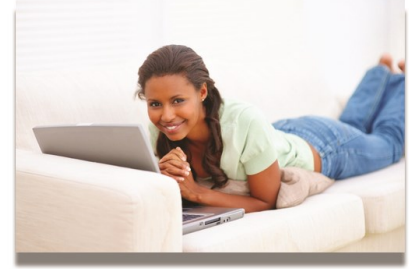




# Amanda Smith: Referral Broker



## AMANDA SMITH DISCOVERS FACTORING

Like many in the industry, Amanda Smith stumbled upon factoring while looking for a solid, home-based business she could start to supplement her 9-5 job as a hostess at a local restaurant in the Denver, CO area. Amanda, a single mother, struggled to meet her rent and other obligations each month and needed some “side business” that would add an additional \$500 a month or so to her current earnings. What she was seeking was a home business that gave her the flexibility to work when she had free time and did not have the demands of a true second job, which would leave her no time to spend with her young daughter.

One afternoon, while searching the web for business opportunities, Amanda discovered the online magazine called *Commercial Finance Consultants* ([www.commercialfinanceconsultants.com](http://www.commercialfinanceconsultants.com)), a blog-style factoring broker website. After reading a few articles, she immediately knew she had found her business.

Through the website’s links, Amanda explored the various programs available through the IACFB, the magazine’s publisher, and after some review, decided that being an industry *Sponsored Agent* suited her best. Additionally, IACFB’s *referral broker program* was exceptionally low cost and fit her budget. As a *Sponsored Agent*, almost all of her initial marketing and business development efforts would be accomplished through her activity on *Twitter*, *Facebook*, *LinkedIn* and other FREE social media. Since she already had a desktop computer and printer, her initial cost for setting up her business was negligible and included:

- *IACFB Program \$99.95: Reimbursable*
- *IACFB Factoring Broker Training at Campus IACFB: Free*
- *500 Business Cards (\$40.00)*

## Amanda Discovers the Benefits of IACFB “Sponsored Agent Program”

With her IACFB Program, Amanda was provided with...

- *A WordPress website / landing page and two domain related email boxes*
- *Access to the IACFB’s Factoring 101 training area and the Factoring Broker Forums*
- *Access to IACFB’s Magazine at [CommercialFinanceConsultants.com](http://CommercialFinanceConsultants.com)*
- *Deal assistance with IACFB underwriters for prospect conference calls*

At first, Amanda was confused about the need for the free business email boxes since she was in no hurry to set up a website / landing page. But she soon understood the landing page allowed her to have two free, domain-related business email boxes. One box, she would begin using immediately for marketing. The second, she would use to subscribe to the various factor’s and lender’s many newsletters and bulletins, so she could learn more about the factoring industry and it’s awesome commission-generating opportunities.

Amanda spent her first 30 days as a *Sponsored Agent* learning the ropes. She...

- spent time posting threads and asking questions on the *Factoring Broker Forums*
- read the many support articles on IACFB's *Commercial Finance Consultant* online magazine
- accessed the *IACFB's Learning Lab*, with its many helpful "member's only" articles, teleconference recordings, and startup instructions
- successfully took and passed the IACFB's free *proficiency exam* and became a certified agent.

Amanda also began visiting the websites of various factors and learned more and more about the many exciting industry products and commission-generating opportunities. And...the more she learned, the more she realized that her entry into this remarkable industry as a *Sponsored Agent*, was just a first step towards a completely new career and one that, if she was successful, would allow her to leave her \$13 an hour job as restaurant hostess far, far behind.

## Amanda's First Marketing Efforts

Amanda's initial plan for marketing was to use the many friends she had made on both Twitter and Facebook. She soon learned, however, about LinkedIn and its business-oriented membership. She immediately created her LinkedIn profile, joined several groups of interest to her, and began to network everywhere she could in her spare time. She also began carrying a supply of business cards with her at all times and passed them out to friends at her nail salon, dry cleaners, and a local sports bar she sometimes frequented with friends.

## Amanda Strikes Pay Dirt...Twice

Amanda's hard work at networking paid off within just 60 days. And not only did it pay off once...but twice. Her first client was a referral from a close girlfriend whose sister-in-law owned a growing janitorial service. The girlfriend's brother had been frequently cash-strapped recently due to the necessity to finance his wife's growing payroll since the wife's client's were taking 30 days or even longer to pay their invoices. Amanda's girlfriend had listened intently to Amanda one evening describe her new business while they were out and immediately realized that with Amanda's assistance, her brother's cash problems could be solved.

The girlfriend gave Amanda her brother's phone number who she called. On the call, they discussed the possibility of factoring providing a solution to his wife's cash flow problems at the janitorial service. Amanda told him she was certain it could and asked if she could set up a conference call, at his convenience, with her sponsor, IACFB. With his permission, she completed the "Contact Form" on her Agent landing page and which triggered an IACFB conference call to the brother the next day.



## The Conference Call

On the conference call, the IACFB account executive listened to the cash flow problems faced by janitorial service and immediately recognized that a factoring arrangement would indeed solve the problems. The business was invoicing approximately \$50,000 per month and growing rapidly. Within hours, an IACFB factor provided a factoring *terms sheet* to the couple which offered a factoring facility of up to \$200,000, providing adequate room for business growth. The couple approved the *terms sheet* and contracts were available for signature within 48 hours.

## Contract Signed / Factoring Begins

The sister-in-law referred by Amanda's friend, signed the contracts and the factor immediately began purchasing the sister-in-law's invoices. With the factoring arrangement in place, the bi-weekly payroll

of the janitorial service now became easy to meet and the growth of the business was guaranteed. Additionally, the purchase and financing of the existing invoices provided sufficient cash to repay the husband (brother of Amanda's friend) for some of the short-term loans he had been forced to make to the janitorial business. But there's more to this story, much more.

## The Second Strike

With the contracting of the janitorial service, Amanda had her first account. What happened next, however, was completely unexpected and a total surprise.

The brother of Amanda's friend had a small excavation company that operated heavy equipment in the construction industry and just like his wife, he occasionally had some difficulty meeting payroll when general contractors were late making invoice payments. After discovering factoring and its ready solution to his wife's problems, he asked Amanda if she could set up the same type of factoring arrangement for his company.

Unfortunately, the factor providing financing for the wife's janitorial service did not provide services to the construction industry, which is a very specialized niche of factoring. Amanda did, however, know IACFB had dozens of "specialist" factors that routinely provide services to the construction industry and immediately called IACFB to call the brother again and work on the new deal so she could become *broker-of-record* on the potential second deal as well.



## The Second Conference Call

IACFB selected a geographically acceptable construction and quickly set up a conference call for the possible second account. As with the first, the construction factor immediately recognized the opportunity to finance the husband's receivables as a "quality" account and sent a *terms sheet* along with contracts. The contracts were signed almost immediately and Amanda had just booked her second deal.

## Payday...Payday...Payday

With two deals now on the books, Amanda was anxious to see her first commission checks from the two factors. Both paid Amanda at a rate of 10% of the factoring fees earned, on a residual basis, and for the life-of-the account.

Factoring approximately \$50,000 per month and with 30 day payment terms enjoyed by customers, the commission checks from the janitorial service began arriving on a monthly basis and averaged about \$175-\$200. The commission from the brother's excavation company, factoring about \$60,000 per month, were slightly larger due to the 45-60 day terms enjoyed by general contractors. On her second deal, a construction deal, Amanda's checks were averaging \$275-\$300 per month.

With just two small, quality deals on the books, Amanda was now enjoying an "income injection" to her lifestyle of \$450-\$500 per month or \$5,000 to \$6,000 per year. She immediately set a goal to begin setting up her blog on her Word Press agent's landing page, adding affiliate links to her blog posts for some affiliate income, and continue her networking and business development efforts so she could land a few more small accounts by the end of the year. With a total of four or five small accounts under her belt, Amanda rationalized that within another 5 or 6 months, she could be living "rent-free" due to the lucrative business of factoring and its residual commission payments.