



BY EILEEN WUBBE

COMMERCIAL FINANCE **THE NEXT GENERATION**

Young professionals are relying on mentoring and networking to gain ground during the early years of their career.

They also share their advice and insight for what they need from managers to get ahead. ▶

I'd suggest all newcomers find a mentor. It can be the best asset to have.

Jason Edelson

There is a learning curve to the business development side of ABL. You will eventually get results, but to get consistent results, it can really take about two years.

Jason LeuVoy

I wish I would have been more prepared to create relationships with referrals.

Amanda Bowser

Most people in commercial finance have years and even decades of experience, so it can be hard for a young person to establish themselves where relationships are already in place.

Holly Hays

One of the biggest challenges young people face is lack of prior knowledge of the industry; the asset-based lending environment really wasn't emphasized in my finance curriculum.

Michael Beutel

These thoughts reflect what young professionals have been encountering as they navigate their way through the early years of their career in the commercial finance industry. In an industry where the majority of executives have many years of experience, seasoned executives have stressed the need for fresh ideas and new life in the industry.

Young professionals in asset-based lending couldn't agree more. They are eager to invest the time to learn the ins and outs of ABL and establish relationships in this tight-knit industry. They adapt to days that can stretch from 7 a.m. to 11 p.m., with evenings often spent attending a networking event, golf outing or a dinner to help establish business relationships. Career and personal life overlap; acquaintances met at networking events evolve into friendships outside of work.

"As a young professional, the ball is in your court," said Jason Edelson, president of newly formed Edelson Enterprises LLC, Chicago, IL. "Young professionals tend to have more time

and energy to get involved."

Taking advantage of internships and training programs to be successful early on is a necessity, but young professionals also need guidance and understanding from managers. There is a definite learning curve to this industry. Experienced managers can't sit back and set unrealistic demands on their younger employees; they must be willing to take time out of their busy schedules and share the tools and knowledge they've gained over the years to help them.

Once settled into a job, young professionals cite having mentors and networking as the most helpful assets they could have in the industry. Those without much mentorship were hit harder by the challenges they experienced and found their first few years on the job to be a trial-and-error experience. Still, regardless of their experiences to date, it is their eagerness to learn the industry, get ahead and see how their work helps financially-distressed companies that keeps young professionals engaged in pursuing a career in commercial finance.

Hitting the ground running

Just one year out of school, with a degree from Fordham University in finance and economics, Michael Beutel, a portfolio analyst at GE Commercial Finance, Corporate Financial Services, Norwalk, CT, has had an overall easy transition into the industry. He attributes this to an internship with UBS while he was in school, and a "first-class new employee on-boarding program" offered by GE. He learned workplace etiquette at UBS and the comprehensive training at GE helped him keep pace with everything.

"I would encourage all new employees to take full advantage of corporate training classes and programs because it will only improve your work skills," Beutel said. "Also, make it known what you think your next step in your career should be. I have open-ended discussions with my manager periodically to let him know my intentions, and he provides great feedback and guidance; this way, when the time to move on arrives, neither you nor your manager are caught off guard."

Beutel is the daily contact point for GE clients and works on a team that services direct deals. From assisting clients with everything from funding requests to invoicing to borrowing-base calculations and amortization payments, Beutel is getting his feet wet in a variety of areas. He enjoys the customer service aspect of his job the most. "I enjoy building trusting relationships with our clients; it's very rewarding."

Also applauding managerial skills for her success and facilitating her growth in commercial finance is Holly Hays, business development officer at Transcap, a Wells Fargo Company, New York, NY. Hays earned her degree from the University of South Florida three years ago and found the transition from school to New York's "frenzied work environment" challenging and fun.

"There's a steep learning curve that comes when you are first introduced to commercial finance," she explained. "Managers should lay out clear goals, attitudes and actions that lead to success as well as give a new employee a platform for growth and confidence. It is also important to give the employee a chance to stand on their own and make some mistakes in the process. A good employee will learn quickly from their mistakes as well as their successes."

Like Beutel, Hays' days vary, but it's one of the aspects of a business development career she enjoys. A typical day could consist of a breakfast meeting, morning prospect calls, lunch with an industry colleague, an afternoon call with the credit committee to discuss issuing a proposal, followed by an evening of networking in a professional finance or credit group. Hays is also the treasurer of the Commercial Finance Association's (CFA) New Jersey Chapter.

In the summer, Hays can be found networking while enjoying the commercial finance industry's favorite pastime: golf. "I especially enjoy networking on the golf course because it's a relaxing way to get to know your peers," she added.

As a BDO, establishing relationships with the intent of developing new business opportunities in purchase-order

financing is at the core of Hays' job. Fortunately, she has met people who have reached out and helped her make new contacts. She considers these colleagues her mentors.

"If there could be one thing for new people in commercial finance to have, it's having a mentor that they can respect and trust," Hays said. "Just like every new thing in life, it is a tremendous help to be able to ask questions and have a hand along the way."

Hays is not alone. Young professionals cited having a mentor, whether they had one or not, as one of the most important tools to have in commercial finance today. With the ratio of experienced executives being in a young professional's favor, they are hoping it's a trend companies will bring on board if they haven't already. Mentorship offers unlimited benefits and will help recruit and retain younger professionals in the industry.

"Even if there is a generational gap, both parties can learn from one another," said Elizabeth Hastings, senior vice president, FGI Finance, Allen, TX. "It would be great if everyone is assigned a seasoned employee to show a younger employee how things have been done, and to listen for new ideas and input."

Mentors can also let newcomers in on a company's corporate culture and suggest which organizations could benefit them. "Sometimes, the only way to find out about the existence of industry-based organizations is to inquire about plaques or trophies sitting in someone's office," Edelson said.

Those who didn't have much mentorship or training know how difficult those

first few years can be. Dealing with a large, slow-moving organization that was set in its ways and building a referral network from scratch were some of the challenges Jason LeuVoy, senior vice president, business development, of Capital TempFunds, Chicago, IL, faced in his first two jobs out of college.

"From an ABL perspective, very few organizations put effort into sales development training," LeuVoy explained. "It's hard to find people who have been trained properly. You really need both skill sets: credit and sales. Few people have both. Either they are very outgoing and social, or they are more of a numbers person."

LeuVoy falls into the first category. Even though he works from a home office (Capital TempFunds doesn't have an office with credit operations in Chicago), he meets new people almost every day and enjoys this aspect the most. Mondays are his home office days where he handles paperwork and follows up with existing prospects. Tuesday-Friday he meets referral sources ranging from commercial finance banks, brokers, attorneys, investment bankers or hedge funds. Evenings are filled with preparing credit packages and reports or attending networking events for CFA's Midwest Chapter, Turnaround Management Association, Association for Corporate Growth, Risk Management Association and the Midwest Business Brokers & Intermediaries (MBBI).


"I've met about five good friends in this business, and we all do what we can to help each other out. A rising tide will lift all boats," he noted.

To help those who don't have proper sales training, LeuVoy suggests compa-

nies offer a formalized business development program. "If you hire a young professional, have a year or two training program for them to learn the business as a salesperson and to understand how the credit half works. Oftentimes, companies expect results to be month-to-month or quarter-to-quarter, but it can really take three years. This is something I and several of my coworkers, who were also young, struggled with the most. Companies need to give their employees tools to execute."

Amanda Bowser, marketing associate at Bridge Finance Group, Chicago, IL, joined the industry in January 2008 and her biggest struggle was building a network. "I wish I would have been more prepared to create relationships with referrals just as much or more than relationships with clients and companies," she said. "Referrals, including consultants, bankers and attorneys, provide asset-based lenders with the majority of their deal flow. I've found that if you don't get your name out there in the market, not only of your company but also yourself, the deals will not come. Deal flow requires hard work and a lot of face time. As a young professional, you must create relationships and trust, so referrals feel comfortable sending a deal or client your way."

However, there's a catch: If you are new to the industry, how do you build trust when you don't know anyone? Joining professional associations and networking groups is the ideal place to start. Regardless of one's position in commercial finance, young professionals should attend events and decide which organizations and associations can be beneficial to them and get involved.

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Six degrees

No one knows the value of networking better than FGI's Hastings. Even though she travels approximately 85% of the time, and can have 4-7 appointments a day, she has managed to join 22 networking groups and associations. They run the gamut, from educational to charitable to informative to fun networking places. Some of these include the CFA, Association for Corporate Growth (ACG), Texas Bankers Association, The DallasBlue Business Network, The Financial Executives Networking Group, M&A Advisors, International Reconstruction and Insolvency Professionals and Young Professionals of Greater Dallas.

"As a young professional, it is important that you seek out all of the help you can get," she said. "These organizations are there for the taking. But you have to reach out, take hold and never think you will stop needing them."

Only a few years removed from being a young professional, Hastings has worked as a vice president for Presidential Financial and Presidential Healthcare Credit and served as regional director for Medical Capital and was a relationship manager for The Chase Manhattan Bank.

Hastings is leaning on her networking groups more than ever, as she entered a new career phase as a senior vice president with FGI in February. Being new to financing foreign transactions, which requires additional attention, she is finding the transition rewarding and challenging.

"I am learning how different cultures transact business, etiquette, language barriers, time zone challenges and currency issues," she explained. "Luckily, I have a great team in place to assist me."

The more people young professionals meet within the commercial finance industry, the more they'll learn about the industry. Networking also keeps people aware of marketplace trends. By expanding their resources and knowledge, young professionals can gain insight on where they want to take their career.

"In every contact you meet, figure out what that value is," LeuVoy said. "Understand the role of what different people do

in the field, and then keep in contact with them. Never discount anyone and figure out a way to find out how they can help you and also how you can help them."

It's no surprise LeuVoy was hired at Capital TempFunds because he met his contact there seven years ago and they are friends.

Young professionals are so active on the networking circuit, that several have started their own groups just for young professionals. Edelson is co-chair of the CFA Midwest Chapter's Young Professionals Committee, which was started in January 2003. The committee hosts several events a year and will sometimes have dual events with the Turnaround Management Association (TMA) and the Risk Management Association (RMA) in Chicago. These events produce especially large turnouts. In May, the CFA's Young Professional Committee, along with the TMA and the Chicago Bar Association, held a networking event at Adobo Grill in Chicago that drew 140 people.

Steve Davey, vice president of PNC Business Credit, San Francisco, CA, co-founded the "Analyst Forum," a social networking group for peers and colleagues to discuss work, life and deals; help manage expectations and provide an open forum for discussion in a social setting before social networking became as popular as it is now. "We were a young group of analysts meeting quarterly to ping ideas and thoughts off one another over some appetizers and beers," Davey said. "It provided us with a break from excruciating hours, monotony of daily obligations and other work-related pressures." Due to timing, travel, hours and numbers, the group is now defunct.

In October 2006, Davey was approached about co-founding a professional networking forum, "Quid Pro Quo". The group is an active organization meeting the first Wednesday of each month, providing a casual and social atmosphere to create deal generation and a robust referral base.

"Our goal has been to achieve organic growth via member interaction and invitation. From its original founding three years ago, we have 25 members and ask that each month members of

QPQ help our organic growth by inviting a guest," Davey explained.

The group also hopes to have a diverse field of individuals from the banking, law, accounting, private equity, venture and private sectors to ensure each member finds it's time well spent as well as productive from a business development standpoint.

Davey is also vice president of the CFA's Northern California Chapter and a member of the Hillhouse Breakfast Club, the California Society of CPA's, the Lumber Association of California and Nevada and the Business Forum International. He was invited as a guest of an active member for each of these organizations. In a business built around relationships, he finds his involvement in these groups extremely valuable to his career.

"Prioritizing professional obligation and personal desire can be difficult and may not pay immediate dividends; however, building the relationships, networks and friendships over time enables us to close deals with people we know, and like," Davey said. "I attend as many professional forums as possible, introducing myself to any and everyone. I also constantly rely on my mentor to give constructive criticism, positive feedback and provide guidance."

Once contacts are established, it's important to keep in touch and reconnect with them. LeuVoy says this is as simple as picking up the phone or shooting an email every few months. By playing golf at a TMA event, he saw someone there he hadn't been in contact with in six months and shortly afterwards, they were working on a deal together.

On the horizon

As seasoned asset-based lending executives retire, today's young professionals will be stepping into leadership roles and will likely become mentors to newcomers who join the industry. Even though they are in the early stages of their career, they've learned a lot and are willing to share their advice.

Hays advises new grads entering into commercial finance to pay attention to what managers have to say and ask

SEASONED INDUSTRY PLAYERS GIVE THEIR INSIDER TIPS FOR NEWCOMERS

questions. “If you feel lost on a subject, it is better to clear up the confusion right away than to get bogged down later,” she said. “Managers aren’t always sure of your knowledge and, if they think you understand everything, it’ll be difficult to come back later and tell them you didn’t. I think most managers don’t expect you to know or understand everything they say right away; they do, however, expect you to pick up information quickly. The biggest thing is to not be afraid of dialogue; it’s not a lecture hall anymore.”

It’s also important for young professionals to not get so weighed down with work and maintain a work/life balance. Beutel notes that time management is key and, if his work week weren’t structured, things would be “out of control.” With different work schedules week-to-week, it’s difficult to have a clear separation between work and play, but putting the BlackBerry away and setting time aside to pursue your own interests can make all the difference when you’re on the job. Hays credits yoga as a good release on the stress generated from the work week. An added plus, her increased flexibility has helped improve her golf game.

The next few years look promising for the commercial finance industry and young professionals are excited about gaining know-how when deals present themselves.

“Be ready to do some deals,” Davey advised. “Uncertainty within the financial sector, real estate market and credit market has slammed some doors closed, and are really pressuring banks and lending institutions to carefully examine the deals that are being underwritten. Many nontraditional capital sources were so eager to put money to work they underwrote transactions without performing proper due diligence. As the market is in turmoil, lenders have once again become ‘en vogue,’ and development officers, underwriters, and banks in general should have some very good years.” **TSL**

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Michael D. Haddad president & CEO Core Business Credit Dallas, TX

1. Start in the field examination area and then get into the back office, if at all possible. Spend this time as a sponge learning all you can about what really goes on behind the scenes. This training will provide a sound basis as you move up into lending and/or management.
2. Take all the accounting you can in school. This basis will provide you with a one-two punch with the training you get in number one above and make you an even more attractive candidate.
3. Diversify your career choices to become better rounded; don’t be afraid to work for both small and/or large financial institutions. Stay open-minded and flexible.
4. Network, network, network. Build as many relationships as you can, even if they seem like they are a waste of time. They aren’t.
5. Join the local CFA Chapters and participate. Stay involved.
6. Be consistently persistent in everything that you do. It will pay off in the long run.

Jack Hoekstra executive vice president Capital One Leverage Finance Oak Brook, IL

1. Don’t prejudge people or situations, learn to keep an open mind and avoid taking sides until you know all the facts.
2. Ask lots of questions — seek the advice of successful individuals that you admire for their values/business approach. Don’t be afraid to ask them to lunch or an after-business-hours meeting to try and learn from their experiences.
3. Push yourself and your employer for continuing education from both within your firm (if available) and outside courses. Consider working on “effective listening,” “effective presentation” and “people and management skills.”
4. Get out and get involved in associations like the CFA, no matter what your position, i.e., underwriting, credit, audit, sales, etc. that will allow you to interact with others and form lasting business and personal relationships.