

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

Alex: Hi, welcome to Elite Broker. I am your host Alex Whitlock. Joining me today is one of Aussie's number one brokers, in fact the number one broker for 5 years. His name is Ross Le Quesne. Ross joined us just a short while ago to talk about the early days of his career. About how he got into broking, how he ended up almost working as a Wizard and how he ended up amalgamating a number of the Wizard stores and then through to the acquisition through Aussie. Just to remind you if you didn't tune in before, Ross now at the Parramatta store did sucker 280 million last financial year. Ross is now going to talk us through the early days with Aussie from 2009 up to how he's built one of the most impressive brokering businesses in Australia. Ross welcome.

Ross: Thanks for having me.

Alex: Just quickly to recap, you got into broking almost accidentally like many people did. You were going to be a PE teacher, is that correct?

Ross: Yeah that's right.

Alex: Student loan got too much?

Ross: Exactly.

Alex: Bowed out of university?

Ross: Yeah, bowed out and saw the light; never looked back since.

Alex: Got a chance to work at head office at Wizard and one thing led to another you ended up staying there and going into broking and you built quite a sustainable, you built an impressive business. I think you said that you're turning over, oh sorry, writing about 40 to 50 million in loans a year by the time ... Is that by the time that the acquisition went through with Aussie?

Ross: Yeah, that was up until the stage when we went across to Aussie and then our volumes have significantly increased since then.

Alex: The reason I wanted to get you back to have a chat, and I think the interesting thing is you talked through in the previous episode about personal, you and your brother Scott getting your personal loan volumes up. About the process of when you looked to bring in support staff, so by the time you went from Wizard to Aussie, you had ... How many were in the team at that stage?

Ross: At that point in time we'd combined a few businesses. I think we had a staff initially of about 15. That was to refinance a lot of our wizard clients across to the Aussie and save our clients a lot in interest at that point in time. We probably scaled back to more probably about 7 or 8 staff. Since that point in time we've slowly built our staff and at the moment we've got a staff of about 15.

Alex: I know that your, it's about 280 million is that around what you wrote last year?

Ross: Yes. We settled about 800 lines for about 280 million last year.

Alex: Just going back to 2009, you've taken on a new brand. What was the process? How did you communicate that to your customers and what opportunities did you create from your existing client base through the acquisition?

Ross: Yeah. We were lucky through the acquisition that a lot of our clients through the JFC were left with high rates.

Alex: Through the G money.

Ross: Yeah G Money leaving, so probably about 1% out of the market. For us to be able to contact those clients to save them money was a pretty easy in. We already had a relationship through Wizard with them so we had their trust. It was a matter of how do we take advantage of the opportunity and get to these clients as quickly as possible. We put in a number of people to make outbound phone calls and we set up appointments where we could just do that as quickly as possible. Within the first 3 or 4 months we were writing \$40 million a month in applications and had a processing team so someone to ... We would do the sales and then we'd have someone packaging the lines for us and submitting them to the lenders to speed up that process.

Alex: Ross finding the right people in any business no matter whether you're a broker or whatever line of business you're in, is absolutely critical to the success of the business. How have you found the right people for your, for the fit, for your culture and for your business?

Ross: We haven't always got it right and I guess in the last few years we've got a lot smarter in terms of how we recruit. It's a lot about culture and about attitude not so much about the skills. We quite often will hire someone based on their attitude and then we'll train them for the skills that they know. We have a lot of experience over 200 years combined financial experience in our office, so we've got the ability to train someone up. Even new brokers at the moment we prefer to bring someone with very limited experience, train them up through a processing team. Once they've got the credit knowledge and the product knowledge, then release them and so they're client-facing. We find that we have a lot better results with those guys than trying to get experienced brokers that come with bad habits.

Alex: I was going to say this. What's the process? Do you get people who come to you your store in Parramatta or do you actively recruit? Where do you find people locally in Parramatta or how do you find people?

Ross: I've recruited a few of my property investors. They've got a passion for property.

Alex: Will I get job offer sometime soon?

Ross: Maybe, maybe if you play your cards right. Also through yeah you know [Momaine's 05:20] been sick and LinkedIn and so forth.

Alex: I know that you've just made an acquisition of another Aussie store, do you want to tell us a little bit about that [crosstalk 05:32]?

Ross: In the middle of June we settled on Rosehill so it's our second store. The reason why we did that is because we want to look to grow our business and for Scott and I to continue to grow ourselves personally and our skills and move more into a leadership role as the key driver behind that.

Alex: For listeners outside of Sydney, how far away geographically is Rosehill from the Parramatta store?

Ross: It's still in the North West of Sydney and it's about probably about 15 kilometers to the North West-

Alex: Okay so nice and close good proximity.

Ross: ... yeah of Parramatta so Scott and I both live in-between the 2 offices; that works well. Massive growth area, is probably the biggest growth corridor in Sydney and we just saw it as a fantastic opportunity for now and in the future.

Alex: What was the process? When you had the opportunity to, what was the franchise owner looking to get out? What was the process?

Ross: Yeah. They were looking to sell and we were looking for opportunities. We'd outgrown our Parramatta office and were looking how we could expand. Our options were do we take some office space elsewhere or do we look to invest and take a second shop front that will also generate business and provide that opportunity for us to grow.

Alex: What was the staffing structure? How many were there in the team on Rosehill?

Ross: When we acquired it there was a partnership that owned it and they had 3 staff. We retained 2 of their staff, they were brokers but in terms of we sat in on appointments and we just felt their level of confidence wasn't at the level for Aussie Parramatta. They're currently doing really really well in our processing team. We put them on salary and offered them to work in our processing team. One of them will go out and be a broker in the near future, probably at the start of next year, and the other one will probably just spend a little bit more time in our processing area until they've got the confidence to move on to whatever they want to do.

Alex: At the point that you acquired Rosehill what applications were they getting through a month at that time?

Ross: They settled last year, they settled about 80 million a month. In 2014 they were actually the runner-up to us as the second franchise behind Aussie at Parramatta. The potential for that office is a lot greater than the volumes that they were currently doing. Hence why we thought it was a good opportunity because there was a big upside to that business.

Alex: Looking at acquiring, and trading a broking business as being a new broking business but with the efficiencies that you got in Parramatta, how are you going to ... What are you going to do to start ramping up those volumes and those applications from that particular branch?

Ross: The low-hanging fruit is their existing database that's-

Alex: It wasn't the condition as that say compared to your own?

Ross: It's interesting because we were doing phone calls to both books at the moment, and our clients are a lot happier than-

Alex: Well I'm not.

Ross: ... than what the existing Rosehill clients were. There is some work and some building there that we need to do there. There's a lot of opportunities in the market especially with the way that rates have changed by adding real value to those clients. We're big on educating our clients. Like you say you're a property investor, we run free investment seminars on a monthly basis. I'm a passionate property investor, a lot of our staff invest in property, so we can add a lot of value to that book by tapping into the resources that we already have in [crosstalk 09:16]-

Alex: You've also got this also at first sight that you have a good referral network. The reason that you're my broker is because my accountant referred you to me. I was cautious as I am with any kind of referral but I trusted my accountant. You guys came along and you did a great job for us. You then referred us to a property buyer when we were looking to go into investment, which again I was ... You just have that degree of caution, but those guys have bought for me personally 15 properties and they've done they bought them very, very well. I think there are some big opportunities.

Ross: A lot of our clients, and I'm sure you'd say the same thing, that it's about the team.

Alex: It is.

Ross: You can't do it alone in property and in investment, you need a good team of people around you. We provide that team of experts. When you become a clients of Aussie Parramatta or Aussie Rosehill, you're not just getting us, you're getting our team of experts to help guide you to whatever your goals might be.

Alex: [crosstalk 10:14] yeah absolutely. In terms of approximately how many customers are there at Rosehill for you to work with? [crosstalk 10:20]-

Ross: It's about 700-

Alex: Okay. What have you got in Parramatta?

Ross: ... settled clients. About 3,000 in Parramatta.

Alex: Great potential, very similar geographic areas.

Ross: Very similar. Train lines going through, there's 100,000 homes going in in the next 20 years in that surrounding suburb, so the potential and high average income. Yeah the potential for that area is great.

Alex: Do you and Scott set yourselves targets? Have you got forecasted targets for volumes or around Rosehill so also are for Parramatta?

Ross: Yeah we've got forecasted targets for both, and it's something we have attainment at stand-up with our staff and it's something we review on a daily basis.

Alex: The team know you're all-

Ross: Yeah so across-

Alex: ... [inaudible 11:05] goals?

Ross: ... at the moment across both stores we want to submit 4.3 applications per business day at the moment. That's how we're tracking in terms of for both Rosehill and Parramatta. That's combined and the numbers look a little bit different for Rosehill than they do in Parramatta. I think it's about 75 applications a month we want to have for Parramatta, and about 20 applications a month for Rosehill at this point in time. Once we get someone a key person in Rosehill to base the business around, we'll really ramp up.

Alex: When you say a key person is that, are we talking a broker to spearhead so to deal with the customers?

Ross: Exactly. The aim was for never Scott and I never to run that individually ourselves, it was to get a broker on board and-

Alex: Would that be so you wouldn't use one of your existing brokers from Parramatta, you'd look to recruit somebody around that or?

Ross: We're unfortunate for various circumstances we lost a couple of brokers earlier this year. One of those we'd flagged that would potentially go into Rosehill, but from circumstances outside our control it didn't happen that way, which put us on the back foot a little bit. Now rather than rush in and put someone in there, Scott and I are manning that business ourselves at the moment with the view to growing one of our staff from within to look after that. They'll understand our systems, our processes and be able to bring other people on board once we've put them in that particular role.

Alex: In terms of growing the business are you at capacity numbers-wise around Parramatta now in terms of brokers and back office staff?

Ross: No, definitely not.

Alex: Okay, you're still recruiting. Writing

Ross: Yeah definitely building the team and the potential for that business is still, yeah is still [crosstalk 12:56]-

Alex: Does that hold you back in terms of opportunity or does it mean that you end up working very very long hours dealing with the volumes you've got coming through? What's the cost on the business of not being served up to capacity in terms of staff?

Ross: You've got to build it and you've got to build it organically is the comment I would make. There's no point throwing 5 or 6 new staff on board to reach the potential because that will probably cause more issues than it's worth. I'd prefer to grow-

Alex: Integrate yeah.

Ross: ... organically and have probably more staff rather and then I call it taps. You've got a number of taps that you can turn on in sales and there's a number of relationships. Obviously with the number one Aussie franchise so that means a lot in terms of being able to go out [crosstalk 13:42]-

Alex: You've won eternal awards as well.

Ross: Yeah we've won other awards, so for us to walk into other potential referral partners or build on the ones that we've got, we can potentially by focusing our time on those areas which is what my key focus is. To free my time out with the processing stuff so I can focus on building the relationships and going deeper with the existing relationships that I already have to take the business to the next level. There's a big scope to do that.

Alex: I know we're running so short of time, but just before we round off, in term of bringing stuff in do you like to bring in people ... Do you find that bringing people in with no broking experience or expectations are valuable additions or do you like to get people who've got some basis in finance?

Ross: From our processing staff I think it's important that you have some experience in terms of people who have got banking and finance and that processing experience because they take a lot of work load off you. Quite often there's some staff in that area that don't have the desire to be brokers. Their skill set is that they're quite happy to process and do more of the customer service role. From a broker point of view, I tend to like to bring on people that have very limited experience because they've no preconceived ideas of what a broker is, and how it works, or how they're paid. I can then train them up the way that I like to train them up.

Alex: I cut my teeth in sales a little later in life selling advertising and my first principle is I don't ever hire out a salesman to come and work for me because they bring with them a lot of bad habits. I do concur and I think hiring people for talent and training them for skill particularly in sales roles is very good because they don't come encumbered with some of the things you don't necessarily want on your business.

Just before we round off Ross I'm going to throw you a bit of a curve ball here. I want you to think about brokers that are moving into that next phase where they maybe got the volumes up 40 50 million level. They might have started so they have that first administrative support. In terms of moving to the next stage of building a brokerage, what are the 3 fundamental things that they should focus on? [inaudible 15:54] as a one by one what would be the first thing?

Ross: The first thing is focus on the sales activity, so meeting with clients and meeting with referral partners; that would be key. Second thing would be building better processes and systems, because once you've got other people and once you're doing, it's very easy to write great service if you're doing 10 lines a month because you're in control and everything. When you go from 10 lines to 100 lines a month-

Alex: [crosstalk 16:25].

Ross: ... to provide that consistent service to 100 people you need systems and processes. Third would be really be careful on the people that you hire. Hire for attitude and for a cultural fit in your business because you get to a level in your business where the only way to grow your business is to grow your people. You want people that are willing to grow and believe what you believe.

Alex: Sound advice. First of all, generate the business, focus on your sales. Two, as you build the volumes, underpin with process. Three, as you grow hire the right talent, hire the right cultural fit. Ross it's been a pleasure catching up with you; thanks very much for your time. To everyone listening thanks very much for tuning in. I'm your host Alex Whitlock, I look forward to catching up with you soon.