

A person in a business suit is shown from the chest down, sitting at a wooden desk. They are holding a small, light-colored model of a house in their left hand and using a pen to operate a white calculator with their right hand. There are some papers on the desk. The background is blurred, showing what appears to be an office setting with windows.

IDEAL
FINANCIALGROUP

ARE YOU INTERESTED IN BECOMING A
Finance Broker?

IDEAL
FINANCIAL
GROUP

idealfinancialgroup.com.au

FROM THE AUTHOR

I hope you find some value in me sharing a number of learnings that I took from my first 12 months working as a Finance Broker. My learnings (often through mistakes) were a combination of myself but also of a new-to-industry Broker that I began mentoring after I was in business for approx. 6 months.

Firstly, I will kick things off by stating at no stage of my Finance Broking career have I paid for marketing leads or what many companies will call 'qualified mortgage leads'. Nor have I purchased any existing Broker client books so as to create a customer base-line from Day One. The business that I have built has been purely based on organic growth, by strengthening referral partnerships and learning where to effectively allocate my efforts for a more efficient outcome.



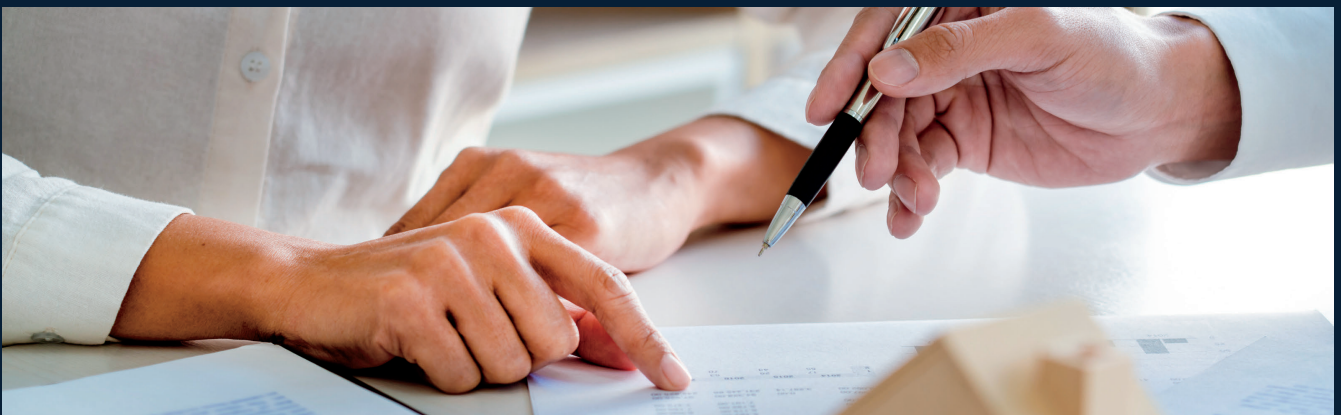
THERE ARE SO MANY LENDERS TO BECOME ACCREDITED WITH. DO I NEED THEM ALL?

My first BIG mistake...

was spending a good few days submitting accreditation requests and sitting lender exams so that I became accredited with every panel lender via my Aggregator - **DO NOT DO THIS**. You may be thinking 'I'll just use them when I need them, so being accredited early makes sense'. Maybe, but what this also does is it creates unnecessary noise for you. You will receipt multiple emails from lenders and their BDMs (some every couple of days) of which after the first few months you will file or delete. Not to mention phone calls from lender BDMs-again, not necessarily a great use of your time.

In fact, after my first 12 months of Home Lending, my Credit Guide volume summary illustrated that I had utilised just 12 different lenders. Just $\frac{1}{4}$ of my actual accreditations.

I strongly suggest engaging with your Aggregator in order to understand the niche offerings that they have on panel including their white-labelled loan products. Then if you are wishing to distinguish yourself in the market ie, around First Home Guarantees for example- target your accreditations towards those lenders that are approved to support this scheme.



YOU CANNOT BE EVERYTHING TO EVERYONE

"Whilst saying 'Yes' is great, it isn't always the most effective use of your time."

Where am I going to get my next application from?

How do I manage Cash Flow when my commission income isn't due for another month?

How are the bills going to be paid at the end of the month?

These were just a few of MANY questions running through my head most days when I started - in fact, I still find myself asking these questions subconsciously (which I think is a great driver for me).

Whilst I wanted to be the 'one-stop shop' for clients and ultimately be able to transact all finance applications, the hard and fast reality is that there are only so many hours in one day. I needed to therefore think about the use of my time and ultimately the return on the time invested.

Commercial Finance transactions play a large role in my business and these transactions generally take up more time-so I knew straight away that I could not let this go. Home Loans in this game are the 'bread and butter', so again, something I wasn't willing to miss out on.

Asset Finance is terrific as the work involved can be minimal (no-doc/low-doc) and yet the upfront comms are generally paid the following week (depending on your Aggregator arrangement). This ultimately helps 'keep the lights on' in between your chunky monthly comms payments, and in my opinion are paramount when trying to build your client portfolio up.

So, for me the Personal Loans/PAYG car loans/Debt Consolidation offers were all something I still wanted to be able to assist clients with however for the time I was spending on the other finance solutions, I simply could not allocate the time. I therefore opted to outsource these to a specialised personal loans provider. Depending on who you approach, you may be able to land a 50/50 comms split for simply referring a client's name and number.

REFERRAL PARTNERS ARE GOLD



DO NOT



PIGEON-HOLE
YOURSELF TO JUST
THE LOCAL MARKET

Given I have worked in Retail Finance and Banking since finishing Uni, this one was a no-brainer. Over the years I had developed strong rapport with local Accountants, Planners and Real Estate Agents. In my first 12 months whilst trying to be everything to everyone, I let these connections weaken as I simply 'believed' that I was too busy.

Truth be told, a phone call, an email or an opportunity to catch up for a coffee really takes up very little of your time. Blocking this time out in your calendar is essential.

When taking the initiative and picking up the phone, I was quickly reminded that these referral partners love to hear that you are busy (you must be doing something right).

Making contact with client connections (the Real Estate Agent they bought/sold through, the Conveyancer they used etc.) despite their geographical location was essential in widening our market and ultimately having more key personnel considering you as a preferred Finance option for their clients.

Yes you are busy,
but when these
applications are
approved,

WHAT THEN?

As a new Broker (especially new-to-industry), walking in on a Monday morning to a couple of new customer queries via email and then a couple of phone calls can either excite you or overwhelm you.

One of the key coaching opportunities for me with my mentee was to ALWAYS respond to these queries within 2 hours where available. At worst case, ALWAYS respond to the query before Close of Business the same day.



A response to acknowledge that you have received the query and an understanding from the client as to the timing of their finance requirement is absolutely essential in being able to manage your workload. This new client may in fact need to become your number one priority now due to the fact that they have had a finance approval with their bank fall over and they are under pressure to exchange on the property they are purchasing.

A page of customer names can look overwhelming when you are new, but by prioritising the workflow and moving one key transaction at a time, these pending Applications simply move to Approved status, Documents, Settlement Booked etc (and you are looking for more Applications to add to the list)

An abstract architectural photograph featuring a staircase with light-colored wooden steps. A large, light-colored geometric structure, possibly a wall or a large piece of paper, dominates the left side of the frame, creating sharp shadows and highlights. The background is a plain, light-colored wall. The overall composition is minimalist and geometric.

IDEAL
FINANCIAL
GROUP



PART-TIME EFFORTS YIELDS PART-TIME RESULTS

It really is that simple.

Don't commence a career as a Finance Broker hoping to work a couple of days per week if you are expecting to have a steady monthly income rolling in- it simply won't happen. A pipeline is something that takes time and plenty of effort and certainly isn't something that can just be turned on.

You need to create flexibility in your day/week and be available for your clients - why would they come to you and not just take time off work to approach their Bank directly. In my opinion, you may need to work later than a Bank employee - possibly even on the odd weekend to ensure that your local market can see how you differentiate yourself from the pack and ultimately that you are 'all about the client'.

Make yourself available for Real Estate Open Homes. Attend local Chamber meetings. Present at business seminars. Be present.

A full-length portrait of a middle-aged man with a shaved head, smiling slightly. He is wearing a light blue button-down shirt with thin white vertical stripes and tan-colored trousers with a brown belt. He stands in a modern office hallway with large windows and glass railings on either side. The background is slightly blurred, showing other office spaces and buildings outside.

IDEAL
FINANCIALGROUP

Jason Sherman
Author & Finance Broker

Now if you have found these learnings of value and you are keen to pursue a role as a self-employed Finance Broker, please reach out for a confidential chat.



Jason Sherman



jason@idealfg.com.au



0422 202 475

IDEAL

FINANCIALGROUP

idealfinancialgroup.com.au