

## **LENDING MARKET CONTEXT**

- The commercial loan market in Ireland is €4bn p.a. with the big Banks taking 86% of the market share.
- Businesses (SMEs specifically) are opting for alternative sources of finance, partly because more options are available and because the banks are unresponsive to their needs, or in some cases not interested.
- Linked Finance has been the leader in non-bank SME lending over the past 5 years and has developed a successful business and selling model. They now want to scale sales revenue 5x by 2021 and that will require a strong sales leader who can build systems and teams, while having excellent execution skills.
- There is also a new Payments Directive that is being implemented in the EU that will liberalise the availability of information and make it easier for new entrants to compete.

## **The SME Market for Lending**

1. Some SMEs are not actually aware that there are alternatives to bank-sourced finance. So there is an education piece that a salesperson has to deliver. This in turn has implications for nurturing an audience. It also means that there is a lot of untapped potential in the market.
2. An SME owner might consider a bank alternative (Linked Finance), but will feel they need to “check with the bank” first or see if the bank has a better offer. Anyone selling in the market has to be conscious of the pull of legacy behaviors and an effective sales leader will equip the team to overcome the status quo.
3. Certain profiles of prospect / customer are more likely to opt for the Linked Finance approach. They are typically firms that want to execute a business growth plan and will borrow to do that from a position of strength i.e. the “best” customers borrow when they can and not when they need to. The team is selling to an audience that is not the normal “walk – in” business the banks and banking executives are used to. This sale requires understanding what the SME wants to accomplish and giving them a finance / support option that is easy, fast and reasonably and fairly priced.

See: <https://www.independent.ie/business/small-business/linked-finance-tops-100m-in-loans-plans-to-double-headcount-38218611.html>

**Big Topics you are likely to get asked about:**

1. Your **OUTBOUND** selling (lead generation, qualification, closing) experience / approach / background.
2. How you organise your time effectively to make a target.
3. How you would go about conducting a **CONSULTATIVE** conversation i.e. where you have to learn about the prospect's business and goals, position the Linked Finance "story" and engage the prospect in an evaluation / decision process.
4. How your number might work, assuming you need to close 6-8 deals in a month.

You will not (necessarily) be asked about this in the first interview, but it will give you some insight into the type of selling / conversation scenario that is common in the Linked Finance context. However, you could be asked about **this type** of situation.

**A Typical Selling Scenario****Background**

You are calling John Madigan. From what you can make out, he owns or is involved in pharmacies at 3 towns with populations of 1,500, 1,900 and 9,000 respectively. The latter location seems to be a recent addition to his business.

**Task:**

1. How would you **position** Linked Finance at the introduction stage of an outbound call i.e. your high level story (but not a long story)? [Listen to the radio advert attached in the email for summary story / positioning].
2. What information are you planning to gather i.e. what are the big questions you plan to ask and the issues to intend to raise?
3. Give specific **examples** of questions you would ask.
4. John Madigan will have **questions for you**, but more likely they will be a mix of curiosity and concerns. What issues should you be expecting John to raise and what might be his concerns?

5. Assuming you have never sold to or even engaged with a pharmacy owner before, if you were to take even a few minutes to think about this type of business, **what might be the hallmarks or dynamics of a small pharmacy business?** e.g. what's broadly happening in that sector / where are the opportunities to expand / is revenue growing on tighter margins in the sector / how expensive are staff / why are people still buying pharmacies in small towns / are there new survival rules – maybe you need to be located right beside a doctor's surgery these days to survive?