

The secrets of success

Former Loan Market executive director John Kolenda is no stranger to success. He gives you his advice on how to cut it in an increasingly difficult mortgage industry

During my 17 years in the mortgage broking industry I have often been asked, "What's your secret to success?" Looking back, I would say my early success was driven by a raw survival instinct. I desperately wanted to succeed, to earn enough money to support my family and this motivated me to gain knowledge and master the mortgage broking business. During this period, I was lucky enough to be exposed to some of the best minds in this industry globally.

In the 1990s, I worked closely with John Symonds of Aussie Home Loans as general manager of sales and distribution and more recently as an executive director of Loan Market.

This knowledge empowered me and elevated my business and my life. My results improved dramatically as did my confidence simply because a deeper understanding of success factors helped me to shape positive outcomes.

Much of my success was, and still is, underpinned by the following lessons I now live by:

Vision and goals

Brokers should visualise what success looks like for them. They should ask and answer the following questions: What does my broking career look like? What volume am I writing? What is the level of support staff and/or brokers required? Am I in an office and where?

To execute this effectively you must set and plan both short- and long-term goals. Set your goals high but also be realistic so you will always be inspired to reach your limits or exceed them.

Positive attitude

A positive state of mind is the single biggest contributor to success. It controls will, determination, work ethic, knowledge and every aspect of your work and personal life. It influences all outcomes and should not be underestimated.

Gaining the power to 'self-motivate' would be one of life's best learnings. If you get one thing from this article it would be to truly master this. It is certainly an attribute that everyone wants, yet many fail to conquer.

Work ethic

A strong work ethic is more than just working hard; it is both a standard and a habit, followed by actions to benefit yourself, and influence others. Aspire to lead, display initiative, maintain a positive attitude and demand high quality work.



Determination

To reach your long-term goal, you must remain focused and motivated along the way. Never let failure provide you with an excuse to opt out or affect your state of mind. Treat each failure as a lesson learnt. Adversity should be expected so be prepared to persevere, remain focused and be diligent in your day-to-day practice.

Knowledge

To succeed, you must be equipped with the right tools and knowledge to be resourceful. Mortgage broking involves the ability to understand products and policies to advise clients correctly. The industry is constantly evolving so be active, stay up to date, ask questions to fill knowledge gaps and ensure you stay one step ahead.

Process improvement

Review current practices and identify potential areas for improvement. If you can improve accuracy or efficiency through streamlining two or more processes together, it will make a significant financial impact. Once you're at this level you are truly running an effective, streamlined business and maximising your dollar return on an hourly basis.

New initiatives to increase business

Develop the foresight to be innovative in your approach in order to identify new sources of income for your business. New initiatives to increase business will diversify your income, reduce downside risk during lean times and keep you a step ahead of your competition. For example, 1300 Home Loan is my newly launched initiative which aims to turbo charge mortgage brokers, by assisting in lead generation via one easy to remember phone number.

Follow up

Make a habit of always following up on potential leads or business opportunities. Whether it's following up customer visits, updating a loan application or chasing documents expected from clients, actively pursue these opportunities. Sometimes it only takes one phone call or an email to make the deal happen.

So many opportunities are lost due to a lack of follow



John Kolenda

up. Whether it's a lack of process, structure, time allocation or fear, this is an area that, when addressed, will lead to extra revenue.

Ask for referrals

Extend your customer reach by sourcing referrals, which are the warmest and easiest leads to manage. Whether it is your existing clients or current business partners, family or friends, you should encourage referrals from all of them.

To be successful in mortgage broking, you must focus on increasing your volume by building deeper relationships with existing customers so they come back for repeat business and speak to others. If you have made a positive difference to your customers by adding more value than anyone else could, then expect referrals from them.

Exit plans

Many successful brokers establish, grow and maintain operations but often

neglect to develop an exit plan. Your business is the result of years of hard work and relationships which took time and effort for you to cultivate and has a market value.

A typical sale involves a broker selling their trail book at an income multiple and sometimes a small multiple for customers. It is difficult to get a higher price as customer ownership is difficult to transfer. It is also very difficult to value your brand without a national presence.

With 1300 Home Loan, we are seeking to address this through a process where our broker partners enhance their brand via association with us, which guarantees customer ownership. This should result in an increase in current exit multiples as a broker can now provide quantifiable lead numbers as well as evidence and estimates of future leads.

John Kolenda is the managing director of 1300 Home Loan, a lead generation business for mortgage and finance brokers

EXECUTIVE COUNSEL



John Rolfe

Industry stalwart John Rolfe spent many years managing Bankwest's mortgage products, before finding a new home at South Australia's government-sponsored Homestart. *Australian Broker* asks him why affordability has become his passion, and how he's achieved success

Name a business leader you admire. Why?

I don't really have one but I do admire Richard Branson. I live his belief that "A business has to be involving, it has to be fun, and it has to exercise your creative instincts".

What main goal/s got you to where you are?

Along with my passion for helping people into home ownership, a desire to constantly learn and do new things. As Michael Gerber once said: "My experience has shown me that the people who are exceptionally good in business aren't so because of what they know but because of their insatiable need to know more."

Is success due to talent, hard work, or luck?

A mixture, but I believe in this industry, working smart to the talents that you have will enable you to go a long way.

What character trait has helped you the most in business?

Persistence and a good sense of humour, with the ability to laugh at yourself the loudest.

What is the key to great business relationships?

Honesty and trust. Without these you cannot have a relationship of any kind.

What's the first thing to look at when growing a business?

What are the key objectives you are trying to achieve and are they relevant to the target market? There have been many great ideas and concepts that have failed because they were 'unwanted' at the time.

What's the best piece of advice you've ever received?

Never eat yellow snow. There have been many, but a very wise person once said: "If you fail to plan, you plan to fail." I have practised both sides and it is true!

What trend are you currently watching?

Rolfey and trend are not usually words used in the same sentence. In an industry context, the level of government appetite to address the housing affordability issue.

What is your next big ambition?

To help achieve an environment that will boost housing affordability by at least 20%.

your money

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