

Business as a 3-Legged Stool

Focusing on service, product and marketing can help brokers keep business steady

By **Dan Sullivan**, vice president of sales and managing director, Velma.com

THE MORTGAGE INDUSTRY IS ON rough ground, especially lately. Now is an excellent time to focus on three “legs” of your business to keep it steady.

In fact, it helps to think of your mortgage business as a three-legged stool. One leg is for service, or the ability to take a loan application and move it through your system with as little angst to the borrower, your processor or yourself as possible. The second leg is product, which used to be a long leg before the nonprime meltdown. The third leg is marketing — or the process of getting new loan applications on your desk.

1. The service leg is one of which you have pretty good control. If you process your own loans or have a poor processor, this leg is short. Top brokers don’t process their own loans, and they don’t order title reports, appraisals and verifications of deposit or chase down borrowers’ paychecks from a year ago. They have an assistant or a processor who takes care of those tasks.

If you are a broker, be a broker. Your job is to get loans in the top of the pipeline — period. Find a system that helps you push loans through the pipeline efficiently and that only requires you to become involved if there is a big glitch.

I can think of only two reasons that brokers couldn’t build this type of system: They either don’t have the help they need from their company, or they don’t believe anybody else can or will take care of that loan.

If you fit into the latter category, either plan

to make the same amount of or less money than you did in 2007, or give up the file and spend your time and efforts controlling your marketing.

2. The product leg is not one you can control, but it is one you can manage. Brokers made a lot of money before there were 100-percent or nonprime loans. The problem in the industry today has almost nothing to do with a lack of product. Face it: You can no longer make a loan to everyone, so change how you market and go after higher-quality borrowers.

3. The marketing leg is usually too short and causes your business to fall over. In the past few years, it was nearly nonexistent. Unfortunately, many brokers grew up in the industry at a time when they could make a living simply by picking up the phone when it rang.

The reason many businesses’ stools have fallen over now is simple: The product leg was too long, and the marketing leg was too short. Now is the time to get all three legs back to equal (or close) length.

If your service leg is too short, change it. Make a list of systems that need to be in place to free up more of your time so you can do more marketing. Figure out a way to streamline your job. Don’t order another appraisal, and don’t chase another verification of rent. Either have your processor start doing those processing tasks, or get a new processor. If your company owner or manager doesn’t agree with you, maybe you need to make a bigger decision.

The products available are what you have to work with, stop looking to see who is going out of business next and get back to work.

Finally, put a marketing system in place. **Do you have regular e-mail and snail-mail campaigns** in place for your past clients and your sphere of influence? **Are you touching these contacts** in a consistent and professional manner? If you’re not, you can be pretty sure whoever is servicing the loan is doing a good job of soliciting them for a refinance.

The key to thriving and surviving in this market is balance. You really only have three areas on which to concentrate to become or

remain successful in this industry: service, product and marketing. If you focus on only two, you will fall over; if you focus on more than three, you’ll end up with a wobbly stool. ❗



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