percent will be granted by insurance companies. This will give you an idea of possible money sources for your clients. You must remember, when a prospective borrower tells you how much money he needs, and what he wants to use it for, it is your job to evaluate his proposal and match his particular proposal with sources likely to be interested. As you build your list of money sources, you will find those that specialize in specific categories of loans - for apartment buildings, medical facilities, recreation setups, and a myriad of others. Most money brokers cultivate the savings and loan companies, union pension funds, life insurance trust companies, credit unions, private investor groups, and even the small loan companies. The important thing to remember is that if you're going to bring together people needing money and people with money to lend, you have to continually develop contacts in order to build your list of money sources. It is very helpful to get to know your local bank officials because oftentimes they can refer you to a person you can really serve, because he doesn't qualify for a bank loan. You will learn also that most sources of venture capital - money for business start-ups - want an equity share of the business. They generally don't require that the money they put up be repaid, because they're hoping to make their profit from a share of the business as it grows and becomes more and more profitable. They especially like to get in on the "ground floor" of small companies who plan to issue public shares of stock when they begin to grow.

About the Author

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