Being Successful as Business Note Broker

By Abby Shemesh

How is business note brokering different from brokering other notes? It's in the salesmanship.

What does it take to become a successful business note broker? Is it someone who has true staying power in this competitive, yet profitable industry?

Many want to know if there is a magic formula that guarantees your fortune in this contracted economic landscape.

I have come across many new (and not so new) note brokers who are wondering if they are even cut out for the business of brokering discounted notes as a full-time career choice. It is definitely not a one-size-fits-all task and there are a couple of things one would need to consider in order to properly gauge if this career move is a good fit.

The most important thing to keep in mind is that the note brokering/buying business requires honed sales tactics and people skills in order to get note sellers to say yes to your offers and

In a nutshell, it will all boil down to the comfort level and skill sets of the future note broker in question. Are you comfortable with selling a financial service? Do you know how to identify your target demographic and market them effectively? Are you good with cold calls? Do you feel comfortable with mail-based advertising? Do you prefer advertising online or off, etc.? What about your knowledge in leveraging any social media platforms?

Knowing one’s strengths and weaknesses will prove hugely advantageous when engaging in any new venture — even in the world of brokering discounted notes.
close deals. That is the bottom line — closing deals.

Entering the world of discounted notes will require a couple of keystone ingredients that will lay a strong foundation to your endeavor, such as:

1) A simple business plan

2) An advertising strategy (your ability to generate your own note-seller leads)

3) Closing the sale (your level of salesmanship grounded in the complete understanding of the service you are selling)

Having a business plan

A business plan is the most important item you could maintain if you expect to succeed in brokering notes of any kind.

To maximize your effectiveness once it is time for the rubber to hit the road, a basic and simple plan should be developed prior to spending a dime or your time on your business. It should consist of the following ingredients:

- **Identifying your Target (Note-Seller) Market:** It is imperative to compile information on who your target market is.

- **Logistics and Administration:** Here is an item that is definitely important, although it could be secondary when building your business from the ground up. Obviously, someone starting out in this industry should keep it as simple as possible to focus on the profits at hand. Once a new broker closes a couple of deals and builds his confidence and his budget, logistics and administration will be tended to. Be sure to have this in place once the leads start pouring into your inbox.

Advertising strategy

Advertising is the lifeblood to any business and business note brokering is not any different. Know how and where to look for note seller leads (depending on your budget).

**GOOD PLACES TO START FOR NEWER NOTE BROKERS WHO ARE WORKING WITH LITTLE TO NO ADVERTISING BUDGETS ARE YOUR LOCAL BUSINESS-FOR-SALE-BY-OWNER CLASSIFIED ADS**

This is a key ingredient to profiting as a note broker. Various advertising tactics could range from direct-mailing campaigns, e-mail-list marketing, pay-per-click marketing (Google, Yahoo, Bing, etc.), as well as organic search engine optimization.

Good places to start for newer note brokers who are working with little to no advertising budgets are your local business-for-sale-by-owner classified ads.

Try searching out sellers of a small business who are willing to act as the bank and carry a note.
Once they are located, simply reach out to them, and pitch you services for a quick sale (once the business has been sold and the note has been created). All it takes is your time!

**Closing the sale**

This is by far the most important part of the note broker’s responsibilities — getting the note seller to say yes to an offer.

When brokering mortgage notes or business notes, pitching note sellers a number less your fee and expecting them to simply say yes is not the way the cookie crumbles in this industry. A discounted note bid will never sell itself.

It takes product/service knowledge and salesmanship. Understanding that basic, yet fundamental principle will help a newer note broker overcome the learning curve a lot more quickly. This translates into more consistent profits and “job security”.

When pitching the sale, it is imperative to explain to the note seller the reasons why the offer landed where it did (i.e., credit issues, low property values, high LTV, etc.). Be specific.

The name of the game here is salesmanship, salesmanship and more salesmanship.

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