

RELATIONSHIP BUILDING 101, IN 2021

Building success through connections.

By Steve Mariani

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Growing up, we all had friends that we would help through anything, including helping them move, which was the call we all hated to answer. More than 25 years after moving all my friends, I find that there are broker relationships of ours that we have had for over 20 years that if they asked me today, I would probably help them move. I might not be in the physical shape that I once was, but today my resources and experience more than makeup for my lack of brute strength, which seems to be much more valuable to my current circle of friends. When reviewing our 25 years of transactions, we recognized that our highest levels of production are being produced by the lasting relationships we have built and not from our current marketing campaigns. As the saying goes, it is easier to cultivate existing relationships than build new ones. We all know that mutually rewarding customer relationships are built by providing a higher level of consistent service with measurable results. Looking back, that is exactly what we have done and continue to do each day.

Our most important relationships include our coworkers, clients, attorneys, brokers, and lenders. With their cooperation and commitments, we close a high volume of transactions each month. Having direct access to each of the most influential people in the transaction becomes invaluable as we approach the closing date as different items come up.

Financing business acquisitions looks slightly different today than it did just a year ago and change typically helps promote transactions when capitalized on. Today, I want to bring attention to a few avenues to connect or re-connect with your sellers, buyers, and potential buyers with items of interest for each when discussing financing options in today's market. By understanding just a few of these temporary advantages and explaining them to your customers, this offers another avenue for conversation and relationship building.

If you read my [February 2021](#) newsletter, you know that any new potential buyer will receive six payments on their loan paid for by SBA, capped at \$9,000 per month. This has since been adjusted. The current update has these new buyers receiving only **three payments** from SBA, down from six. Other adjustments include payments made to existing buyers who received six payments last year that exclude them from **further payments** in 2021. The SBA Guaranty Fee **remains waived** through September which is something we find of great value to our higher net worth borrowers. Most of our buyers are purchasing businesses with selling prices over \$1,500,000, and these fees can save them many thousands of dollars. In case you are not familiar with the guaranty fee included in all SBA transactions, a \$2,000,000 loan carries a fee of **~\$53,875**. This waiver is a direct saving to the buyer and does matter to our savvy and experienced entrepreneurs. This is an excellent reason to contact those higher net worth buyers in your database that you know are exploring an acquisition. This conversation can also be had with your potential listings as an incentive to get that business on the market sooner rather than later, as this expires within months.

Securing listings seems to be the common concern in 2021 as we hear broker inventory levels are at an all-time low nationwide. It is great that so many broker offices have sold much of their previous offerings, but now it is back to work to secure additional listings. To assist the industry nationwide with securing listings, we always focus on current market advantages and ways to present them to your potential business clientele. Our broker training programs are designed to provide avenues of conversation and creative methods of moving transactions forward to help you build your relationships and trust with your customers.

“If people like you, they’ll listen to you, but if they trust you, they’ll do business with you.”

- Zig Ziglar

Looking back, we have seen these once considered business contacts now become dear friends that we would go above and beyond for anytime they needed us to. These growing relationships continue to bring added value to our business, and in return, our brokers reap the benefits of our national recognition and overall market share. In short, we do enjoy special treatment from our lending sources as we produce a significant percentage of their gross volume, but we understand that without our broker relationships there would be no volume to share.

Our longest broker relationships are built off the honesty and trust that forms between focused partners with all sights on success. Our top SBA advisors work closely with brokers on each transaction to assure consistent and positive outcomes with all expectations met.

The past year has changed many things in our daily lives and now more than ever is the time to refocus, understand, and consciously continue building valuable relationships that will help you achieve your goals and grow your business. We might not be able to help you move, but I can assure you that we can help you become more successful and close many more transactions. Isn't it time you built a lasting lender relationship with people who are willing to help you move?

Our team at Diamond Financial remains committed to the success of the broker industry and the promotion of business transfers. We will answer any question and always share information. All current documents relating to the COVID-19 pandemic can be found [here](#).

To increase your success just direct your buyers to one of our highly trained staff and we will be happy to assist in the closing of your transaction. Try us and see the difference that personalized service makes.

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