

RAY VADALMA

Chief Credit Officer
Valley Economic Development Center
Sherman Oaks

Ray Vadalma oversees all loan processing for the VEDC, a nonprofit small business lender. The organization has lent around \$400 million in guaranteed and direct loans to businesses that are mostly owned by women and minorities. Vadalma also serves as chief executive at VEDC.

Approach to Customer Service: We are in a very competitive service industry, so showing a sense of urgency is imperative, especially when dealing with entrepreneurs who have enormous responsibilities and very little time. Every customer has a unique way of running their business, and we try very hard to provide them with helpful, responsive service.

Most Difficult Part of the Lending Process: We are dealing with clients who have often been turned down by banks. With that in mind, our lending personnel need to find ways to meet our clients' needs while at the same time making loans that allow us to continue serving the community. Unlike banks that have deposits, we borrow money from financial institutions to make loans. Additionally, our clients are small businesses that

do not necessarily have the same resources as larger companies, so the challenge is to obtain enough financial information to enable us to make reasonable credit decisions.

Overcoming Objections/Problems: We provide technical assistance programs free of charge that cover a wide array of subjects such as how to create a business plan, preparing to buy a business, assistance in accessing capital, etc.

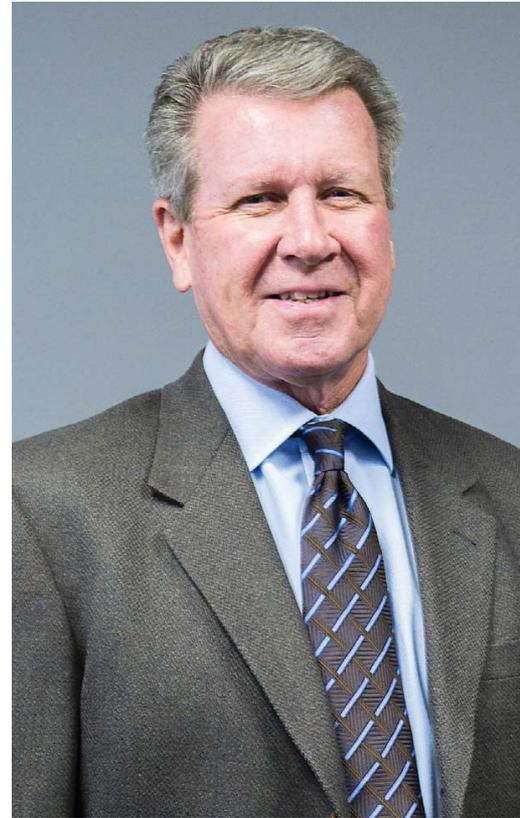
Handling Difficult Customers: Anytime you are dealing with money, there is the chance you will have an issue develop affecting both the borrower and the creditor. Since we are not regulated like a commercial bank, we have more flexibility to work with our clients and meet their immediate financial needs. However, every good relationship is a two-way street. If we run into situations where the client and VEDC cannot agree, we attempt to refer them to someone who can better serve them, or we will enforce our remedies to protect our lender's funds. Many complaints are handled with a phone call and resolved quickly, with positive feedback.

Do Customers Prefer In-Person, Phone or Email Communication? Generally, all of the above. VEDC is very interactive, and we encourage our borrowers to be as well. The first interaction for a small business loan from VEDC is usually with one of our business development officers. They meet with the client face-to-face, to gather financial information and fully understand the basis of the loan request, and also to visit their place of business. Regardless of the type of business, credit is credit, and we need to un-

derstand what the money will be used for, and how the customer intends to repay the loan. Once the loan is made it is more likely that future contacts will be done by either phone or email. Email has become an acceptable way of doing business with most clients, but we also understand how important a phone call can be to our business community.

Most Common Complaints: We cannot approve every loan request, which can be disappointing. Aside from that, the most common complaint is the amount of time it takes to process a loan. Over the last few months we have instituted new procedures to obtain more information during the application period, so that we can come to a preliminary decision quickly. Even though no one likes being declined for a loan, most would rather know that decision early in the process.

Favorite Experience With Customer Service: VEDC recently received a grant from the Tory Burch Foundation in association with Bank of America. An event was held at the Getty Museum to recognize women entrepreneurs, and VEDC was fortunate enough to be recognized as the local CDFI lending partner. The event included a panel discussion and on the panel of four was Ruth Garcia-Corrales, the director of VEDC's Los Angeles Women's Business Center, and one of our clients, Toni Ricci, the owner of Elite Dance and Performing Arts. Although I am not objective, in my opinion they stole the show – especially Toni. She gave a very factual but amusing recap of how she started her dance studio, the difficulties she overcome and ultimately how it has become a successful business today. She was very complimentary of VEDC's support and



VEDC's Ray Vadalma knows a rejected loan application 'can be disappointing.'

service, but in the end it was she who built her business to be great.

Advice on Customer Service: A good CEO knows that without customers you do not have a business. The customer is king.

– Stephanie Bedolla

PAUL BABOOLAL

Wealth Management Advisor
Northwestern Mutual

Paul Baboolal provides financial, retirement income and estate planning advice in the Los Angeles office of Northwestern Mutual, where he started as an intern while still attending UCLA. He oversees a team of three people, and is a chartered life underwriter and chartered financial consultant.

Approach to Customer Service: My team and I take the approach of being the one-stop shop for our client's lives. While there may be aspects of their financial lives that we do not directly work with, we strive to find an answer to the questions they may have and to connect them with the right people. We are also human, and we do make mistakes, but we try to remedy those mistakes as soon as possible. It is important to actively listen to the client, and this allows us to address their wants and needs.

Most Difficult Part of the Financial Planning Process: For most clients, one of the most difficult parts of the planning process is commitment. I don't think this is due to their unwillingness to save for a plan, but I think it is more because of their lack of understanding. As an advisor, I educate my clients on the options that they have and I give guidance on the options I would recommend. We want our clients to feel comfortable and knowledgeable about their plan, so we try to give as much information, as simply as possible, without overwhelming the client.

Handling Difficult Customers: My team



Wealth Management Advisor Paul Baboolal, center, with members of his team in a meeting at Northwestern Mutual in Los Angeles.

and I seek to handle all the questions our clients have as soon as possible. While we may not have the answer for them in that moment, we still acknowledge their question and let them know we are trying to find an answer. We feel that it is important to maintain communication and to let them know that their questions are important to us. At times, some people try to wait to address a problem, but we feel that it is crucial to at least acknowledge it right away, even though we may not have a solution. This allows the client to know that we are making an effort.

Do Customers Prefer In-Person, Phone or Email Communication? Preferences vary on the client. There are some clients that have preferences on how they want to connect. Even within their own families, there may be differing preferences. Some people prefer

meeting in-person, some prefer over the phone and others prefer email communications. We tailor our communication with clients based on their preferences.

How Northwestern's Independent Agent Structure Affects Customer Service: Being an independent contractor allows us to give our clients the best opportunity for their plan. Instead of only recommending Northwestern Mutual options, we are able to recommend what we feel is best for the client in their specific situation. While sometimes Northwestern Mutual is the best option, other times an outside company may be best. This (structure) allows us to do what is best for the client. We want to make sure our plans and recommendations are tailored to the client's situation, and being an independent contractor gives us this opportunity.

Advice on Customer Service: Keep things simple while also doing what is best for the client. If we actively listen to what the client wants, we will be able to serve them in the best way possible. We shouldn't make assumptions about the situation, but instead focus on what the client wants, and from there figure out the best solution. Sometimes customers become frustrated, but we have to be able to see the situation from their perspective. While the answer might be crystal clear to us, the customers don't work in the same realm that we do. We need to be able to see where they are coming from and be patient. Don't be afraid to ask extra questions to help clarify what they are looking for. The more we understand what the client is looking for, the easier it will be for us to find the best solution for them.

– Mark R. Madler