

COVER
STORY





Interview with
BOB
GRBIC

**President & CEO of White
Oak Commercial Finance
and the Chair of SFNet's
Factoring Committee**

Robert Grbic has more than 30 years of commercial lending experience. He has been with the company and its predecessor since 2005, previously serving as senior executive vice president and chief credit officer where he was involved in creating a hands-on, best-practices credit culture, as well as helping the Company expand its client portfolio. Before that, Grbic was managing director at MorrisAnderson & Associates Ltd., a turnaround-consulting firm. He also co-founded MetSource Capital, LLC, a restructuring and corporate finance firm, working primarily with small- and medium-sized companies. In addition, Grbic has also served at GMAC Commercial Credit, LLC, BNY Financial Corp and Bankers Trust. He has served as an instructor for the Finance, Tax and Law Department at the NYU School of Continuing Education. Grbic holds master's and bachelor's degrees in Business Administration from Pace University.

TSL: Please give us a little background about your career trajectory and how you got into ABL.

GRBIC: I began my lending career at Bankers Trust Factors (BT) in the early '80s as a credit analyst. I was promoted to an underwriter/account executive position and, in 1989, was transferred to BT's Los Angeles office. BT Factors was acquired by BNY Financial (BNYF), a subsidiary of Bank of New York in 1990. In 1991 I moved back to New York to work for White Oak Commercial Finance's (WOCF) predecessor, Capital Factors, Inc., which back then was a relative startup.

In 1993, I was asked to rejoin BNYF in New York to help manage a growing ABL book. BNYF's portfolio was a mixture of agnostic factoring and ABL loans. During my time at BNYF, I was promoted to team leader and subsequently became credit officer for the North American Regional Offices. In 1999, GMAC purchased BNYF.

In early 2001, I decided to go in another direction and started a consulting firm with Tim Strachan -- a good friend and mentor from my days at Bankers Trust. In 2003, I joined

MorrisAnderson & Associates, a consulting and advisor firm, to help develop and manage its growing book of business.

In 2005, while at MorrisAnderson, I was engaged by an investor group to conduct buy-side due diligence on Capital Factors, then owned by Regions Bank. Capital Factors was later purchased by that investment group, and I was offered the position of chief credit officer for the company. I continued in that role until White Oak Global Advisors' funds and managed accounts purchased Capital Business Credit (formerly Capital Factors) in December 2016, where I serve as president and CEO of WOCF.



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What are some of your short- and long-term goals at White Oak?

My short-term goals are to remain focused on asset quality in the context of expanding market share in a competitive market. My first manager at Banker Trust summed it up with three simple rules: 1) protect our assets, 2) make a profit, and 3) in the context of one and two, have fun. I am fortunate to have a solid group of seasoned leaders in our company that help us succeed in meeting these objectives.

Long term, my goal is to continue to build market share and recognition of White Oak Commercial Finance, and its affiliated financing verticals, as the place to turn to for many financing needs. We seek

to accomplish this by providing responsive and creative financing solutions that are geared to accommodate a borrower's business model.

What made you decide to take on the SFNet Factoring Committee Chair role for 2022?

Over my career I have been involved as a leader in both ABL and factoring markets. I think of factoring as the first form of ABL and as a financing product readily paired with inventory, IP, and equipment financing for any borrower -- especially ones that are growing.

However, I don't believe factoring is fully recognized as

a creative financing vehicle. I am hoping that in my role as chair, and with the help of all of our Committee members, the Committee can collectively advocate for greater market acceptance of this important funding solution.

What are your goals for the Factoring Committee in 2022?

In addition to promoting factoring, the Factoring Committee hopes to bring awareness to new and pending regulations governing lenders. It has other important agenda items such as working with the SBA to standardize forms of subordination agreements, which have become an issue with the SBA's EDIL programs, as well as educational programs geared toward the factoring community

Specifically, the Committee has formed subcommittees on education, as well as legislation and regulations.

What are the main concerns or challenges you're seeing within the secured finance community?

I believe rising interest rates coupled with continued inflation will be a challenge for our industry. In part because many companies have never experienced or operated in such an environment. While I expect supply chain issues will start to ease later in 2022, the days of "just-in-time inventory" has lost some of its appeal. We are beginning to see companies planning to carry higher inventories, as well as placing purchase commitments earlier. However, I believe these challenges present opportunities for factors and ABL lenders who possess the mindset and talent to serve their clients with the required financing.

What are the biggest opportunities right now?

The biggest opportunities I see will come from solving leverage issues for companies that face longer working capital cycles related to carrying longer-dated receivables and higher inventory levels. This is especially important for companies that have seen suppliers tighten trade credit terms. In most cases, notification factoring provides privity with a borrower's debtors, and adds a higher level of payment certainty, which increases a lender's flexibility to finance lengthier working capital cycles.

What have the past two years taught you in serving in a leadership role at White Oak?

The importance of communication, which encompasses listening as much as directing, human capital and creativity, and an inclusive corporate culture for a proactive lender. My favorite saying is "Listen twice as much as you speak." Our ability to adapt to a fully remote work environment during the initial, difficult days of the pandemic still amazes me. We had over 90 employees working from home for over a year and never missed a beat.

When you are not busy at White Oak what can you be found doing?

Traveling with my wife and family, making wine with my two brothers and our families, and reading books on historical topics. I am currently looking forward to my son's wedding this August in Croatia. 🇩🇪

Eileen Wubbe is senior editor of The Secured Lender.