

## ***South Florida Regional Planning Council: A Leader in Marketing, Collaboration, and Minimizing Default Rates***

The three-county region (Miami-Dade, Broward and Monroe) served by the [South Florida Regional Planning Council](#) (SFRPC) is both one of the largest and fastest growing regions in the country. SFRPC has taken over four previously non-performing or under-performing revolving loan funds from former EDA recipients in its region, and it has successfully converted all of these into performing funds.

SFRPC has achieved this success by utilizing outside-of-the-box marketing techniques, holding loan applicants to stricter underwriting standards, implementing a loan board to approve applications, referring loan applicants and recipients to appropriate technical assistance resources, and working closely with loan recipients throughout the entire lending relationship – including the collections process for loans that go into default.

### *Marketing and Collaboration*

SFRPC has developed a creative and innovative marketing strategy, according to Cheryl Cook, Economic Development Specialist and RLF Program Manager. A major part of its marketing strategy is to reach out to various organizations and individuals in the community.

“You’ve got to have people from the community that can work well within the community,” said Carolyn Dekle, Executive Director of SFRPC. “Cheryl has banking experience on both the lending and collections sides, and that helps her to work with different members of the community throughout the entire process.”

SFRPC has gained free publicity by appearing on a local radio station and presenting at different workshops (organized by the [Minority Business Development Agency](#) as well as other local planning and development organizations) to discuss the financing services they offer.

The Council also holds annual Bankers’ Breakfasts. At these sessions, SFRPC employees give a presentation on the organization’s revolving loan funds to local bankers and discuss how SFRPC can partner with private sector lending institutions to assist the banks in meeting their obligations under the Community Reinvestment Act.

Ms. Cook also attends procurement workshops and business expos at schools, hospital districts and chambers of commerce. Many attendees at these events are small businesses that are looking to enter into contracts with these institutions, but have been unable to secure adequate bridge financing from private banks. Many of these firms become SFRPC clients after discussing SFRPC’s lending options with Ms. Cook at an expo.

SFRPC has partnered with various organizations in the South Florida area to jointly market services to save on costs. For example, they partner with [Accion USA](#) and the [Metro Broward Economic Development Corporation](#) to cover the full spectrum of

lending. Accion USA will finance up to \$30,000, Metro Broward will lend as much as \$100,000 and SFRPC offers loans up to \$300,000, according to Ms. Cook.

### *Issuing New Loans*

The five-person, public-private loan board at SFRPC that makes the final decision to approve a loan consists of individuals from local government, private banks, and private corporations. The variety and depth of experience that comes with this loan board ensures the best applications are approved, according to Ms. Dekle.

When issuing new loans, Ms. Cook sits down with applicants and makes sure both parties have the same expectations of the lending relationship. This foundation helps to lay the groundwork for a solid professional relationship if the company's financial situation later deteriorates or if it needs to borrow additional funds in the future.

### *Ensuring Loan Recipients Receive Technical Assistance*

Many RLF operators don't have the expertise or resources necessary to provide the technical assistance needed for borrowers—particularly start-up businesses—to succeed. SFRPC has circumvented this obstacle by connecting borrowers to free resources in the community.

SFRPC has collaborated with the [Metro Broward Economic Development Corporation](#), [Broward Community College](#), and other organizations to form [The Entrepreneurial Institute](#), which provides free workshops and technical assistance to small businesses.

In addition to holding a variety of workshops, The Entrepreneurial Institute offers free technical planning assistance in:

- Marketing
- Managing finances
- Human resources
- Revenue and resources
- Business continuity
- Operational and strategic planning

The Institute offers a weekly forum entitled "Let's Talk Business" where staff discusses starting, growing and funding a small business with up to 12 participants. Their monthly forum, entitled "An Expert Opinion," allows growing companies to make a presentation to business experts and receive one-on-one feedback. Both workshops are offered at no cost.

### *Maintaining an Effective Collections Process*

When an RLF loan recipient experiences financial difficulties, Ms. Cook is able to build upon the relationship they developed at the loan signing to work out a loan modification or collections process.

Rather than allowing the problem to worsen, she takes a proactive approach, contacting the borrower at regular intervals. When a borrower becomes past due on his or her payments, Ms. Cook sends a friendly 5-day late notice, followed by a 10-day late notice. On the 15<sup>th</sup> day she sends a more sternly worded late notice that lists the late fee, and on the 20<sup>th</sup> day Ms. Cook calls the business to discuss the problem.

If still unable to reach the business owner after the 20<sup>th</sup> day, she will go to the business for a site visit and sit down with them to look at their financials and determine a viable strategy, whether it is lengthening the repayment period, lowering the interest rate, or some other restructuring plan.

If still unable to reach the loan recipient on the 30<sup>th</sup> day, she sends a formal late notice that informs the business that SFRPC will begin the collections process in 10 days if not contacted to work out a strategy.

### *Awards and Feature Articles*

To date (August 2009), through the RLF program SFRPC has:

- Serviced more than 100 loans
- Provided financing for over 60 businesses
- Created or retained 3,100 jobs
- Built a lending base of \$8.1 million with \$6.6 million in outstanding loans
- Leveraged a combined \$20 million in investments (includes private and public dollars)

In 2008 SFRPC was featured as [a successful RLF manager](#) by the [Council of Development Finance Agencies](#). Cheryl Cook, Economic Development Specialist, was named the U.S. Small Business Administration South Florida District Minority Small Business Champion of the year in 2008 and the Minority Business Development Center Miami/Ft. Lauderdale Minority Business Lender of the Year in 2005.

For more information on SFRPC, please visit their [web site](#) or contact Cheryl Cook at 954-985-4416 or [cherylc@sfrpc.com](mailto:cherylc@sfrpc.com).