

# Deborah Monosson revels in financial risky business



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Deborah Monosson is no shrinking violet. As president of Boston Financial & Equity Corp., she's accustomed to taking risks while doing business in equipment leasing and asset-based lending. And as chair of the Commercial Finance Association, she's pushing the dramatic change she initiated last year as the 64-year-old international association's first woman president.

The risk-taking at BFEC comes in the form of taking on the customers traditional lenders would turn down. As for the change-agent piece at the CFA, whose members range from the likes of GMAC and GE Credit to smaller lenders. Monosson says she has always been candid within the association.

"It never occurred to me not to be outspoken at meetings," she says. "I wasn't aspiring to be president, but I was trying to push issues through and wouldn't let go of them."

Her "issues" at CFA included loosening the board of directors' hold on membership in the executive committee – the pathway to the presidency – as a way to open the leadership doors to women, minorities and younger members.

A bylaw change last year allows any employee of a member firm to run for election onto the executive committee, whereas previously only board directors could run. The board is composed of one representative from each member company, typically the CEO, who rarely lets the seat go.

"So all the people who want to hold that board position can hold it for the rest of their lives, but that doesn't hold back their employees from moving up in the association," Monosson says.

Monosson is just as bold at BFEC, which her father founded in 1968 and where she has been since 1989. Optimistic about business this year, Monosson nevertheless expects that there will be a few defaults. "As my father would tell me, I'm not taking enough risk if I don't have at least one or two defaults a year."

For more than 40 years, BFEC has leased equipment and/or provided working capital loans to challenged companies, such as Federated Department Stores and Rite Aid, and to revenue-lacking venture-backed start-ups, such as The Sports Authority and Earthlink. Based in Boston, BFEC's customers are nationwide. There are nine on staff.

Monosson didn't start her career at BFEC but daringly set out as the rare woman commodities broker after graduating from Skidmore College in 1979. One of four sisters, she says she never considered gender a barrier.

"My father didn't treat us any differently than if he had sons. We took out the garbage. He took us hiking, skiing. I never thought about what you could or couldn't do," she says.

Beginning at E.F. Hutton, Monosson moved on to Dean Witter and then left to earn her MBA at Boston University. Her first job out of graduate school ended when the software company where she was in marketing and public relations folded.

"I decided I needed to go into sales because I was lacking sales skills and thought it was the most important skill to learn," Monosson says. "I went to my father for advice, because he was the consummate sales person, and he happened to have a sales person who was leaving."

Beginning in the equipment leasing side of the business, Monosson immediately loved the travel and meeting venture capitalists and company CEOs and CFOs. She was not only selling, but also reading business plans and getting involved in the client companies.

“We weren’t just churning out lease contracts like a lot of leasing companies that are just reading through financials and approving them. It was extremely interesting to me that I could work on both sides of the sales and to put on a deal and see the company succeed,” she says.

When her father no longer wanted to deal with marketing and advertising, Monosson took on those roles as well so she oversaw the whole sales cycle. She became president in 2000. Her father stayed involved as chair. “My father decided one day he should do this. There wasn’t a formal succession plan,” she says, “but I knew most of what went on and was fairly involved in the credit decision making.”

Her greatest challenge at the time, Monosson says, was the transition from peer to boss. “It was difficult for me not to joke in the same way and instead to be more careful, to distance myself to some degree. That was hard. For 12 years we worked together complaining about the same things and all of a sudden I realized I couldn’t complain about those things,” she says.

“Those things” were smaller issues such as the procedures that Monosson dropped after her father passed away. “I figured if I didn’t like to do them, no one else liked to do them. They were things I couldn’t change earlier out of respect for someone who started and grew this company,” she says. “A lot of things, though, we still do the way we were doing them 20 years ago because they work and it’s the right way to do business.”

Monosson is upbeat about deal flow this year. January started out well and things are looking good. “This is an optimum time for non-bank lenders because we do lend and we take risk. We’re getting a lot of the deals that the banks don’t want anymore. They’re for the most part good deals, but they’re small deals. The bank can’t take the time to work with a million-dollar deal anymore. It’s not worth it to them.”

A sample deal on the equipment leasing side is the \$250,000 worth of test and measurement equipment leased to a company in the alternative energy field with an A round of equity.

On the asset-based lending side, customers are small to medium size businesses with average receivables of up to \$1.5 million on a monthly basis that are likely not currently profitable. “If they have strong receivables and I don’t think the company is going to file for bankruptcy in the next 12 months, then, to me, that’s a good deal,” she says.

Monosson is also optimistic about the Commercial Finance Association and her push for a vibrant, up-to-date organization.

“As chair, I’m still breathing down people’s necks,” she says. “I still have a vote at meetings. I am now on the nominating committee and I’m going to try to get on board people who really want to keep change going and be involved and not be afraid to speak their minds.”