SUCCESS BROKER COACHING
Utilising Darrell Weekes Sales Systems

EXPANDING YOUR BUSINESS: Do you really need another loan writer?

Watching a business grow from an idea into a reality is one of the most satisfying things I know. And over the last few years a number of us have experienced the same satisfaction. There always comes a point though where you start to struggle with the big expansion question. You've worked hard to get where you are, developed and nurtured a good client base that supports you, you may have taken on a "PA", but things are still hectic and you want to look at building the business. You may even feel that you are a bit over writing loans and want to create a "work on", rather than a "work in" the business model.

So where to next? The most common mistake I see brokers make is taking on loan writers before they're ready. I can't count the number of brokers I've met who tell me how they got into the industry this way. The story is always the same. They knew or were introduced to an existing broker, thought the opportunity sounded fantastic and jumped in only to find the broker they were working with was so busy looking after his own loans and clients that they were left to fend for themselves. In most cases it seems to end with either the loan writer leaving and starting their own business, or leaving the industry.

One of the big problems we have at the moment, is that our industry is full of brokers, as opposed to business people. What I mean by that is, if we are going to grow and earn the right to have our industry seen as professional, we need more good business people who own brokerages. There are two points I'd like to make here. Firstly, a good broker doesn't necessarily make a good business person, and secondly, to expand your business you may not necessarily need to recruit loan writers.

When you are thinking about expanding your business there are some key points that you need to consider.

1) Does your business have enough momentum to afford you taking your eye off the production ball for a while?

When you start on an expansion program you will inevitably take your eye off production for a while at least. If your income is fully committed at the moment, having your production slow down may have devastating consequences. How are you going to fund the expansion? You may require new infrastructure or equipment. Can you lease these things or do you need to fund them from your own capital.

2) Is your support infrastructure sufficient to handle the increase?

What support staff do you have in place? Do they sufficiently know what their jobs are? (What about job descriptions, a procedures manual etc). Having a PA is essential if you are going to expand beyond a certain point, but having a PA who knows exactly what to do and when to do it is a godsend. On

the subject of support staff, there are two specific functions and therefore two specific rolls that need to be considered.

The first roll is that of the "File Driver". The title for this role might me Loan Manager, File Manager or whatever. The role is directly related to income generation. This is the person who takes carriage of the file once the broker has completed the application, and then drives it to settlement. I see this as the most important support roll as brokers only get paid when loans settle.

A PA on the other hand is responsible for all of the other support functions; Things like asset management, communications (e-mail, phones etc), insurances stationary and so on. I have a saying that goes like this; "What does your PA do? What ever you need them to do". Any thing that is not an income building activity can be given to your PA.

3) Do you have a training plan?

Expansion requires handing over some tasks and responsibility to some one else. Do you have a training plan that allows you to ensure the person you are trusting with your business is adequately trained to perform that function to your standard.

There is more than one way to "skin a cat" and there is more than one way to expand a broking business. Consider the experiences of two brokers I know. The first one writes $12 to $15 million a month with two assistants. The other writes $30 million a month with nine loan writers. Both are very successful by any measure and both have completely different business models. The key to their success is that they both have very good systems. .

There is an old adage that asks the question; "Do you want to make money, or do you want to build a business?" I don't necessarily agree that they have to be mutually exclusive, but they might be if you build your business without the right planning and systems in place. So the message is, don't let your expansion happen by chance. You need to carefully consider what is the right business model for you, and above all else, you need to have quality systems in place.