

Speaker 1: Welcome to Elite Broker with your host Alex Whitlock.

Alex: Hi, welcome to Elite Broker. My name is Alex Whitlock I'm your host. If you're not familiar with the show Elite Broker is really an opportunity for us to highlight and showcase some of the very finest brokers in Australia. There's some people out there doing really outstanding work for their clients and also writing some outstanding volumes. This is an opportunity for you to get a bit of an insight into their business, into their practices, into the structure, who they have working for them, and how they go about their business.

Joining me today is a lady called Deslie Taylor. Now, Deslie is up in Queensland. She is a Mortgage Choice franchisee and she's joining us from Ormeau. Deslie has been in our Elite Broker ranking for a number of years now. She's also got numerous other accolades including she's an MFAA state winner and she's doing some pretty impressive volumes. Deslie, welcome.

Deslie: Good thanks. How are you?

Alex: Not too bad at all. How's it up there in Queensland?

Deslie: Beautiful. Can't complain.

Alex: Deslie, one of the reasons I want to have a chat to you today, and thanks for taking the time to join us over the phone, you've succeeded in breaking into our elite business writers ranking for ... I know you were there last year. How many years have you been in that ranking?

Deslie: I've been in that ranking, I think, for the last 4 years.

Alex: That's outstanding. Just give our listeners a bit of a snapshot of where your business is at the moment. You're a Mortgage Choice franchisee, you've been with Mortgage Choice for about 7 or 8 years, is that correct?

Deslie: That is correct, yes.

Alex: Just tell us just a snapshot of your volumes for 2015. What did that year look like for you?

Deslie: Basically, I settled just around about 115 mil. In my business I'm the single operator. When I say I'm the single operator I'm the only loan writer in the business so that was basically myself and my support staff that helped us do that. I'm finding that the business is growing in volumes year on year purely just from customer service. You're looking at around about 115 mil I settled last year.

Alex: That's an outstanding figure. That's a huge workload for you to conduct all of the client meetings. How have you got the team supporting you?

Deslie: My team consists of, obviously like I said, I'm the only loan writer. I then have a PA who is then my packager so she helps me package the deals. Obviously, she confirms appointments and helps me with all pre-settlement, or pre-submission evaluations and inquiries, with things like that, and post settlement variations. Switching, splitting, [sixth 00:02:32] rates and all that sort of stuff. She's sort of my right hand girl giving all that ongoing pre-submission and pro-settlement service.

Then I've got 2 processors. I've got a processor who purely tracks all deals from the day they're submitted until they're approved. She'll then contact the client every second day with continual updates and she'll liaise with the lenders, obviously, just in regards to tracking and processing. I liaise with the

lenders in regards to any inquiries they have with the applications. She basically will track it and keep the clients updated. Then my second processor she picks it up from approvals through to settlement and tracks all construction as well.

I've broken that area up into 2 fields purely for the fact these guys are dealing with different departments within the banks and they're at a different end of the client's engagement with the process of the loan. I've broken that up into 2 just so we can ensure that the client service from submissions through to settlement is flawless and there's nothing that fall through the cracks anywhere.

Alex: That's outstanding.

Deslie: Technically I've got 3 full timers other than me.

Alex: What I'd like to do is just get a snapshot of today's ... Just over 115 million in terms of volumes. Just going back I know that you Mortgage Choice franchise out in 2007. What were you doing prior to that? What was your background before going into mortgage broking?

Deslie: I was working in a bank so I was there for 12 years ...

Alex: Which bank was that?

Deslie: With Suncorp. I loved what I did. I started as a teller, gradually just worked my way up and then I got to a point I was the home loans manager of which I was doing that for 7 years and loved it. Absolutely loved it but I didn't love the fact that I couldn't give the ongoing service in the event of bank's policy changes, in the event of the clients no longer fitting within the banks wants, and needs, and niches. It got to a point where I couldn't help everyone like I wanted to so at the end of the day that's when I looked at my other options to be able to give that continuing customer service.

Alex: Obviously, working at Suncorp for all that time and dealing with home loans the relationships you built over those years with Suncorp and with their products did many of those come across with you when you went out in broking?

Deslie: I lived and worked in the area, my children went to school in the area, and then I bought a franchise in the same area that I worked, obviously, I didn't let any of the clients know what I was doing but when you're doing groceries at Wally's and you've been that face they've known for 12 years and then they spot you in a crowd of oranges they will soon chase you. I will be brutally honest, we're looking 7, 8 years on I've still got clients tracking me down saying, "Deslie, you know, we finally found you again." I do have clients that, at the end of the day, are still finding me now after all of these years purely for exactly the same reason as I left. What service they were getting originally, due to policy changes, they could no longer. The bank could not then help them. Whereas we can, we can look at all bank options and what doesn't fit with one may fit with another.

Alex: Service and relationships are just critical. My loans, now, I've not used a bank for any of my loans for about 7 or 8 years. I had a superb branch manager at ANZ when I used to work at [inaudible 05:48]. She was absolutely outstanding but then she got moved on and the relationship just wasn't the same once she'd moved on to another branch. That relationship with ANZ went with that bank manager leaving so I understand how that works.

You're going out on your own into broking, what made you decide to go down the franchise path as supposed to becoming a member of either a branded group or going with an aggregator?

Deslie: I'm going to be really honest. I knew I was ready to take the steps but because I had worked for so many years under a brand I still needed, I think, the comfort of having that little bit of the brand support so to speak. I was still self-employed but I still had that support of having that brand there. As much as I was taking this leap of faith that I could do this on my own I still felt that I had a little bit of a pick me up and a little hold there.

The biggest thing that drew me to Mortgage Choice over and above everything else ... and don't get me wrong I spoke to a lot of other aggregators and I spoke to other franchises as well. It took me 6 months to work out where I was going to go and what I was going to do. The thing that swayed me towards Mortgage Choice over and above anything else was purely the paid percent policy, to be honest ...

Alex: It's something they've always stood by, yeah.

Deslie: The reason I like that is my whole philosophy is customer service. My entire business is fully based on customer service and, in reality, I wanted to be able to give the customer service to the clients and be very very transparent with the clients. If one lender was obviously paying more in commission but it was the best option for the client. I didn't want the client to feel or even sitting in front of the client feeling, "Are they going to be thinking that I'll be getting more money out of this one?" I didn't want to have that feeling there, at the time, when I bought the business so consequently that was, probably, the nail in the coffin and that's the thing that made me go, "Yeah, this is it."

Alex: A broker going into doing an aggregation group is you don't start up with a down payment on a franchise. There's an investment into Mortgage Choice and other franchises. Can you give us an idea of what you personally had to invest into the business to get it up and running? What sort of commitment you made?

Deslie: Yeah. Look, before I left Suncorp ... because I bought a [Greenfield 00:08:05] so I bought a business it started as nothing, it was me.

Alex: You set the new franchise up?

Deslie: Yeah. I bought a brand-new franchise of which I set up in the area. Now, in reality I had allowed to buy the franchise and then to ... Obviously, to fund my life until I started getting paid I'd allowed \$100,000 to ensure that, here, we go. This is going to hopefully cover me until I start getting some coms. I think, in reality, by the time I started getting coms, I was starting to generate income buying the franchise this is doing everything [inaudible 08:44], I think.

Alex: It's a real commitment.

Deslie: Yes, exactly right. Exactly. Bearing in mind, your franchise fee is in there as well so obviously it is a real commitment and I was just dedicated to the cause. Like I said, customer service is absolutely paramount in our business and I'm very, very, very focused as my staff are. To be honest, 87% of my business is repeat business and client referrals.

Alex: That's superb.

Deslie: Yeah. That's purely because of the conversations that you and I are having today they're very similar to the conversations I have with my clients. They're very open, very transparent, and we're here to just do the right thing by the client as my brokers are today.

Alex: Deslie just cast your mind back to that first year in business. You've set up, you're ready to start business, you're ready to start writing loans. What were your volumes in 2007? What did you end up writing that year?

Deslie: In 2007 my volumes, I was sitting at ... Let me just have a quick look at that. Actually, it wasn't too bad. In 2007, I started in the ...

Alex: I've thrown you a bit of a curve ball there haven't I?

Deslie: No but I've got the reports up so don't stress, it's all good. I've got it all here.

Alex: Just while you're looking for the numbers, I'm just thinking that was probably ... the housing market it was before interest rates started to drop quite sharply wasn't it? It was just before the [GFC 00:10:09] came into play.

Deslie: Exactly right. Not only that, it was the year that we had ... I didn't write my first loan until the December in 2007. I actually had ...

Alex: That was a tough time to start broking. Not particularly at that time but certainly the years that followed. There was big clampdowns on, commissions came under review, certain banks put the brakes on in terms of lending. It's not an easy time to break into broking and in many ways, I think, can be quite defining going into a new role, a new business. When times are tough, I think, it can define how you go moving forwards.

Deslie: Exactly right. That's the thing, a lot of people don't think about that, they don't think about those times. They just think, "Look at the end of the day, your business it didn't do too well in the beginning," but they don't think about the environment in which we were having to work in at the time.

In saying that, I'm looking here I started in the December and if we're looking at that financial year I settled 36 million in that financial year. We're only talking in that first 6 months.

Alex: That's really impressive.

Deslie: Yeah. Since then it slowly just increased accordingly.

Alex: It's been nice steady measured growth?

Deslie: Yeah. That's how I've wanted it. Obviously, I'm very cautious in regards to rewriting loans, and churning your book, and all that sort of stuff. That's something that doesn't interest me. I'm very very focused on keeping the clients happy with their existing lender and doing everything I possibly can to ensure that they maintain that relationship with myself and their existing lender. Basically, just riding all the new business that comes in off the back of that.

Alex: Deslie, just to get a feel for your client base, do you focus in particular on any one segment? For example, do you set your [store 00:12:00] around the investment market, or first-time buyers, or are you looking for the upgraders, or the down graders? What does your client base look like?

Deslie: It's funny that we talk about this. I was only talking about this with someone the other day. In my mind I've said that I've never segmented myself. Some people are just in inner city investments and things like that or foreign investors. People are in different pockets. I've always just done the warm and

fuzzy mums and dads. By doing the warm and fuzzy mums and dads they're the people that will, obviously, they'll come to you for a refinance...

Alex: They love to talk as well. They'll tell their friends.

Deslie: That's exactly right. They come to you to refinance, or they come to you to upgrade to their next home, or they come to you to buy their very first investment property and take that leap of faith and take that plunge. Then they'll also refer you to their children, they'll refer you to their friends, they refer you to their colleagues who are all just doing the same stuff. It's your mums and dads, and the sons and daughters, and the friends for whom we're just doing your standard refinances, new purchases, investment upgrades. All this sort of thing is where my target market is and that's where the majority of my clients are.

Alex: You've clearly got a very strong relationship directly with the clients. In terms of referral partners which are the segments, for example, accountants or planners have you found to be the best and most effective for your business? Where did you get those relationships from?

Deslie: The most effective for my business, believe it or not, are real estate agents.

Alex: Is there a particular local franchise or an independent that you have a relationship with?

Deslie: Not at all. The reason being is we have a system that we use, it's a program we use in which we request authorization from the client to liaise with the real estate agents and the solicitors on their behalf to keep the real estate and the solicitors updated in regards to the progress. At the end of the day, during a purchase application the real estate agent and the solicitor are updated at every milestone. "Okay guys, the evaluation's being ordered now, evaluation has been returned, unconditional should be issued in the next 2 days." The real estate aren't then contacting the client, the solicitors aren't contacting the client. Now, because the real estates and the solicitors ... and actually I've got a handful of solicitors as well, to be honest, but because they're getting that constant service from us it has just been a case of we, basically, we walk the talk. We don't [speak 00:14:26] about what we're going to do we just do it.

I've never taken [Teak Ex 00:14:29] 21, I don't go and knock on people's door saying, "Please refer to me." I, basically, just what I tell them I'm going to do is what I do. When they're consistently seeing the service from our office, and they're consistently seeing the service for me; they pick up the phone and talk to me and I'm very transparent and tell them exactly where the deal's at. At the end of the day, that's what they want. They want the deal over the line because I don't get paid unless it's actually settled so because of that after a year or so of just getting this constant service they're just referring business to me. Whether or not they've got their own broker in house, whether they've got their own financing house I'm finding that people refer to me because at least they're not going to be mucked around.

Alex: It feels, to me, like the service is not something that goes in any one direction. It seems like you're adding value to your referral partners because you're making their life easier and their relationship with the client easier. You're certainly providing good service to the customer. Is that the way you operated when you were working at Suncorp or is this something that you've been able to evolve?

Deslie: These sort of things when I was at Suncorp I wanted to do but I was way too busy and I couldn't do it. These are the things that as much as I appreciate everything that the bank did for me and I appreciate the years that I was there, unfortunately, when you're in that sort of environment you are understaffed to be honest, they're actually report driven, and it's about the new business that's coming in the door not about looking after the business that's there so it's going to dribble out the bottom.

My philosophy is if you look after the business that's there it's not going to dribble out the bottom, we don't have to worry about the bucket being emptied. All we have to focus on is getting that new business in to keep filling the bucket up. Ultimately, I wanted to give that service at Suncorp but, unfortunately, you were just too busy and because I was that face that everyone knew for 12 years in the end I would have clients lining at my door just to get insurance opened, and bank accounts opened, and just have a quick chat and tell me about their kids. Which was beautiful, however, I was working 12, 14 hour days just to get my job done because from 9 to 5 the clients wanted you so to get any work done you were working crazy hours...

Alex: What's your working day look like now? Have you managed to get the hours down? Are you still doing long hours in the business?

Deslie: Look, as a broker primarily people want to see when they finish work so primarily I try and have my latest appointment now at 5:30, maybe, 6 at a push. Then, I'm out of here by say 7, 7:30 at the latest. I'm still yes doing some longer hours. I have employed a loan writer now, however, so it's going to get to a point where I will make sure I work 4 nights a week have 2 nights a week off. Our clients can see our office 4 nights a week and I won't be here for 2.

Alex: I was going to say, with you being the only loan writer what did you do to take a break, to take holidays in the early days?

Deslie: You don't. This is the thing, you don't. When you're doing the volumes that you're doing, you'll be overseas and you're working 8 hours a day while you're overseas, 4 in the morning and 4 at night before you go to bed. In reality, I've needed the loan writer. I have been looking for a good loan writer for 3 years. Unfortunately, I just haven't been able to find someone that has the same core values and really really have the same drive and determination that I had but most importantly wanted to give that same level of customer service. Basically, I've actually just now upgraded internally so my loan writer has been with me for 5 years as in she was my processor. I've gratefully just internally trained her up, given her more responsibility as a processor, made her think outside the box...

Alex: She understands the way that you do business, she understands your philosophy, she understands your client relationships so there's no surprises there in terms of what the expectations are.

Deslie: That's right. Exactly. She's been up and running now for the last month and she's doing a great job.

Alex: That's great news. 115 million in the last financial year, what does the future look like? Where are you going to take the business moving forward? What are your goals?

Deslie: The goals are obviously to get this loan writer up and running so I can have a bit of a life again. I think when you're business owner I don't know if you ever really have a life.

Alex: No, you're always on duty like with a policeman.

Deslie: Basically, it's just going to be continuing doing what we're doing. In the next 5 years I'm probably going to want another loan writer. I don't want be really really big in that sense. I'm happy just to service the local community and still maintain the ethics and the morals that we have within the office, and maintain that same customer service promise, and to do that maybe one more loan writer. In reality, customer service is our focus. That's all I want to do, is just make sure that we can be the local franchise that everyone knows and trusts. I know that people are looking to branch out into financial planning and all that sort of stuff ...

Alex: Mortgage Choice I know it's a separate division but they do have the financial planning side of the business?

Deslie: Yes.

Alex: We've talked about your mortgage volumes. Tell me a little bit about the other debt products that you offer. Do you have personal loans? Can you provide various commercial finance? What's the suite of products that you've got?

Deslie: We offer, obviously, personal loans, car loans, equipment finance, and all that sort of stuff. When I'm sitting with a client I give a total overview of their financial position. Obviously, we need to know what car loans they've got, credit cards they've got, and all that sort of stuff. That's when we look at, obviously, diversifying and looking at other options for them. I might say, "Look, at the end of the day, you've got this car loan let's have a look and see whether not we can get you a better car loan rate, okay?" If we can great. If we can't then we leave them where they are.

We look at their credit cards and have a look, and see how they've maintained those credit cards, and see whether or not the getting on top of them. If they're not getting on top of them we give them the option to reduce the credit card limit substantially and maybe consolidate the credit cards into a personal loan...

Alex: It's so hard these days though. The financial institutions, you'll find your credit card limit creeping up without you having authorized it. The banks of every trick in the book to try and keep you in debt and keep you paying interest so it's very difficult. I think, there's a great need from a borrower perspective to have help and guidance in terms of managing that kind of debt.

Deslie: That's right and that's what we look at. If they really need a credit card we look at reducing it substantially, however, consolidating it into a personal loan in which they know, yes it'll be paid over in 5 years. Ultimately, you just have to look at the credit card statement and it's going to take you 40 years to pay this off as you're working on it now. Let's tidy this up. You actually then find it will free up a little bit of money that they can then start focusing on reducing that personal loan even more or paying into the mortgage. You'll find what the personal loan payment is, probably, less than what they're trying to pay off on the credit cards anyway. It does make it financially a little bit easier for them as well.

Alex: Deslie, look it's been great talking to you. Before we say goodbye, and I could talk to you all day, I'd just like to ask you a couple of things. Some of our listeners are quite new to the industry. For those that are just starting out or maybe thinking about going into broking what would you say, just sort of thinking about where you are now and where you started at, what would be 3 fundamentals that you think are essential to success in mortgage broking?

Deslie: 3 fundamentals. The first one would be under promise and over deliver. Don't tell someone that you're going to be able to do something within a certain time frame if you can't because, obviously, then their trust is gone. They no longer trust you. They don't trust what you're telling them. Always, basically, under promise and over deliver. Don't try and think that you're going to do the right thing by them by trying to achieve a time frame that you know in your heart's unachievable.

Always be transparent with the client in regards to absolutely everything. Even if it's what the client doesn't want to hear, even if it's an interest rate they're telling you they don't want to see. Obviously, you then need to look at all the options with the loans and really sell it for the advantages, really try and highlight that to clients. Be very very transparent with your clients.

Lastly...

Alex: I reckon service is one of the things. We don't want to put words into your mouth. Something that's been constant throughout the time we've been talking so...

Deslie: Yeah, exactly. Give that service and it will come back, it will come back tenfold. That's all your clients want is just the service. To be honest, I don't give settlement gifts to any clients or anything like that and I don't give referrals either.

Alex: Who wants a bottle of wine when you've just taken out \$150,000 in debt? If I've had service and the things that you've said, look the under promising is absolutely key. As a borrower it's great to get things a day ahead of when I've been promised. Transparency is critical, giving bad news and just giving the worst-case scenario, I think, as a borrower is critical. You can keep the bottle of wine. When you've given me all of those things and you've looked after me just a congratulations from the broker, I think, is worth any \$20 bottle of [Planck 00:23:36].

Deslie: Exactly. At the end of the day, if your family members or someone refer business at the end of the day they don't want the bottle of Planck, they don't want a movie ticket. All they want is to know that you're going to look after their family or friends ...

Alex: They want to help their friends.

Deslie: That's all they want.

Alex: Absolutely. Deslie, it's been a real pleasure talking to you. I'm very grateful for your time. Thank you very much.

Deslie: That's okay. Thank you.

Alex: Let's chat to you again sometime. If you're ever down in Sydney it'd be great to have you here in studio.

Deslie: Not a problem. For sure. Okay guys, thank you so much.

Alex: Have a wonderful day. Thank you.

That a fantastic insight from Deslie on how to get a successful business up and running but then really also how to maintain that success, deliver excellence to the clients, to deliver value. Look, as Deslie said, under promise over deliver, be transparent, and wrap it all up with perfect customer service.

My name's Alex Whitlock, I've been your host on Elite Broker. Thanks very much for joining us. As always, go check out The Adviser and also, if you want to take a look, go and see Mortgage Business as well. Thanks very much. Goodbye.