



**J.R. Bruno**  
& ASSOCIATES



Consultants to the Business Lending Community  
SBA and MBL Specialist

OUTSOURCE COLLABORATOR

Business Lending News

## SETTING UP A NEW SBA DEPARTMENT? CONSIDER ALL YOUR OPTIONS!

As consultants, we often receive calls from lenders looking to set up SBA departments. In many cases, the caller has been charged by executive management to establish an SBA department ASAP. Everyone familiar with us knows that we have long touted the advantages of SBA lending. As a lender, the SBA-backed guaranty mitigates your risk and increases your opportunities to realize solid income. And importantly, offering SBA products makes your bank more diverse and opens new opportunities you might not have had.

Like any new venture, there is no ASAP in SBA, but the Agency has made the process easier for lenders. So the questions remain: How will your institution implement the program? We encourage you to consider all the alternatives: Will you operate in-house or outsource all or a portion of the operation? Have you done a cost analysis to see which options work best for your bank? Are your policies and procedures up to date? Have you analyzed your marketplace? Do you have a solid marketing plan? Here's a simplified three-step formula for establishing an effective SBA department: 1. Set Up; 2. Educate; 3. Move Forward and Market!

For Step 1, the Set Up, do you have SBA expertise in place? If not you'll need to expend time and resources recruiting and training qualified staff, plus the costs of providing equipment, paying telecommunications expenses, along with the cost of benefits. With outsourcing, you retain vendor expertise and pay for the agreed-on services.

At J.R. Bruno & Associates, we provide total outsourcing to several clients, yet we've often found "in-house vs. outsource" isn't an "either/or" question. A hybrid situation works well for many organizations. In these situations, we provide the SBA expertise in the initial stages, saving the organization the time and resources of hiring. We also take a look at existing systems and policies and procedures, and provide the necessary education and training to get the SBA department up and running. Meanwhile, the organization can work out staffing and operational procedures.

The marketing phase is all about your organization's account holder relationships. Take a look at your existing accounts and the businesses in your local community. Everyone, from your business development and marketing teams to frontline staff should position your institution as the first choice for small business lending in every interaction.

Moving forward, we're there as long as we're needed. We can work on a total outsource basis or we can supplement your staff on any level:

- Portfolio management
- Portfolio reviews

- Loan structuring
- Underwriting assistance
- Processing, packaging and documentation
- Servicing and liquidations

Feel free to [Contact JRB](#) to discuss your organization's needs or visit [www.jrbrunoassoc.com](http://www.jrbrunoassoc.com) to see our array of services. We look forward to being on the receiving end of your call!!

*Joanna*

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