

Speaker 1: Welcome to Elite Broker, with your host James Mitchell.

James Mitchell: Hello and welcome to another episode of Elite Broker, I'm your host James Mitchell, editor of The Adviser magazine, and today I'm joined once again by our co-host Alex Whitlock. Today we'll be chatting top 50 business writer and elite broker Josh Bartlett from Loan Market, he's based in Melbourne. Thanks for joining us on the show today. We're pretty impressed obviously by your results over the last 12 months, going up 35 places on the Elite Broker ranking to number 3. How do you feel about that?

Josh Bartlett: I was very excited to be honest, it's nice to know that all the efficiencies and the hard work that you put into your business helps and works.

James Mitchell: How long have you been broking now?

Josh Bartlett: Five and a half years.

Alex Whitlock: That's pretty impressive growth Josh in just five and half years getting up to a total of 348 million including 180 million in insurance. How on earth have you managed such a rapid rise?

Josh Bartlett: I don't think there's nothing actually special about it, I think it's just doing the right thing and being very consistent with everything you do every single day, it doesn't matter which broker you talk to who is doing great things, it's just delivering on what you want to do and what your goal is to be honest. It's probably looking at that goal every couple of weeks and making sure you're hitting the numbers and making sure that your officer's trained up and making sure that your officer's working like clockwork, and hey, it never does work like clockwork, but we can [crosstalk 00:01:35]

Alex Whitlock: You've got to strive for it.

Josh Bartlett: We continuously strive for it. Probably an obsession of mine every single week, my team always say "oh my god, Josh has got another idea, Josh has got another system, Josh has got another process that he wants to put in place" and it's working on those efficiencies and processes every single week.

Alex Whitlock: Systems make the world go round.

Josh Bartlett: They do, I often talk to a lot of people about how I am sick of the word process and I'm sick of the word system. The simple fact is if you don't have it, you don't work on it, then you'll never achieve your goals.

Alex Whitlock: Josh, prior to going into broking, you've been in the business for about five years, what was the foundation to your success moving into this, what were you doing beforehand?

Josh Bartlett: I owned a gym for 11 years.

Alex Whitlock: Okay.

Josh Bartlett: A personal training studio for 11 years, we also had a female fitness franchise for about three or four years. We had a boxing gym as part of that. So it was the gym industry for about 11 years.

Alex Whitlock: That's highly competitive from the little I know, and certainly the number of gyms that have sprung up even around our area, it's a pretty competitive business to be in.

Josh Bartlett: Absolutely. It's funny, I started that when I was 20 years of age, and being self employed at the age of 20 and borrowing money to start the gym, you very quickly learn about customer service and delivering on that customer service and knowing that if you don't do the right things you won't maintain that customer, if you don't do the right things then you don't gain anymore friends off that customer, and through the gym industry you get to your moms, your dads, the young generation, the generation Y, I don't even know whether generation Y was [inaudible 00:03:15] back then, but it's different generations and different people with different incomes.

I trained some people with business turnovers of 50 million, then I trained a normal everyday person. Just having those conversations week in week out with different people, it just allowed me to transition straight into the broking world.

James Mitchell: It's also very much in terms of working in a gym, it's helping people achieve goals, fitness goals, whether it's just a healthier lifestyle and feeling better about themselves, whether they're actually training for something. It is a very goals orientated things, I guess that's probably quite a clear transition in that, in terms of helping people with their financial goals.

Josh Bartlett: Absolutely. It's exactly the same, it's only my business, my actual company name's called Financially Healthy, so you put the two together, it just works. I was always into property and I was always in, like I'm in finance, finance's a big part of why I was doing the gym business, I wasn't just a personal trainer, I was trying to run a business. I remember, you can be standing next to a treadmill talking to a client about losing weight and getting fit and literally four or five weeks later I'll sit in someone and talk about their finance. I actually didn't feel like my job was actually changed. I didn't feel like it was a transition for me, I didn't feel overwhelmed by sitting in front of someone, because I just felt like I was just talking about a different topic.

James Mitchell: Was that idea, caring for your customers, be mindful of their financial health and their goals and that service level, is that something which made you consider insurance? Because I know that just as Alex said when we began, you've written a huge amount of insurances here, it looks like it's the first year you've broken into that area, is that correct?

Josh Bartlett: It is, and it comes down to that passion. Even though it's great to be number 3 and start hitting the numbers that we're hitting with the residential lines as well, but it's pure passion, when you're sitting down in front of someone, I'm not talking about rates, I'm not talking about anything but making sure that these people are either protected or under the right product. If you sit down and just think about the numbers, and just think about the transactions, you're in trouble. That's come down to business as well, because obviously we're trying to create a business, but when people walk out the door, they know we've absolutely cared, they know that we've got their best interest at heart with

everything that we're talking about. That's just as far as transitioning in from the home loan side and now talking about insurance.

The bigger our business gets, the more staff that we have, the more processes we can actually put in place. I always said there's obviously a lot of brokers out there that concentrate on [inaudible 00:06:13], a bit of insurance, and a bit of residential, and a bit of this and a bit of that, but they never truly write great volumes with everything, and it's not until you focus on one side and get that perfect that you can actually start to add different things in. We've got obviously the volume and the cash flow that comes through that allows us to have more staff, which allows us to have more processes in our system. It's all team work now, because one person can't do all that.

Alex Whitlock: Quick question Josh, in terms of just the structure and the process for insurance. Are you actually selling and transacting the insurances yourself or do you have a referral model? What's the structure in your business for the ...

Josh Bartlett: It is a referral model at this stage. We do have a referral partner that writes all of it for us.

Alex Whitlock: Typically what products are you introducing to your clients?

Josh Bartlett: Insurance products?

Alex Whitlock: Yes.

Josh Bartlett: That comes down to the insurance broker.

Alex Whitlock: Okay.

Josh Bartlett: It's a big part of our model now. We've got obviously with the loan market, we've got wealth market coming now. And I knew that was coming over the last year or two, so part of wealth market I wanted to make sure that we already had some kind of process happening before that actually started. That's been a big part of our push over the last year. The person we use, we totally trust him as well. We totally trust him who we're actually dealing with. I don't refer on to people just because of "hey, he's another generation of income", it needs to be someone who's on the same page.

James Mitchell: We've obviously kept a close eye on your progress over the last few years, from being named newcomer of the year at the Australian Broking Awards back in 2013, to what you've achieved today. One of the big stories to come out of that for us in terms of news and reporting was Loan Market relationship with Ray White, and that you've already taken that and managed to work out a decent referral model. I know there's a lot of real estate groups in Australia that have broking divisions, or companies which they own which offer mortgage broking, but they haven't really managed to get that conversion right, how have you focused on the area and how have you managed to make it work for your business.

Josh Bartlett: You guys have obviously heard of the system we designed, the E-broker?

James Mitchell: Mm-hmm (affirmative)

Josh Bartlett: That was designed off the back of probably the first six, seven months of being in the business. The difference between me and potentially another broker, because other brokers, our industry's getting better and better and better to be honest, and I think more people are becoming more skilled and understanding what you need to know to be able to help a customer. My biggest difference when I first started was only real estate. I've constantly told people "I'm a real estate agent mortgage broker", I understand the real estate transaction and that makes me different from the next person.

When I actually sit in front of any real estate group, whether that's Ray White or other officers, that's a whole lot of different real estate officers we're using as well and who are part of my referral network, that use the E-broker and then refer on to me. There's a lot of that happening, but I'm a real estate agent at the same time. I can sit in front of these real estate agents and say "look, the benefit to me is this this and this in the transaction, the benefit to a buyer using me is this, this and this in the transaction", and I've been able to relate mortgage broking to the real estate transaction. 99% of clients have to have finance, right?

If that client isn't deal with a broker that understands real estate, they just have a small minute part of the transaction. I can educate that vendor, I can educate the buyer, I can give them some comfort and show them where the selling process is, where the mortgage broking process is, where the finance process is, that gives them more comfort. Whereas I think, days gone by, a lot of other bankers, a lot of other brokers, they're just sitting there and talking about their interest rate but they don't talk about the rest of the process. We have a holistic view. We do real estate agent education every single week, we have a real estate agent officers come into our office and I'll explain what bridging finance means, and how that can help a vendor, I'll explain how each bank does things a little bit different as to how to help a buyer.

Then they truly start to believe in you. The first year or two, when you're a personal trainer turned into a mortgage broker, you've got to build that trust because they don't think with someone who's telling people how to do push-ups a year ago would understand what finance means. But I think after a year or two of showing my strut, people, and all the real estate agencies use me now, they don't do it just for the, whether it's a 20% commission, some of them don't even want the commission "I just really trust what you do and you're going to help our client anyway", it's understanding real estate, isn't it?

Alex Whitlock: Absolutely Josh, that's pretty key to opening up a very effective network, approximately how many agents do you have referral relationships with now?

Josh Bartlett: I'd probably say, active, we focus on this every single week, who's active, who's not active, what should we do, I'd probably say we have around about 70 that are active.

Alex Whitlock: Okay.

Josh Bartlett: When I say active, that might be one a week and then some people might be four a week, it depends on the area too. If you have a look at the really high end area, so you're 2 million and 3 million dollar properties, I would find that those agents are actually pretty active because the deals are

actually a little bit more complex, there might be some trust involved, different things happening with the income. I think they're very active. Your middle band agents, your 700, 600, 500 thousand dollar properties, they're not as active, and then your lower are fairly active. There's first time buyers that need handheld a bit, the LVR restrictions et cetera.

This is showing each individual area, because every area required the different skill sets. You go down to the lower and it's a first time buyer, it's the LVR, it's the handholding, it's the real estate education. We go up the top and we don't have to really educate those people because they might have bought and sold five or six, seven times anyway, but it's finding the right policy that's going to fit, and then the middle band sometimes it's the bridging finance and it's showing these real estate agents how each one could work with them.

James Mitchell: Josh, just on a geographic basis, how far does your network span?

Josh Bartlett: I'd probably say the whole Bayside.

James Mitchell: Okay.

Josh Bartlett: My office is located in [inaudible 00:12:34] which is probably perfect for where I want to work. That's kind of on the bayside strip as far as the beach's concerned. The beach is probably two kilometers away, two and a half k's away and we just work that whole strip. From Frankston, all the way to the city.

James Mitchell: How many do you have working in your office at the moment?

Josh Bartlett: There's four back end processes and we have three people processing loans altogether, and then one person doing my PA stuff, helping with appointments, helping with pricing, helping with valuations and all that kind of stuff.

James Mitchell: I just wanted to see if I could get your thoughts on the importance of having that team behind you when you're riding this level of business, I've been talking to a few brokers over the last few weeks who listen to the podcast regularly and are interested in what they're hearing, and one of the things that some people are saying is "there's no way that this broker could write this much on their own, they have a team behind them" and that sort of stuff, how important is it to have that team behind you when you're writing these sorts of figures?

Josh Bartlett: 100% important. You hear a lot of brokers say "how does he do this on his own?", we cannot, I think we're tracking on about 200 million residential loans this year, you can't do it on your own, you can't [inaudible 00:13:48] but what I challenge to a lot of these other brokers too, a lot of brokers who are writing your 30, 40 mill-ish that don't have PA's, that are in the [inaudible 00:13:57], I think every broker works really, really hard, it's just that level of support they have, it's a tough industry. If you're writing, I often say this to people, the year I wrote 50 mill, I was nearly falling in the heap, the year I wrote 70 mill I was falling in the heap. The year I wrote 100 mill I was falling in the heap.

Last year we wrote 133, and it was very, very tough, the financial year before this year I wrote 166, was actually quite easy because the support is getting there, our team is more skilled, we now actually have an office structure, we now have systems. Everyone's now getting a little better, they're getting better and better and better. Now when we hire someone, we're hiring someone and that person comes in and they're trained by my team, it's not me training them. The more support you have. Our goal write come close to 200 mill coming this year.

Alex Whitlock: That was going to be one of these questions Josh, just to see what next year is going to look like, 200 mill's your target, what about, you've done 180 in insurance so, overall insurance and mortgage, what are you looking at for next year?

Josh Bartlett: It'll be similar, I always look for 13, 15% growth, if you're not growing you're dying I think. I think I have to keep pushing it to a point. This business, I think three years ago, we lodged about 200 million in that year and I settled about 110 million. Last year, the fourth year running, we lodged about 220 million and we settled about 130, the work is actually getting easier and easier and the trust is there because I don't think a lot of customers care about whether you're number one or number three or number five or number six. Even though in the broking industry people know who you are and they might know your name, they don't necessarily, the individual, the person who's coming to see me at 12:30, they don't know my numbers, they don't care. Every time someone walks in the door is because they've been sent to you by a family or a friend or a referral or an agent, and your people now totally trust you, so that person trusts you before they walk in the door.

James Mitchell: Good stuff. I think it's just about all we have time for today Josh, just before I let you go, I was just wondering if you could give us your three tips for success in mortgage broking given your experience over the last five years, one of the main ones we've heard from a lot of brokers is that's it's hard graft in the beginning.

Josh Bartlett: It's hard work in the beginning, I think it needs to be hard work until you start trusting other people, step number one you have to have hard work, that's goal number one, work damn hard, number two, just do what you say you're going to do, if you're telling a client something, just explain it properly, explain properly whether it's good, bad or indifferent, just tell the truth. Number three is trust in your support team, trust that you're not the person who can do everything, I think that's the biggest key, is making sure that you understand that they can handle stuff, they're going to make mistakes, from those mistakes you're probably going to have to deal with the consequences of those mistakes but then be happy with those mistakes and learn from mistakes.

James Mitchell: Excellent, good stuff. I wish you all the luck for the next 12 months and I'll be looking forward to see how you go in next year's ranking.

Alex Whitlock: Thanks Josh, been a pleasure talking to you.

Josh Bartlett: Thanks for the call guys, have a great day.

Alex Whitlock: Cheers.

James Mitchell: You've been listening to Elite Broker, I've been your host James Mitchell, thanks again to Josh and to Alex Whitlock for joining me in the studio today, don't forget for all the latest news, industry insights, and opinion do visit www.theadviser.com.au, see you next time.