MORTGAGE BROKING 101

How To Create A Mortgage Business That Writes $100 Million In Loans A Year

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Mark Blundell

What other brokers have say about Mark Blundell.

Over 10 years ago, Mark Blundell consulted to our business when we were a newly formed and fledgling brokerage. He explained his ideologies to us about how to gain success in the mortgage broking business. His contributions especially around how to effectively engage a client served as a foundation stone to the building of our business. We still use Mark's client engagement model as the centrepiece of our business. Coupling this with own our ideas and hard work, today we have one of the largest and most productive franchises in our network employing eight people and writing well over $100 Million in loans each year. Take on board all of the content in his book *Mortgage Broking 101.* Apply it to your day to day activity, and you too will be on your way to building a most profitable and successful business.

Robyn Cheal
Owner and Director RAMS Penrith NSW

"Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime."

Nothing could be more accurate to describe Mark's direct approach to building broker's businesses. His insightful recognition of what customers truly seek combined with his simple, but extraordinarily effective way of recruiting referral partners, sets Mark apart from all others. When Mark's strategies are applied with discipline, it will enable any broker to build a business to whatever level of success he or she desires.

My only advice to those reading about, or contemplating Mark's personalised services and tailored techniques, is apply them; every day. And you too will be a broker who has been, 'taught to fish for a lifetime.'

Jamie Lowden
Aussie Glenelg Franchisee

I first attended one of Mark’s sales presentation on prospecting techniques approximately 13 years ago. What blew me away on that day was that Mark not only provided the theory on why his techniques work but he actually put them into practice right there and right then and with tremendous success. To prove I am a believer I am still coaching his prospecting process today. Anyone of my staff that have consistently followed the process have managed to grow their business at a much quicker rate than their peers.

David Baker
Senior Manager Retail Sales Network IMB

I am usually one of the last people to get involved in marketing/networking as it always sits way outside my comfort zone and actually makes me quite anxious. However, Mark came into our team and took charge of the meetings with potential referral partners, which took away a lot of the anxiety for me. At the same time, however, he also demonstrated how I can replicate his meetings in a way that suits my personality and did not make me as anxious as I would normally be. From this, I have developed relationships with 5 referral partners and we continue to provide referrals to each other. On top of all this, Mark was able to show a variety of ways to gain business from existing customers, either through generating more referrals from their family and friends, or just getting them to revisit their situation if it was the right time for them to do so. I recommend Mark's service to anyone wishing to increase their referral/repeat business in a way that does not actually take a huge amount of time and effort once the processes and procedures are in place.

Belinda Woodley
Director Aussie Prospect

The systems and process that Mark uses are simple yet very effective, and have allowed me to take my business to the next level, while also allowing me to have more time in my day due to the ability to distinguish information seekers from buyers. Regardless of what level of experience you have, learning from Mark will definitely improve your business as I am yet to see anyone who hasn't benefited greatly from his learning.

Sam Walker Director Aussie Prospect

Mark is an exceptional communicator having a wealth of knowledge & experience in the mortgage broking industry. To this day Mark still commutes from Sydney to Mackay presenting referral training sessions with our team.

Working with Mark for over 14 years has snow balled my success as a Mortgage Broker I have been awarded top honours with Mortgage Choice High Flyer Status for 8 consecutive years.

Peter Phillips Director Mortgage Choice Mackay

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INTRODUCTION

This book has but one purpose, and that is to make you a more successful and more productive mortgage broker. I decided to write *Mortgage Broking 101* after years of coaching and mentoring thousands of mortgage brokers across Australia and New Zealand. Over the last 15 years, I have spoken to a countless number of brokers who have all said they wanted to grow their businesses. Most tell me that they are quite capable of writing and placing a loan once they are in front of a potential client. However, the lament of many is that they lack the ability to generate more referrals from the likes of solicitors, accountants, real estate agents, financial planners, tax accountants and existing clients. They wanted to grow their business, but they did not know how to increase the volume of clients they were handling without putting in many more hours per week. Most of the brokers that I consult to claim they work somewhere in the order of 50 to 80 hours per week. For many, that is an eternity spent each week not achieving the desired result.

To have success in this industry, you do not need a 60-hour work week. I normally suggest that the average mortgage broker should work only 35 hours per week. But in order to achieve the result that is desired, the first thing you need to work on is your confidence level. Ultimately, if you don’t believe in you. How can you expect somebody else to believe in you? The question I generally ask brokers who are seeking to attain a better result with their hours of input is this: Would you buy a home loan from you?

A broker who doesn't believe in his own service has no hope of convincing a client of anything. Confidence in your own value as a broker creates the foundation of what you do. And to present your confidence well, you need to have a clear idea of what to say when you sit down with a client— in other words, you need a brilliant mental script. Then, to really begin to see success in the industry, you need think about how you are going to establish a point of difference between yourself and the thousands of mortgage brokers out there doing the same thing that you do. Finally, to grow your business exponentially, you need to understand the crucial truth that the amount of success you have as a broker will be based on the number of quality referrals that you receive each month. This number is far more important than your business savvy, pitching skills, or any other intangible quality.

Here's the good news. The greatest challenge that confronts most mortgage brokers today is that they work too many hours for the results that they get. Not only do they put too much time into their work, but the amount of energy spent chasing unrewarding prospects leaves them emotionally tapped out at the end of the week. This is not a book that is going to tell you to work harder or more hours; this is a book that is going to tell you to work smarter for fewer hours. In this book, I share what I've learned in my many years of experience working with thousands of mortgage brokers. First, the book focuses on the tasks that you perform each day as a broker. We look at the enquiries you deal with, how you go about efficiently converting them, why it is currently taking you far more time than it should to convert them into submissions, and how we can cut that amount of time in half. After we establish how to make ourselves more productive in the initial phone call with a potential prospect, we go through exactly what to look for when we go prospecting for more leads and referrals. I will explain how to make sure that you receive a maximum number of rewarding referrals for your time spent prospecting. If you think that you work too hard for the commission checks that you are receiving, then there is one simple solution: you need more clients. If you feel that your pipeline of enquiries or prospects is small, then I assure you that this book is for you. I will explain how to engage your prospects, how to take them out of the market and how to gain gravitas with as many referrers as you so desire.

You must believe in yourself, your skillset and your abilities in order to promote and amplify the same sentiments in your appointments with clients and referrers.

CREATING TIME

Key Concepts

- ✓ Know your value as a broker
- ✓ Clearly identify your target
- ✓ Get referrers working for you

One of the most important factors that you must consider as a mortgage broker is the value of your time. You need to think about the time that it takes you to perform every task in your daily routine. You need to ask yourself, "Is what I'm doing right now contributing in value to what I wish to achieve?" So the question beckons: How do we create time in our work day when it seems like we are already stretched to the limit at the end of each week? To answer that question, we need to think about where most of our time is used up in a day. Are we spending too much time travelling to and from clients' homes with no result? Do we spend too much time on the phone? What part of what we do is unnecessary? Each of us approaches this business with a set of ideas about what is essential and how we should spend our time. You must ask yourself with each task that you undertake whether what you're doing is either important or necessary. Your personal paradigm is what you must investigate to fix the problems with your business. In this chapter, we are going to take a close look at what we do each day as mortgage brokers and strip away all of the time-consuming activities that may seem essential but really just keep us from working more productively. Using the advice outlined in this book, the brokers that I have worked with in the past have achieved the same amount of productivity in 10-15 hours a week that previously took them 25-30 hours.

Before we ever take on the task of speaking to clients, we first need to establish what service we are offering to them. Do you know what it is that you are selling? We need to have a very clear idea of why it is that our target seeks us out. We also need to have a very clear idea of our own value so that we have confidence in presenting ourselves to clients, which in turn will help us pitch ourselves to referrers later on.

We can begin this process of analyzing our own service by looking at the mindset of a typical person who contacts a mortgage broker. What are they looking for? They do not share the mindset of someone whose first instinct when looking for a home loan is to go to the bank. There is a distinct difference between the kind of person who goes to the bank and the kind of person who seeks out the services of a broker. Figuring out this difference is the first step to understanding how to approach potential clients with a clarity that will allow us to help them quickly and confidently.

Essentially, we need to identify our target. If we can identify who our target is, we can start developing strategies to attract and service that target.

I often use an analogy to emphasize this point. Imagine that you are walking through a shopping center. A security guard walks up to you and says, "Can you help us find someone? A thief has just run off with this little old lady's bag, and we're asking people to be on the lookout so that we can track him down." What is the first question anyone would ask that security guard?

"What does he look like?"

Now imagine that the security guard tells you, "We don't know."

It's going to be pretty difficult to find him, isn't it? You need a mental image of someone before you can start looking for them. So what image do you have in your mind when you picture an ideal client? What are their attributes? What income bracket are they in? If you cannot define this person, you cannot put into place a strategy to attract them. A lot of time gets wasted in this industry by people who fail to develop a clear picture of who they are looking for before they start looking. As a consequence, every prospecting expedition they go on turns into a time-wasting adventure of just seeing what happens and hoping for the best. If you do not know what you are looking for before you start looking, your chances of finding it are slim to none.

Knowing your target streamlines everything else that you do. When you go prospecting later on, you need to leave the referrer in a position where you are the first and only broker they want to suggest when someone comes asking about a home loan. When you are developing a relationship with a prospective referrer, you are actually developing an opportunity for that person to prospect from their pool of clients in order to bring quality prospects up to the surface and present them to you. How do we get a referrer to do this for us? By giving them a clear picture of who they should be sending to us. Unless you can describe who you are looking for, a referrer is not going to be willing or able to actively prospect for you, and this is why so many referral relationships in this business stay dormant. I cannot count how many times I have heard a broker say that they met up with a referrer multiple times, had maybe five cups of coffee over five months, and never received any referrals. The referral relationship can stagnate for years if a referrer does not have a clear picture of who they should be sending to you, and that picture must come from you.

You should never go hunting for treasure without a map. If you are wondering why you work as hard as any other broker in the business and do not see the same results, you are probably lacking a clear target that guides you through your work week. Having a clear goal in mind in the form of a target will cut through clutter such as driving an hour and a half to a client's home and feeling throughout the process like there was never a genuine chance that they were going to see the home loan through with you. It is crucial for you, as a broker whose time is valuable, to know who you are dealing with very early on in the process so that you don't waste hours chasing the wrong clients.

KNOWING YOUR TARGET

Key Concepts

- ✓ Find people ready to buy a home loan
- ✓ Do not waste time chasing the wrong target
- ✓ Make sure the outcome is available
- ✓ Focus on clients who want your services

There is no mortgage broker in the world who can talk somebody into a home loan. Although we are in the sales business, we must understand that we are not salespeople. That is not our game. I cannot grab somebody in a pub and convince them to borrow $300,000 through one of the lenders that I represent. At best, that person will give me a funny look and turn back to the football.

There are people in your territory who are going to buy home loans, and no matter what you do as a mortgage broker, you will never be able to increase that amount of people. The people who want to take on home loans have already weighed the pros and cons and made a decision. People buy home loans because they want to. Perhaps they want to take out a home loan to refinance, cash out, buy a second property, invest, or get a better rate. There are a number of reasons they might have, but it is never a decision made on a whim. Put simply, there will always be reasons which lead someone to decide to take out a home loan, and that thought process happens long before you come into the equation. After a person decides to take on a home loan, they will then make an internal choice as to whether to deal with a broker or go to the bank. That's where you come in—the middle of the process.

With the understanding that we cannot actually sell home loans to people, let's think about the set of people in our territory who are going to buy home loans. Your objective as the broker is to get in front of as many of these people as possible. They are ready to submit documents and put their signatures down. They are not going to waste your time by wavering back and forth about whether they really want to buy a home loan. However, not all of the people ready to buy a home loan will go to a broker. As we know, a number of them will head straight to the bank. What makes someone who goes to the bank different from someone who seeks out a broker? This is extremely important for us to know. Just as we cannot convince any random person to buy a home loan, we cannot stop someone from going into their bank and simply asking for a home loan. What we need to do is figure out what kind of person will seek us out and think about how they are fundamentally different from someone whose first instinct is to drive to the bank.

A person might go straight to the bank for a home loan for a number of reasons: loyalty with their branch, lack of trust in brokers, bad experiences with brokers in the past, uncomfortable talking to strangers about finances, etc. Whatever the reason, they are set in their ways. They know what they are after, and they know how they want to buy it. They are not afraid of walking into a bank and talking to an employee about figures. While we include these people in the set of home loan buyers in our territory, they are not who we target. They have defined habits that they will go through when seeking out a home loan, and that process does not include a broker. We would be foolish to waste our time chasing them.

Perhaps you have had the experience of sitting down with someone for a consultation, giving them all of the prudent information, ending on a really strong handshake, and generally feeling good about the job that you have done securing business with them. Then they go to the bank.

This is not a rare occurrence in our industry. It happens to everyone, but brokers still beat themselves up about it. It is a special kind of disappointment to feel that you managed everything as well as possible and yet still lost out. You start questioning and secondguessing yourself and your methods.

What we fail to realize in that moment, though, is that the outcome we were seeking was never available in the first place. We were dealing with a person who had a defined method of taking out a home loan, and we were simply never a serious part of that process. They might have been seriously interested in gathering information from us, but they were never committed to doing business with a broker. The person with whom we had a great meeting knew before the meeting ever began how they preferred to do business.

The outcome we seek when sitting in front of that person does not exist. The same thing can happen when seeking referrals. If there is an accounting firm with a company policy that prohibits referrals, I could give the greatest presentation of my life to all of the partners in the firm, and nothing will come of it. It does not matter how good I am at presenting or how hard I work. The outcome is not available. That brings us back to the business of identifying our target. I must identify in my first interaction with a client whether the outcome that I am seeking is available. If it is not available, I might unknowingly invest valuable time and energy into a client without ever having the possibility of seeing a tangible result from my work. This is how time gets wasted in our industry. You need to understand what you are looking for before you start looking so that you can identify which opportunities merit your full devotion. You need something built into your process of engagement with each client that lets you know whether you are speaking to someone who is probably going to walk into a bank and ask for a home loan no matter what you do. If that is the case, and I have an awareness of it, I can make an informed decision as to how much time, energy, and effort I put into that person while being cognizant of the fact that the outcome I really desire probably is not available. As a mortgage broker, your stock in trade is your time. The only thing keeping you from being more productive in your work is the lack of time you have to deal with a higher volume of clients. That lack of time, though, is often simply a product of spending too much time with people from whom you are never going to see a profit. When you spend too much time with such people, you are making poor investments. Your time has a dollar value attached to it.

Imagine yourself as a shop owner who sells milk, bread, and eggs. A customer walks into your shop and asks for a line of credit at your store. At that moment, you must make a decision. Is this person worth extending a line of credit to, or will I be burned by them down the line? This is the same decision you have to make as a mortgage broker, but rather than store credit, what you have to offer is time. When you speak to someone, you must assess whether you should extend credit to them in the form of your valuable time. Hopefully, in our analogy, the shopkeeper has some crucial information about the person such as whether they have a job, overwhelming debt, or unpaid credit cards. The shopkeeper's primary question must be, "Will I be paid at the end of the day?" As a mortgage broker, you must ask yourself the same. What is the likelihood of me getting paid at the end of my interaction with this client? If you feel that the likelihood is low, you know not to extend an ample amount of credit to that person, and you will not feel as if you wasted valuable working hours at the end of the week.

Let's think again about the set of people in our territory who are already set on buying home loans. Within this set, there is a subset of people that you will be unable to convince to buy a home loan through you. They have a process, and their process does not involve us. The outcome, as we've said, is unavailable. However, the other subset in that group of people is made up of those who see the value of using a broker. These people have a fundamentally different set of questions than the people who will go to the bank tomorrow morning. The people who will seek you out are asking, essentially, "What should I do?"

When this kind of person rings a broker, they have a goal in mind, but they don't know how to take the first step toward that goal in the form of a home loan. The home loan is something that they need in order to accomplish something else. They want to know what to do, and they need someone to tell them as much. Essentially, these people want to be lead through the process.

Knowing this about our target allows us to zero in on what we are going to say in that first, crucial conversation. We know that it is going to be counterproductive to give this kind of person a thousand different options and ask them to make a lot of decisions. That is not why these people come to us. We are in the business of customer service, and the two golden rules of customer service are to understand what the customer needs and then meet those needs. We are in the business of providing best practice customer service. Every worthwhile client who rings you up or gets referred to you wants to be lead to a good decision. They do not want to be given a number of different parameters upon which to make a decision by themselves. If your typical client in the position of choice-maker, you are simply not giving them what they came for.

This does not mean that we deny an enquirer information. For those enquirers who want to know more about the process, we gladly comply by giving them the information that we use to make decisions in our position as the service provider. Ultimately, though, they come to us for our valuable advice, and we deny them that service when we simply lay everything out on the table. An ideal conversation should have as its centerpiece a recommendation of your own based on the client's particular scenario justified by a few logical steps that you have taken in your analysis of their finances, at which point the client says, "Yes. That sounds good." That amount of confidence from the client in our recommendation is the end goal, and it is exactly what the client wants as well.

The most successful people in this industry have a very clear understanding of who they are looking for before they start working on Monday morning. They know what type of person is likely to pay for their services, and, as a consequence, the likelihood of that broker extending credit to the wrong person in the form of their valuable time is minimal.

On the opposite end of the spectrum, we have brokers who are struggling, and as a consequence of that struggle, unproductive practices start creeping into their work. They begin chasing clients. Each client must be a winner. Each meeting must result in a home loan buyer. If you find yourself thinking this way, you are not actually going to accomplish the goal of becoming a more productive broker.

Above all, what I am trying to communicate in this chapter is that you must avoid the trap of thinking that there is a large pool of clients out there simply waiting for you to offer them a home loan, so you need to get out there and put more hours in to make those clients your own. In actual fact, there is a select number of clients in your territory with whom you can spend time productively, and it is only by having a clear vision of how to reach those clients that you will become more productive. If you take all of the time that you waste on clients with whom you were never going to see a benefit in the first place and instead devote that time to prospecting for quality clients, you will have cut your work in half and made each hour that you work much more valuable. If you are able to communicate to a referrer precisely who you are looking for, and as a consequence have a higher number of meetings with clients whom you know are searching for your services, then surely you are going to convert at a higher rate than you are now. In the world of forking paths that is modern business, you need to know when you are spending your time productively and when you are driving toward a dead end. Knowing your target is the light that guides through the process of getting the loan across the line.

BUYERS AND INFORMATION SEEKERS

Key Concepts

- ✓ Know the two types of enquirers
- ✓ Understand that everyone sounds like a buyer
- ✓ Guard your emotional reserves

There are two types of enquirers that seek us out. One is an information seeker. For whatever reason, this type of enquirer is curious about a home loan, and he or she is gathering information to make a decision at some point in the distant future. This person may become valuable to us down the line, but at the first call, they are not ready to go through with a home loan. The other type of enquirer is a buyer. They are not gathering information. They want to get a home loan over the line in the immediate future, and they are looking for someone who can help them do that. Every enquiry we receive can be separated into these two groups. As brokers, if we can immediately assess which of these two types we are speaking to in the first phone call, we can tailor our conversation and correctly apportion our time for these two different kinds of clients.

Let's look at two hypothetical enquiries. First, we have a woman who calls and says that she and her boyfriend are thinking about buying their first home together. They don't have much money at the moment, but they would like to know what steps they need to go through to secure a home loan. In contrast, imagine that another woman calls and tells us that she has just placed a deposit on a new home and is looking for a loan.

In your mind, there should be a gulf of difference between these two enquiries. The conversations that follow these two enquiries should be completely different. When dealing with the former enquirer, our perspective should be that we need to quickly and efficiently give the enquirer useful information packaged in such a way that when they are ready to buy a home loan in the future, they are going to come back and deal with us. Achieving that outcome depends completely on an understanding of who you are speaking to. In the second scenario, however, every move we make should be geared toward getting a home loan over the line with this client who is clearly ready to do business.

That example is overly simplistic, but the challenge that confronts most brokers is that they have no established method of determining whether they are speaking to a buyer or an information seeker on the phone. With no clear way to distinguish between these two types of enquirers, the broker, by default, treats every caller as a buyer. Then what happens? They drive 45 minutes to a home meeting, spend another 90 minutes discussing options with an enquirer, and then drive 45 minutes back home. Not only is this a giant sinkhole into which their time is swallowed up, but they do not have the emotional reserves to deal with such appointments on a regular basis. It's exhausting. The emotional toll of working this way is overlooked by many in this industry. Each of us has an emotional bank account, and there's a set amount of energy that we can withdrawal from it each week. Nobody possesses an endless supply of emotional energy. We're all human. Throughout the day, there are things we do that make withdrawals from this account, and there are things we do that make deposits into it. When you take up the default practice of making a three-hour commitment to any client that calls you, you are handing out the pin number to your emotional bank account. You might as well be asking people to take your time and energy and do with it as they please. You would never do that with your hardearned money, and as we know from the previous chapter, your time has a dollar value attached to it. I do not mean that you should stop traveling to see people. I would never advocate that you push people away and tell them to go somewhere else. The fact is, though, that not all clients are equal. You must establish a mental process where you ask yourself a set of questions at the beginning of each calls: Is this worthwhile? What is my objective here? Does this client only need information at the moment? Am I working with someone who wants to go through the process of buying a home loan right now? Without asking these questions, you leave yourself at the mercy of every caller you receive.

Mortgage broking is not about being a great salesperson. It is about being a great prospector and being able to distinguish buyers from information seekers. It is about putting yourself in front of more people who have already made the decision to go through with a home loan. You are looking for people who are ready to work with you right now. Are they ready to buy a home loan now? That is the essential quality that you are seeking.

If an enquirer does not possess that quality, they are an information seeker. As such, your process of dealing with them must be different. Above all, you need to determine what information to give to that person so that, in time, they become a buyer who seeks you out. For now, though, they are just collecting information, and you must be aware of that. If you cannot identify what the person on the phone wants in this respect, you have no ability to provide them with what they really need, and ultimately, your objective of delivering high quality customer service is not going to be achieved. You need something at the beginning of your process to determine who you are working with. Everybody you deal with will sound like a buyer. They will sound like they are ready to do business with you today when they are actually just looking to gather information to do business in the future. This is not because they are lying about their motivations. This is simply the way people behave when gathering information.

Imagine, for instance, that you are shopping around for a new Porsche. You do not actually have the money to buy the car today, but you are really keen on a test drive because you may be in a position to buy the car this time next year. What do you do? You ring the motor vehicle retailer with a simple goal in mind: you want to test drive this car. Now imagine what you are going to sound like on the phone. What kinds of things will you ask about? You will sound like a buyer. You will ask concrete questions about what time the shop is open and what days you might be able to take a test drive. You will project the stance of a buyer because you are seeking valuable information that will allow you to make an informed decision in the future. However, you are not ready to buy the car today, this week, or even this month, unbeknownst to the retailer. An information seeker will almost always put out a vibe that says they are ready to do business now.

As a mortgage broker, you need to be aware that everyone you deal with will sound like this. There is nothing in their tone or their questions that will establish them as an information seeker. They will project the stance of a buyer in order to extract the best possible information from you. You need a mechanism in place to make this distinction yourself. If you have the proper mechanism in place, you can quickly and efficiently decide how to apportion the time you spend with them.

Investing time and energy into enquirers with whom a profitable outcome is never available in the first place is a fountain of frustration in this industry. Brokers may blame such failures on their inability to give an engaging presentation, but in reality, they simply had no mechanism to determine who they were dealing with before they went down a road that led to a dead end.

Think about the past year, two years, or five years you have been working, and try to remember the clients that you feel you missed out on. You can probably remember a few that you poured your time and energy into only to be left with nothing at the end of the day. When you have one of those in mind, honestly ask yourself whether the outcome you were seeking was available in the first place, before the client ever came to you. Many times, upon reflection, we realize that it wasn't. So why did you put so much time and energy into such an endeavor? Most likely because you just did not know better. You did not know that you were speaking to someone who was an information seeker, so you wasted time asking the wrong questions and pursuing an unachievable goal.

THE THREE QUESTIONS

Key Concepts

- ✓ Deliver confidence to the client
- ✓ Answer their most important questions
- ✓ Streamline your presentation
- ✓ See through the client's eyes

Buyers are our target audience. We need to spend the lion's share of our time with people who are ready to move forward on a home loan right now if we want to increase the number of loans we write each month. Let's think about the mindset of this person, the buyer. How do they feel before dialing our number? What do they think they need? How do we want them to feel by the end of the call?

When we answer the phone, we need to

immediately give them the impression that they are dealing with someone who understands their position and their perspective. They should think, "Thank God. She knows what she's talking about. I'm in good hands." We can only lead them to this feeling if we know what they are seeking in the first place and use that knowledge to deliver them to a place of confidence.

A person who comes to a broker is not a do-ityourselfer. A do-it-yourselfer goes to the bank and asks for a home loan. The person who comes to a broker sees value in outsourcing the work of buying a home loan to someone else who can lead them to the right decision. People who contact you, the broker, want to be led. They want advice. They want guidance. They want help. Above all, they want to feel confident that they are dealing with someone who knows what they are doing.

To deliver this feeling of confidence to a client, we must empathize with them. We have to see the world through their eyes. Most brokers fail to do this. Most brokers go to a meeting with a client and present a slab of information before asking the client to make a number of decisions with that information based on their own preferences. A broker who delivers confidence to a client, on the other hand, will present an outcome to a client. They demonstrate to the client that they have listened, understood, and analyzed the situation to present the best available option. If a broker can relate to a client on this level and deliver an outcome based on the client's particular situation, they are virtually guaranteeing that the client will want to do business with them.

This need not be a complicated process, either. Most clients that we deal with are going to have the same core concerns, and—as we are in the business of delivering exceptional customer service—it would do us well to anticipate those concerns. We actually have the ability to predict what a buyer is going to ask, and being able to predict and answer a client's questions will clearly indicate to the client that they are in safe, knowing hands.

So what are the questions that virtually every client will have? Every client you deal will have these three questions in mind:

1) *Will I get the money?*
2) *How long is it going to take?*

3) *What is it going to cost per week, fortnight, or month to pay off?*

Your sales track should be centered around these three questions. Whether asked outright or not, these are the questions at the forefront of each client's mind. If you dance around the answers or bring up tangential issues before addressing these crucial concerns, you are not inspiring confidence in a client. Will they get the money? How long is it going to take? What is it going to cost each week, fortnight, or month to pay it off? Answer these questions, and a client will be confident that you understand their position and their motivations.

Your success with each client depends on your ability to deliver answers to those three questions in the shortest possible timeframe. If your average presentation to a client takes an hour, and you do not give them answers to these questions until the 50^{th} minute, your presentation is upside down. You push the client away from you every minute you do not address those concerns. In a presentation, we need to bring the client toward us, and if we can deliver those answers confidently and quickly, we will instill confidence into them. Not only does it make our job easier, but the client will be grateful for it. They will sigh in relief.

On the other hand, if you give a long presentation that centers around giving the client as much information as possible, and you fail to address their three main concerns until you have taken up nearly an hour of their time, the best possible outcome is that they will be bored, if not agitated. If this is your method, you are failing to realize that a buyer is someone who wants to be led. Out of everything they could have done in pursuit of a home loan, they have come to you for guidance, not for information. This is a generalization, of course, but on the whole, a home loan buyer who seeks out a mortgage broker wants to be led to a solution. They don't care about crosscollateralization. They don't care about the current state of the industry. They want to know if the loan is going to go through, when it is going to go through, and what they will be paying.

Wasting your client's time by not answering these three questions quickly will make an immediate impact on whether they want to do business with you. From the moment you answer the phone, a client begins developing a mental picture of you. After a minute of speaking with you, they are projecting forward to the time when you will be in their home at seven o'clock in the evening. They are constructing a mental image of your business relationship two months from now based on what you are giving them in the first two minutes of the call. If you are not answering their three core concerns, which are the foremost questions in the mind of anyone seeking a home loan, you are creating distance between yourself and the client. You are pushing them away rather than bringing them closer.

I have worked with a lot of brokers, and countless times I have seen a broker sell a home loan in the first ten minutes of the presentation and then spend the next fifty minutes buying it back. It sounds crazy, but it is absolutely true. They give the client what they need, have them onboard, address the important questions, and then go into fifty minutes of details that the client never needed, slowly losing the confidence they won at the beginning of the call by creating questions and concerns in the client's mind. The broker had a vision of what the client needed, but it was skewed. They did not realize that what the client needed more than anything was a feeling of confidence instilled by hearing the answers to their three foremost concerns. If you can deliver those answers to a client in the shortest possible timeframe, they will be yours. Why would they go anywhere else when they have already been given what they need the most? An extra benefit of delivering them to that place of confidence quickly is that they will be much more likely to refer others to you because they have seen firsthand that you understand their position and won't waste their time on anything extraneous to their main concerns. If this process seems too simplistic, you probably are not putting yourself in the position of the client. As a client seeking someone with whom to work toward the goal of a home loan, what do I want? I want a steady hand. I want someone that I can have confidence in. I don't need to know everything about home loans as long as I feel that I am speaking to someone who understands the industry for me and understands my position. Obviously, though, there will be clients who desire more information about your process and ask for it outright. At that point, you will be more than happy to have that discussion because you have already addressed what they need to know. At that point, what they are really doing is seeing how far they should extend their trust to your expertise, and of course you will be ready and willing to discuss the situation in detail. However, that all comes after we have first delivered them to a place of confidence by answering their three main questions.

Most brokers present back to front. They frontload the conversation with a heap of information before getting to what the client really needs to know. There is nothing wrong with the content of their presentation. The information they present is accurate and useful. It is the order of the presentation that needs to be reversed. What we need to do is resequence your process to allow you to determine at each step who you are dealing with and how you should proceed with them based on that information. To do business any other way invites and encourages clients to waste your time. Simply through resequencing what they do, brokers that I have worked with in the past have cut their working hours by 50%, and they accomplished it by realizing that their presentations were upside down.

FLIPPING YOUR SCRIPT

Key Concepts

- ✓ Re-sequence your presentation
- ✓ Conduct the first phone call with confidence
- ✓ Sell yourself, not the loan
- ✓ Develop a relationship in the first two minutes

Let's look at the crucial first phone call with an enquirer. We each have a script that we follow, even if we're not aware of it. There are certain habits that we have as a result of what we believe we need to deliver to the client in the first few minutes of speaking with them. From the moment we get a call from an enquirer who says that they are interested in a home loan, there are things we think we need to give them, and there are things we think that we need to get from them. Here is an example dialogue that illustrates the typical process that most brokers go through in the first few minutes of the call.

> *"Hello. I'm just calling because I'm interested in some information about getting a home loan."*
>
> *"Okay. Would you tell me a little bit about what you're looking to do?"*
>
> *"Sure. We're looking to upsize. We've just sold our home, and we're looking to buy something a bit bigger. So we're going to need a home loan, and I'm just looking for some information in regard to that."*
>
> *"Okay, so it'll be a second-time purchase. It's bigger than the home you've just sold. Are you currently renting? Have you already moved somewhere else?"*
>
> *"No, we've just sold."*
>
> *"Okay, so have you got a budget in mind in terms of what you would like to spend on the next home?"*

"Yeah, we're thinking about $600,000."

"Great. And how much would you like to put toward that purchase?"

"I think we'll have about $300,000."

"Okay, so we'll be looking to lend about half of the amount. So I just need to get some more information from you to be able to determine what your borrowing capacity might be. I need to find out information like the income coming in and the outgoing liabilities going out of the home, and then just get a quick idea of approximately what your borrowing capacity would be."

"Okay"

"So are you living with a partner?"

"Yes."

"Are you both working?"

"Yes."

In the remainder of the call, the broker goes through a few more standard questions to determine the enquirer's capacity to take on the loan. Remember: to deliver the best possible customer service, we must empathize and see through the client's eyes. Has the broker in the example above effectively conveyed that she understands the client's position? Was the conversation conducted from the perspective of the broker or the client? No. Most of the conversation was spent gathering information for the broker. All of the information the broker collects here is important, but it is positioned at the wrong part of the conversation, and it is not pitched from the perspective of the client. At the front end of a call, you are selling yourself. The goal is that the client will buy you. The loan is not our primary concern in the first two minutes. We know that they have already made the decision to buy a home loan. We have no say in that. I'm not going to worry about that in the first two minutes of the conversation. I'm going to worry about how the client feels. Here's an example of a conversation with those principles in mind.

"Hello. I'm just calling because I'm interested in some information about getting a home loan."

"Okay. Would you tell me a little bit about what you're looking to do?"

"I'm looking to buy a bigger house."

"I see. And why are you looking to do that?"

"Well my wife is pregnant, and we already have two kids, so we're going to need a bigger place."

"Right. So you probably need to get another room."

"Right. We're thinking about setting up a nursery, all of that."

"Great. Where's your current house?"

"It's at Highbury."

"Oh, alright, do you like Highbury?"

"Yeah, yeah."

"And where are you moving to?"

"Oh, we're thinking about moving to Golden Grove."

"That's interesting. Why did you choose there?"

Here, the broker is taking a genuine interest in the person they are speaking to on the phone. They have already begun developing a relationship. Developing a relationship in business is exactly like developing a personal relationship in life. You must bring that person closer to you in your first interaction. You ask them questions and listen intently to their answers. You demonstrate an honest interest in them. All of your questions at the front end of the phone call need to be about empathizing with the client as a person who has certain motivations for what they are doing.

This is not what most brokers usually do. Most brokers usually have conversations more like the first example, where they are focused on the transaction of the loan rather than the building of a relationship. The transaction of the home loan is not what you control in this situation. We have already established that a person will either buy a home loan or they will not, and that decision is out of your hands. What you can do, though, is inspire confidence in the person who calls you and therefore create a point of difference between yourself and every other broker out there. The question of whether or not the person will buy a home loan is decided before you are part of the picture. The real question is whether they are going to buy a home loan from *you*.

The best way to sell yourself to someone in both business and in life is to take a genuine interest in them. When you sit down to have a cup of coffee with someone, you ask questions to get to know them. Hopefully, you find some common ground, and it is from there that the relationship begins to grow. The same thing happens in the first phone call with an enquirer. The moment that you find a point of commonality with the enquirer, you have begun to pull them closer to you, and that is the beginning of a productive relationship.

Many brokers do get around to being interested in the person they are dealing with, but they wait until they have already begun a business transaction to become interested in the client as a person. Their presentation is upside down.

Ultimately, if you want to book an appointment with someone, you need an invitation into their home. Our work is unique in that we have to get a glimpse of a person's innermost life to do business with them. We have to go into their homes at seven o'clock when they are making dinner, getting kids ready for school the next day, and probably cleaning the house because they have a stranger sitting on their sofa. Before we are allowed into such a personal environment, we probably want to leave the client with the impression that we were genuinely interested in their situation on the phone. If we make the front end of the phone call mainly about gathering financial information from the client, we essentially tell the client that I am interested in you as a business transaction more than as a person. If we show genuine interest in the client and put across the message that it will not be too difficult to get the loan across given the particulars of their situation, they are highly likely to want to establish a relationship with us.

It does not take much time to bring the client closer to you. Two or three minutes of casual conversation is enough to impress upon a client that you are truly interested in their situation. If we do this at the beginning of a call, rather than the end, we pull a client toward us before asking them to put their confidence into us. Flipping the order of our presentation in this way allows us to establish a common vantage point with the client from which to oversee the rest of the process together.

THE SNAPSHOT

Key Concepts

- ✓ Know who you are talking to
- ✓ Use the snapshot to sort through enquiries
- ✓ Guard your time and energy
- ✓ Set boundaries for your services

Once we have established a relationship with a client in the first few minutes of a call, we then go straight to our primary concern as productive, efficient brokers: Is this person a buyer or an information seeker? Before we can service them with any kind of success, we must know which category they belong to. As discussed before, this is not an easy distinction to make. An information seeker will put forward the stance of a buyer to get the best possible information from you, and buyers may tell you that they are seeking information when in fact they are ready to buy a loan. We need a tool to help us distinguish between these categories with some amount of certainty. This is where the snapshot comes in. The snapshot is a one-page document that allows us to measure the level of commitment the enquirer is ready to put forth from the first phone call. Here is an example dialogue that illustrates how the snapshot fits into our presentation after we have brought the client closer to us and begun developing a relationship.

> *"So why is it that you are interested in a home loan?"*
>
> *"We're looking to buy our next home. We want to sell the home we're currently in and downsize to a retirement home."*
>
> *"Excellent. And where are you looking to buy?"*
>
> *"We're looking to buy in McGill."*
>
> *"McGill, that's a nice area. Where do you live now?"*
>
> *"Golden Grove."*
>
> *"Okay. Is there any specific reason why you want to move to McGill?"*

"Nice part of the city, have friends that live there, closer to town."

"Excellent, those are all important as you're downsizing and downscaling. Can I presume that any children have flown the coop?" "Yeah, all gone, all grown up."

"All off the conveyor belt, right. So when do you think you'll put your house up for sale?" "Probably within the next three months."

"So I'm guessing you haven't selected an agent or anything like that."

"We've had a couple of agents take a look to give us a bit of an idea."

"Good. I work with some agents that could probably help you at Golden Grove, but we can talk about that later. Anyway, about how much are you looking to borrow?"

"About $300,000."

"Okay, and are both you and your partner working?"

"Right."

"What sort of work, may I ask?"

"I'm a full-time retail assistant, and he's a general manager in retail."

"Great. Okay, look, for me to help you, are you near a computer, smartphone, or something like that? What I'd like to do is send you a quick one-page snapshot. This will literally take you two minutes to fill in, and if you can get it back to me straight away, I can give you a call back and let you know exactly how I can help you. Would it be okay if I sent this to you? Is there any reason you can't take a quick couple of minutes to fill it in right now?"

"Well, I'm at work, but I can try and do it here."

"Great. As I said, just two minutes. Can I get your email?"

The tone is personable but direct. The broker shows a genuine interest in the client's motivations, and then he goes to the snapshot to find out who he is dealing with.

The snapshot is not a financial evaluation or an application form. It simply allows me to know who I am talking to. This is not the kind of form that firms use to determine a client's eligibility for a loan. I have not yet bought that kind of time from the enquirer, and the likelihood of getting a detailed form filled out at this stage of the relationship is low. All that I have allowed myself from the client so far is a quick couple of minutes to fill out one page of information. It also helps that the broker has made it clear to the enquirer that the snapshot will allow him to better serve the client. Everything is pitched from the client's perspective because the goal is to convey that you understand their position and instill confidence into them.

In my 18 years of working with mortgage brokers, I have been told time and time again by the most successful brokers that the snapshot is more important than anything else they use in their daily work. Almost unanimously, the successful brokers attribute their success to the snapshot. It is the key to all of the business they handle. It is an extremely practical mechanism that can be used to determine whether an enquirer is a buyer or an information seeker in the first five minutes of a call. The snapshot does not ask for a driver's license number or detailed financial information. It simply and crucially allows the broker to determine in that first phone call whether they are dealing with an information seeker or a buyer by presenting the smallest of commitments to an enquirer and seeing how they respond.

The beauty of the snapshot is that it allows you to get a straight answer from an enquirer as to they are in the process of buying a home loan or whether they are in the process of gathering information, and it gets that answer without asking them directly. Their willingness to take two minutes to fill out this simple one-sheet will immediately tell me whether they are ready to move forward and work with me. If they cannot take that much time out to give me the information I need to help them, then how serious can they be about buying a home loan? If someone enquiring about a $300,000 loan cannot take two minutes to help me move them toward that loan, how much credit should I extend to them in the form of my valuable time? Hopefully not much.

The entire focus of the first call is determining where the caller is at in the process of buying a home loan. The information I receive from the snapshot is far less important than the fact that the enquirer agrees to fill it out. By getting an enquirer to take action and do the slightest amount of paperwork on their own, I am putting forth a clear test to determine how serious they are today about the home loan process. The difference between someone who will only agree to a short conversation and someone who will agree to filling out a simple snapshot is of tremendous importance to you as a broker. By putting this boundary around the way you conduct business with each enquirer, you protect yourself from hours of service with clients who were never ready to move forward with you from the moment the phone rang.

Now, perhaps a client will tell you that they do not have two minutes to spare right now and will try to get the snapshot back to you later in the day. That's fine. You tell them that you will be eagerly waiting to receive the snapshot from them, and after you receive it, you will give them a call to discuss how you can help them. You will be able to walk a mile for them if they can take this tiny step for you, but it is essential that they first show an initial willingness to commit to the process by filling out the snapshot. If they cannot take those two minutes to help themselves right now, how difficult is it going to be to get them to find financial records from the past year when you go to their home? The snapshot instantly tells you their level of commitment to the process.

This mechanism allows you to safeguard your time and your emotional reserves—your livelihood as a mortgage broker. Imagine, for a moment that you are a farmer. You have a farm separated into three neat little areas for your wheat, sheep, and dairy cows. Each year you work on your farm, you work to improve your capacity to generate the highest yield possible from each of your investments. The most crucial asset you have, though, is not actually the wheat, sheep, or cows. The most important asset on the farm is the fence protecting your other investments. Without the fences, what would the farm look like? Before long, the sheep would have eaten the wheat before running off to greener pastures, and the cows would have become supper for hungry predators. Without successfully fencing off your investments, you ruin your chances at any kind of economic stability.

If you, as a broker, don't put the same fences around your assets—time and energy—you will have the same mess on your hands. You must have boundaries, and you are not going to lose market share by putting conditions around how you offer your services. What you will lose are those two-hour and three-hour appointments that were never going to materialize into any sort of benefit for you in the first place. By creating boundaries to protect your time and energy as a mortgage broker, you enable yourself to work in a productive capacity and therefore make each minute of your time more valuable.

If you worry that this boundary will only push potentially valuable clients away, ask yourself what types of clients you might lose by instituting this process in your presentation. If a client is unwilling to give you two minutes of their time, are they worth extending credit to? Brokers who command and instill confidence know the worth of their time.

Let's look at what happens in the call after the client does agree to take the two minutes to fill out the snapshot.

"Hi, John. It's Mark Blundell calling. How are you?"

"Good."

"Great. I want to thank you for sending the snapshot back to me. Based on the information you've put down here, I don't think there will be too much of a problem getting your home loan across the line. I think there will be a couple of different lenders who will be very keen to help you. What we need to do next is get a formal approval, in writing, from a lender. That way you'll know who the lender is, what their terms are, the repayment rate, the interest rate, all of the bells and whistles. Would you like me to go ahead and get something in writing from a lender for you?"

"Yes, that would be good."

"Okay. For me to do that, I'll need a few things before I come out and see you. I'm going to need supporting documentation in the form of a few financial records that you probably have on hand around the house. Is there any reason why you can't take a photo of a few things

with your phone and email the photos to me today?"

"Yeah I think I can do that."

"Great. When you get those photos to me, I'll give you a call back, and we can confirm an appointment time for me to come out and see you, where I'll be able to tell you exactly what lending options you have. Does that sound alright to you?"

Again, everything is pitched from the perspective of the client. In order for me to help the client, there are certain things that I require. Give me an inch, and I will give you a mile. That inch is crucial, though. Without that inch, I might spend valuable time talking to someone who is not ready to do business with me. If an enquirer is just looking for information, and they are not ready to give me the information that I need to move forward, we need to have a different conversation that does not involve me driving out to their house and wasting my valuable time. We are trying to put ourselves in the best possible position to provide accurate information to the client in the shortest possible timeframe. We must reduce the amount of time it takes to conduct a transaction with a client by reversing our current process that forces us to spend far too much time with a client before reaching a place of confidence.

How long should it take a broker to determine whether a client is eligible for a specific loan from a specific lender, including the interest rate and time period? One, two, three hours? It takes me 20 minutes at the most. After spending just 20 minutes with a client, I can tell them exactly what loan they are eligible for and how long it will take them to pay it off. If you take longer than that to get to the most crucial concerns of any client you deal with, you are conducting your presentation upside down, and you are opening yourself up to financial risk by extending too much time to clients who are only gathering information.

This is a far better process for the client as well. How many clients would sooner spend 20 minutes with a broker to get the information they need than three hours? And once you deliver a client to a place of confidence by conducting your presentation efficiently, how likely are they to want to work with you? Very. The work is done. You are virtually guaranteeing their business.

You must not think of this process as reductive. You are not reducing the amount of potential clients you can work with by using the snapshot and asking the client to give you two minutes of their time. If you reflect back on all of the loans you've successfully pushed across the line, would you have lost any of those clients by instituting this process? Probably not.

Any client who is ready to buy a home loan will be ready to go through this process with you. The best brokers—the ones who are getting the most loans across the line each month—use this process to streamline their interactions and save time that would otherwise be wasted. Then, once they have successfully eliminated that wasted time, what do they do with the time they have saved? How do they spend those extra five to ten hours a week they have gained as a product of these methods? They go prospecting.

PROSPECTING

Key Concepts

- ✓ Create a target list
- ✓ Know your value as a broker
- ✓ Cut through to likeminded individuals

All of the prospecting we do centers around four targets: real estate agents, solicitors, accountants, and existing clients. Existing clients are our main source of referrals. Existing clients can deliver highquality referrals to us on a regular basis. The least effective referrals we receive will be from real estate agents. This has remained true for more than a decade. Real estate agents are the most difficult targets to get referrals from, and the referrals you do receive from them are usually the lowest quality referrals you will receive.

With each targeted referrer, we start with an understanding that they are doing just fine without us. Before we ever speak to them, their business is productive, and they have no immediate reason to change their habits. That means that if we are going to ask them to begin referring to us, we are asking them to change a habit that has so far suited them just fine. We are asking them to change. These people are only going to change their habits and begin referring to us if we can make them see value in a referral relationship. We have to convince them that any benefit we receive from them is going to be reciprocated.

Our first point of contact with a potential referrer is going to be through email. We use email because it is a time-effective way of seeking out likeminded individuals who will see value in the referral process. It is just like using the snapshot. We do not offer up our valuable time until we have established that the other person is interested in moving forward with us. If they are interested in a meeting after a sober consideration of the benefits I allude to in the email, they will probably be worth the 20 minutes of my day it is going to take to speak with them at their office or mine.

So first, I create a target list. The target list should always consist of personal emails. You should never send an email to "info@xyz.com." It should always be something like JohnSmith1234@xyz.com. Getting that email may require you to go to a firm's website for a phone number. Then, you make a call to the firm, establish that you are looking for an accountant who you can refer your clients to, and ask for the email address of a partner at the firm. Nobody who answers the phone at a firm will tell you to go away. This is a tried and true method of generating a target list.

The best way to generate a target list is to use your existing client base. You ask a dependable client who their accountant is, as you are looking for a good accountant to refer to, and they will give you an email address. Also, when dealing with existing clients, text messages generate higher response rates than emails. Emailing existing clients might get you around a 1520% response rate, whereas a text message will get you closer to a 30% response rate. It is simply the preferred method of communication these days.

Once you have created a target list of ten such email addresses, you are going to send out a template email detailing who you are, what you are looking for, and what you can offer to the accountant, solicitor, or real estate agent reading the email. The following email is an example of what we send to potential referrers.

Hi John,

I'm looking for an accountant that I can refer my clients to. I'm part of the Aussie story you might have recently seen in Prospect. We have a big profile, strong television presence, and a healthy amount of clients. I get enquiries from people wanting to list or buy in the area, and some of them need the services of an accountant. If you would be interested in establishing a referral relationship, I would like to catch up and possibly refer future clients to you. Let me know if you can help.

Regards,

Mark Blundell

This email will generate a 30-40% response rate from the solicitors, accountants, and real estate agents that you target. It clearly shows that you offer value to the potential referrer, and it establishes what you are looking for. It takes you one to two minutes to send this email out to ten potential referrers. How much more productive is this method than personally calling and pitching myself to every referrer I target?

Immeasurably.

You will receive an email back from the client—or you won't, which is out of your hands—at which point you propose a specific time for a face-to-face meeting. It is important that you propose a specific time because being overly vague will lead to wasted time and postponements. If you ask for a meeting on Thursday or Friday, there is no urgency for the potential referrer to commit to anything. If you ask for a 15-minute meeting at 2:30 on Thursday afternoon, you have created a specific point to which they can either say yes or no, which is far more effective.

You only need a few different versions of this email typed up and ready to be sent off once you have collected ten emails of solicitors, accountants, or real estate agents.

You will also want to modify the emails for specific referrers such as those dealing with high income earners. An email to a referrer dealing with high income clients, for example, might look like the following.

Dear Ben,
I hope you can help. I own the Aussie franchise in Glen Oak. Our practice has been in business for the past 9 years. I have extensive experience in dealing with high-end clients, those with a considered level of business complexity. As a consequence, I've developed a specialized focus in working with those who are bracketed as very high income earners. They include GPs, CEOs, and the like. My area of expertise is in securing residential property funding of one million dollars and above.

Most of my business growth is through referral from existing clients. In recent times, a number of my clients have discussed their interest in borrowing money to buy commercial and residential property within a self-managed superannuation fund. Through these conversations, some expressed dissatisfaction with their existing accountant insomuch as they feel they've outgrown the capacity of their suburban practitioner. As a consequence, I'm asked if I'm aware of other *firms better geared to advise on their sometimes complex business strategies*

I wish to establish a reciprocal referral relationship with an accountancy firm positioned as a benefit for those high-end type clients, hence my email to you. Having secured your details through my research in looking for an accounting firm that typically caters to the needs of this demographic, I'm writing to determine if it'd be worthwhile contacting you with a view of making an appointment to meet and discussing establishing a line of referral. I'd be pleased to hear back from you on this basis.

Regards,

Mark Blundell

These emails are a tool you can use to cut through all of those referrers who are not genuinely interested in establishing a referral relationship in the first place. Unlike a phone call, a referrer has time to consider an email and respond only if they are truly interested, and those prospects that get back to you will be much more likely to agree to a business relationship after you drive over to their office for an appointment. Just like the snapshot, the email allows us to sift through the clutter and get at quality referrers. When we sit down and talk to these people, we are speaking with solicitors, accountants, and real estate agents who are already believe in the value of a referral relationship, making our job in the meeting that much easier.

EDUCATING THE REFERRER

Key Concepts

- ✓ Clearly set expectations
- ✓ Give the referrer a target
- ✓ Demonstrate your value
- ✓ Convey your confidence and enthusiasm

Just as we cannot find quality clients without a clear picture of an ideal client at the forefront of our minds, we cannot find quality referrers if we are unsure of our own objective in the appointment. When we go to an appointment, we are looking for a referrer who can deliver two enquiries to us each month. That is our goal, but the referrer is not aware of it, so we must educate them about our expectations of the relationship.

If a referrer cannot manage to get us two referrals a month, we are probably better off finding someone who can. We do not want to waste time developing referral relationships where the referrer simply waits for one of his clients to directly ask him for the services of a mortgage broker. How often is that going to happen? Spasmodically at best. We really need to find a referrer who is willing to actively prospect among his client base to find us clients who will be eager to use our services. The potential referrer, however, knows none of this. He does not know what we expect from the referral relationship, so our first order of business is to educate him in that respect.

Many referral relationships fail from the start because of a lack of clarity between the referrers. As someone seeking a productive referral relationship, you cannot dance around your expectations. There is no contract to refer to if the relationship does not meet your expectations. You must make it clear in the appointment that you plan to deliver two referrals a month, and in return you expect the same.

Though you are seeking a benefit for yourself in this meeting, you must see through the referrer's eyes and pitch the relationship from their perspective. Just as everything in our presentation to a client is delivered from the perspective of the client, we need to see through a potential referrer's eyes when we are pitching this business relationship to him. We first tell him that we plan to prospect among our clients by asking questions about their satisfaction with their tax accountant, real estate agent, or solicitor. We make it clear that we plan to work for them, and we will not simply wait around for someone to complain to us about their accountant. We will actively seek out clients to deliver to him, and while we do that, we expect them to do the same for us. First, we establish our value to the referrer, and then we seek the same kind of value from them in return.

We are looking for a likeminded person in a referrer—a person who sees the potential to grow their business by getting their name out to a larger amount of prospects. Just as we avoid chasing clients with whom our desired outcome is not actually available, we avoid trying to convince referrers that they need to grow their business. We are not salespeople. We are searching for someone who already feels that they could be doing more business, and we educate them about the way that we can help them do that.

That is the first respect in which we need to educate the referrer. We let them know precisely how we plan to prospect for them when dealing with our clients, and we make it clear that we expect them to actively hunt for prospects as well by asking certain questions of their clients. The second way that we need to educate them is by giving them a sales track to follow so that they are capable of sending quality clients our way.

Let us imagine that we have a meeting with a suburban accountant who says that he mainly deals with small business people. Thinking about his client base, what value do we offer those clients as mortgage brokers? Well, at the moment, we know that there is a price war among lenders. Any of his clients that took out a home loan three or four years ago should probably take a look at refinancing because they could most likely get a lower rate these days. Just how much money could we save a small business owner who took a home loan out three years ago?

If someone took out a $500,000 home loan at 5.8% interest three years ago, we can probably refinance today and get that number down to 4.8%. That person would save about $5,000 a year as a result of our services. That comes out to nearly $100 a week.

This is the kind of client we want the referrer to deliver to us.

When that accountant sits down with a small business owner, he might see that his client took out a home loan three years ago. Then, knowing what I have told him about home loans and my services, he can ask if they would like to save $5,000 a year. If so, he can put them in touch with a really good mortgage broker that he happens to know. This is the sales track we provide to the accountant.

This is not asking the accountant to do extra work, either. He is going to be a superstar accountant in the eyes of a client if he can hand them $5,000 a year simply by referring them to me. He tells the client that he knows a really good mortgage broker, Mark Blundell, who could give them an evaluation of their home loan right over the phone and probably save them about $100 a week. A routine meeting about finances turns into a boon for the client, and everyone is happier for it.

This is the image we need to impress upon the mind of a potential referrer: a client fully satisfied because of the level of service his accountant gives him. The potential referrer will get caught up with our own enthusiasm and confidence in this vision, and they will be very eager to establish a referral relationship with us.

It is our job to paint this picture very clearly for a potential referrer. Before we talk to them, referrers have no idea what we offer. Education must take place in two different forms. First, we educate the client about exactly how many referrals we can offer in this relationship as well as what we expect in return. Without this education, there is no feeling of commitment on the part of the referrer to actively prospect for us among his clients. Second, we must educate him about our value as a mortgage broker. We must let him know exactly how we can benefit his clients so that when a potentially valuable client sits down with him, he has a way to sell us to the client by way of what we can offer. If we can educate a referrer in these two crucial aspects of the relationship, we will have no shortage of clients who are eager to do business with us as a result of the pitch they heard from the mouth of someone who has been educated by us.

THE APPOINTMENT

Key Concepts

- ✓ Control the terms of the relationship
- ✓ Get the referrer's commitment
- ✓ Leave with a referral in ten minutes

Now, let's take a detailed look at an appointment with a potential referrer. We have sent out the email, received a response, offered a specific time to meet, and driven over to the referrer's office for a chat. This will be the first time we speak in person. As mortgage brokers, we know that our objective in this meeting is to get two quality referrals a month. We know that to get those two referrals, we need to educate the referrer about the value we offer to their clients and what we expect in a referral relationship. All of this needs to happen in 10-15 minutes. We do not give an hour-long presentation to demonstrate our value to a potential referrer. In their mind, our presentation will be a reflection of how we deal with our own clients, and if we waste their time, they will assume we will do the same with the clients they send to us.

Our goal by the end of the first meeting is to get one referral. We are not looking for anything more than the opportunity to demonstrate our value and competency through an initial test case. If we can get the referrer to grant us one referral, we have done our job. We will not be able to buy ourselves more trust than that from a referrer in the first meeting. Likewise, at the end of the meeting, we offer one referral to them, and thus begins our reciprocal relationship.

Here is an example dialogue which illustrates how to reach that objective in the shortest possible time. In this particular example, we will imagine that we are talking to John, a suburban tax accountant. This is the pitch we give to John.

> *"John, this is obviously a suburban-sized tax accountancy, but how would you describe your typical client?"*
>
> *"Mostly people who want me to take a look at their taxes."*

"So mainly people who come in to get their tax returns done?"

"Right."

"And typically what sort of people are they? High income earners? Middle income earners?"

"Middle to high, I would say."

"Okay. And what sorts of industries are they employed in?"

"Government industries, mostly. Some private interest. Hospitals. Teachers."

"Alright, so nurses, teachers, things like that. That's interesting. I actually do work with those types of people as well. That sounds fairly similar to my own group of clients. So here's my thinking. I have an accountant, and, like most people, I evaluate him based on how much he gets me back on my tax return or how much he saves me. Maybe it's not entirely fair, but that's how I think. If my accountant saves me a grand or two in tax, I think he's done a

pretty good job. Is that what you mostly see among your clients as well? That if you can save a bit on their taxes, they're happy with the service you provide?"

"Right, generally."

"Yeah, better in their pocket than the tax officer's pocket, right? Just a quick question for you. When you sit down with somebody, and you're doing their tax return, do you talk to them about their own personal borrowings? In other words, do you ever talk about the interest rate they're paying on their home loan and whether that's a competitive rate nowadays?"

"No, that's not really an area that we get into."

"Right. Well it's interesting, you know, that there are a lot of people who haven't reviewed their home loan in the last three, four, or five years, and at the moment, there's a lot of competition among lenders. There are interest rates that we've never seen before, around 4.7 – 4.8%. And quite often, if someone has a

$500,000 mortgage at around 6%, I could change that six to a four, which would save them somewhere between $5,000 and $7,000 a year. Now, when I came to see you, my goal was to find an accountant who could ask to the nurse, teacher, or government worker they are speaking to, 'Have you reviewed your home loan in the last 3 or 4 years?' Then, if the answer to that question is no, that accountant could tell them, 'You know, I could pass your details onto Mark Blundell from Aussie. He'll be able to give you a quick call and discuss how much you could save on your home loan.' I'm looking for an accountant who could do that. In return, when I sit down with someone to transact a home loan, I'm going to ask them, 'Who do you get your tax done through? Are you happy with your accountant?' If the answer is no, I'm going to say, 'Would you like a second opinion? I happen to know an accountant who is really great with returns, and I could put him in contact with you.' I'm going to look for this opportunity with every single person I deal with. This is the kind of

thing I'm looking for in a referral relationship. Is that something you would like to be a part of?"

The broker has introduced his value to the referrer, made his expectations clear, set the boundaries of the relationship, and ended with a question to which the accountant can answer yes or no. If the answer is no, that is out of the broker's hands. He is not trying to change the referrer's worldview.

Prospecting is a numbers game. We are trying to find likeminded individuals interested in growing their business. If a potential referrer does not see value in a referral relationship, nothing we say will change their view. You should not approach a meeting with a referrer hoping to get a yes at all, actually. You know that you have value to offer to the accountant's clients, and you have a clear objective to work toward in the meeting. If, at the end of your presentation, the referrer simply is not interested, then you need not waste time trying to convince them otherwise. A referrer who needs to be convinced of the value you offer is not going to be committed to prospecting among his clients for you.

However, about two out of the five potential referrers you speak to are going to say yes to this proposal. That is the conversion rate that you should expect when you go prospecting. If you expect each meeting to be a home run, you set yourself up for disappointment. Walk into a meeting without expectations, knowing that prospecting is a numbers game. When you find a likeminded person who shows legitimate interest in what you offer, then you solidify the relationship with a concrete, practical proposal. Here is how you set clear boundaries around the terms of the relationship at the end of the meeting.

> *"Yes, I'd be interested in that kind of referral relationship."*
>
> *"Great. Look, I know with the number of enquiries I get and the types of clients I see each month, I could get you two new enquiries, on average, each month. Based on my client pool, that's what I could offer you. In return, I would like you to do the same for me. When your clients come to you for tax returns, and you ask them about how recently they have reviewed their home rate, about how often do*

you think you could suggest that Mark Blundell gives them a call to discuss their home loan? Do you think you could give me two of those enquiries a month?"

The broker is very clearly setting the terms of the relationship here. By doing this, the broker guarantees that the relationship will not be one-sided. If a referral relationship is established without setting this clear expectation of two enquiries per month, there is no motivation for the accountant to consistently refer his clients to the broker. In his mind, two enquiries every three months may be adequate, leaving the broker feeling cheated. Clarity is essential in this verbal agreement. Putting this boundary around the terms of the arrangement removes a multitude of problems that would otherwise crop up after two or three months.

So far in these dialogues, the broker has been very clear about the value he offers to the accountant's clients and the expectations of the referral relationship. Assuming the referrer is a likeminded individual looking to grow their business, there is only one more step the broker needs to take to cement the agreement.

In the following example, the broker finally reaches the overall objective of getting just one guaranteed referral from the accountant.

> *"So, would you be able to get me two of these enquiries per month?"*
>
> *"Yeah, I think I could do that."*
>
> *"That's great. How about we do this, then. I'll have a chat with my client this week, and if my client is interested in getting a call from you, how about I write up an email to the client, copying you on it. The email will say something like, 'Hello Sheryl. It was great to catch up with you. As I mentioned in our meeting, I'm going to get accountant Ben Jones to give you a call. Ben can have a chat with you about maximizing your deductions, as you're self-employed. Ben, please find Sheryl's details below.' How about I do that in the next week, and you agree to do the same with one of your clients. How does that sound?"*
>
> *"Yeah, let's do that."*

The accountant has committed to referring one client to us within the next week, and our objective has been met. That is a 10-minute conversation. Throughout the entire process, the broker established a series of agreements to which the accountant could have said yes or no, and the terms of the relationship are crystal clear at the end of the conversation. Many referral relationships fail to produce anything tangible because these terms are never set. In such cases, a referrer may agree to a relationship in principle, after which you send a referral along, and then you never see anything in return. This is why it is crucially important to get a commitment in the form of one referral within a week at the end of the first meeting. The mindset of a referrer with a clear objective to meet is completely different from the mindset of a referrer who had a nice meeting with a mortgage broker about referring to each other in the future.

Although the example above was a pitched to an accountant, we can offer the same kind of value to solicitors and real estate agents. We only need to have a clear idea about the value we offer before we go to the meeting. If we have an appointment with a wills and estate solicitor, for example, we know that when they process someone's estate, there is usually a house involved. Often, there is a disagreement among the clients about what to do with the home. One sibling may want to keep it, and another sibling may want to sell it, so one needs to buy the other out, which is where we can offer value through our services. There is a clear opportunity there to refer to a mortgage broker. How difficult would it be for the solicitor to suggest to the client that I give them a call to discuss their borrowing capacity to buy the home? These points of value exist with each type of referrer that we deal with, and the strength of our pitch depends on our ability to clearly demonstrate this value to the referrer within 10 minutes of meeting them.

FINDING TIME TO PROSPECT

Key Concepts

- ✓ Understand the value of prospecting
- ✓ Spend each minute more productively

You should be prospecting three days a week. Ideally, on the days you set aside to go prospecting, you will go to two or three meetings a day. Your goal is to establish a solid set of 30-40 referrers in short order. If this sounds impossible, remember that we have already cut down the hours we work by 40-50% by using the time-saving processes outlined in the first few chapters. We now use that saved time to find referrers who are going to deliver higher quality prospects to us, increasing the amount of time we spend writing loans.

Writing a home loan is dead simple. As mortgage brokers, it is the easiest thing we do. Getting to that stage with the least amount of time wasted is our overall goal as efficient brokers. To generate more business for yourself by writing more loans each month, you must have a fundamental understanding of how to spend your time. Your job is not to convince clients to buy home loans. Your job is to establish a process where most of your clients are delivered to you by referrers. Find me a successful broker, and I guarantee you that the majority of the loans they write come from clients delivered by referrers. The best in this business have embraced this process, and as a result, they are writing out more home loans than anyone else. This is why we set aside a large portion of our time each week to go prospecting. The time you spend prospecting has the strongest, most direct effect on the number of loans you write out each month.

How long should a prospecting appointment take? About 10-15 minutes. Including driving time, the appointment should take less than an hour and a half. Is there any reason that you could not go to three such appointments on a day devoted to prospecting? If you trust in the prospecting process, you are going to find yourself spending less time driving out to meetings with clients where the outcome you seek is never available in the first place. Would you rather spend 15 minutes telling an accountant about what you can offer to his pool of clients or three hours speaking with an enquirer who is not sure about when they will be ready to take on a home loan?

Good brokers cut through to the clients that will get the home loan across the line in a short amount of time. They have a large set of referrers, so each time they make or receive a call, they know they will be speaking to someone who has already said yes. They have been pitched by an accountant who has been educated about home loans, and they are already interested in your services. As a result, you spend more time working with clients who are ready to do business from the first word.

Remember the emotional bank account we talked about before? How much more emotional energy are you going to have saved up at the end of the week if your work days are filled with phone calls to clients who have been primed to desire your services? The overarching goal of this book has been to make life easier for yourself as a mortgage broker. It is only by trusting in the prospecting process—trusting that the hours you spend prospecting are infinitely more valuable than time spent doing anything else—that this vision can be realized.

CONCLUSION

Everything written in this book is the product of nearly two decades of helping mortgage brokers grow their business. I have seen firsthand how brokers overwork themselves by chasing unproductive dead ends, which in turn leads to aggravation, unproductive business practices, and increased desperation. Ultimately, a cycle of negativity and failure is established. This book has given you the means of avoiding that cycle. If you trust the principles outlined in the preceding chapters, you will find yourself writing more loans at the end of each month.

There are three key principles each reader should take away from this text. First, you cannot sell a home loan. A home loan is not an impulse purchase made at the point of sale. A person who wants to buy a home loan will come to you after they have made a decision. As such, your job will never involve convincing someone to buy a loan. There is a set number of people in your territory who are interested in a home loan today, and that is who you are trying to find. You want to find the people ready to say yes.

Second, to spend more time with the people who are ready to say yes, you must know whether each enquirer you speak to is a buyer or an information seeker. The mechanism for doing this efficiently is the snapshot. If you are not ready to ask a client to make the smallest bit of commitment before you can help them, you are inviting them to use as much of your time and emotional energy as they want with no guarantee of a return on your investment. If you can tell that someone is simply seeking information, you can avoid spending three hours driving to their home for a meeting that is going to be a net negative in your work week. You can set boundaries to avoid making a bad investment. If someone is willing to take two minutes to fill out the snapshot you send them, though, you know that you have found someone ready to do business with you right now. You must have a mechanism for distinguishing between buyers and information seekers.

Finally, the only way to spend more of your time with clients who are ready to buy a home loan is to go prospecting. It is the best way of sorting through the population of potential home loan buyers to find the buyers interested in your services. The overwhelming majority of brokers spend far too little of their work week adding to their pool of quality referrers. As a result, they spend more time on the phone chasing dead ends. You must realize, fundamentally, that each minute spent prospecting is more valuable than time spent doing anything else.

You now have everything you need to transform your aggravating 50-hour work week into a 30-hour work week where each minute of your time is spent moving forward with productive clients and referrers. You have the ability to cut off the dead ends that take up so much of your valuable time and drain your emotional reserves. You only need to trust in the process and principles laid out in this book, and you will go home at the end of each week with enough time and emotional energy left to look forward to the next.