

Young and the restless

Melinda Young doesn't rest on her laurels when it comes to growing her business through networking and referrals.

STORY MAUREEN JORDAN
PHOTOGRAPHY TRAVIS DE CLIFFORD

Six years ago, shortly after taking a redundancy from banking giant Citibank, Melinda Young turned up to her first function in a new guise as a mortgage broker. "They had a door prize that I won and it was a laptop. I am just a lucky person," she says. "It was amazing because three months later I started up and I had the laptop ready to go. It was meant to be. All the signs were there."

Since that stroke of luck, Young and her husband Rob Seton have created a thriving boutique mortgage and finance broking firm, Mortgage Simplicity, in Melbourne. Young concentrated on sales while her partner handled the administration duties and business strategies.

Drawing on more than a decade of experience in the finance sector, Young pieced together the best aspects of each mortgage-broking model she saw to create her own template for Mortgage Simplicity.

RELATIONSHIP BUILDING

Off-the-street business isn't the goal for Young and Seton – they rely on referrals. Consequently, networking has become a crucial tool. "All our business comes to us via referrals. We have established some good relationships with referral partners, primarily

accountants and financial planners.

"They're happy to refer clients to us because they can ensure the loan structures are set up correctly, they retain some control over the process via our regular updates on the progress of a loan and they add value to their client relationships at no cost to them," she says.

After six years Young and Seton have created a streamlined business that champions client service. "The only way to ensure healthy ongoing referral relationships is by delivering outstanding service. By providing the best possible service, and by treating clients the way you would like to be treated, a steady stream of referrals comes to the business.

"By offering the right options to clients, and empowering them to make good choices, trust is built and those clients are far more likely to recommend your services to others. Approximately 75% of our business comes by way of referrals from clients and repeat business," she says.

PUSHING THE MESSAGE

Young attends many business functions and is the president of the Victorian chapter of Women in Finance, a support and education group for women, and Zonta, an international group whose charter is to advance the standing of women. Business inevitably flows from such links.

A tool that has worked well for Young is a rewards system for clients who refer others to Mortgage Simplicity. It may entail a simple thank-you card, a subscription to a magazine or some other small gesture of gratitude. "It does take up some spare time; however by demonstrating a commitment to the finance community and a willingness to contribute, opportunities do flow your way," she says.

Young believes clients will only remember who you are if you stay in touch. "Many times I have arranged finance for a client whose original loan was written by a mortgage broker but the client can't recall the broker or business names.

"Newsletters, phone calls and other touch points are important in keeping your name front of mind so that when the occasion arises, they will be able to refer others to you. If you provide gifts to your clients, it's worth considering including your contact details (on the back of a key ring, on a pen or on a fridge magnet). They can't forget your name if they see it every day!"

MEET AND GREET

Young firmly believes that a broker shouldn't be afraid to ask for referrals. "Explain to clients that your business relies on referrals to keep the business running and if they are happy with the service provided, ask for referrals. They may not know anyone in need of your services right then, so provide them with extra business cards to hand out when the opportunity arises."

She used to think that networking was a lot of hogwash but has since found that the most fashionable thing she can do is to network. "I find that committing to outside interests provides a balance that makes work more enjoyable. It also provides the opportunity to learn new skills and meet new people.

"Being involved in such organisations gives me a better perspective on what is most important. It's difficult to complain about having too much work to do when some of that relates to helping fund-raising efforts to finance micro-credit for HIV-affected women in Nigeria.

"It also provides perspective when a loan isn't approved within service standards or a



“BY DEMONSTRATING A COMMITMENT
TO THE FINANCE COMMUNITY AND
A WILLINGNESS TO CONTRIBUTE,
OPPORTUNITIES DO FLOW YOUR WAY”

Melinda Young

OFF-THE-STREET BUSINESS ISN'T THE GOAL FOR YOUNG AND SETON – THEY RELY ON REFERRALS. CONSEQUENTLY, NETWORKING HAS BECOME CRUCIAL

► client asks for a change in the loan structure, for example. By giving freely of your time and skills, you give others further reasons to support you and your business.”

At the same time, an important lesson Young has learned is that businesses do not need every potential client. “You’ve got to weed out the clients, which is the same in any sort of sales environment,” she says.

MEASURED STRATEGY

The firm has implemented a simple email-based application form which is sent to prospective clients to fill out details about a possible mortgage application. The message to clients is that the form helps fast-track the application process and acts as a starting point for a serious face-to-face meeting.

“If they don’t do that, they are not serious,” Young says. “I think that has cut our workload by about 40% without having any impact on our bottom line. Remember that clients only take out mortgages every few years on average. Whilst we deal with the process every day, it’s important that the clients are proactively

kept up to date to minimise their stress.

“You may need to explain parts of the process along the way – an informed client is a happy client. This is especially true of first home buyers. Don’t assume that they understand or know how the First Home Owner Grant, the purchase process and the legal requirements operate. By explaining up front and keeping them informed along the way, they feel comforted that you are there to support them.”

Flash offices and hordes of staff are not on the agenda. The minimalist approach to staff

and offices has become part of Mortgage Simplicity’s core strategy. Young is adamant that ego often rules business decisions. “A lot of it’s about ego and how big your business is. I think the bottom line has got to be how profitable you get.”

Young advises businesses to avoid the trap of forcing growth. “If it’s meant to grow, it will. You don’t go hiring staff in the hope that it will bring growth. If your business starts to grow and you need more staff that’s one thing, but hiring people to grow the business can be really dangerous.”

BRIEF

SATISFACTION GUARANTEED

A number of strategies have paid dividends for Mortgage Simplicity, and Young is happy to share them.

First, find a great accountant. “Somebody who understands your business and your industry, and who takes the time to learn your strengths and weaknesses.”

Second, keep revisiting your business plan and remember initial aims. “Don’t lose sight of what you started out to do.”

Third, outsource to specialists when required: “For example, tax is just such a nightmare. If you really don’t know, don’t try and muddle through it or dump a shoebox with your accountant; it will cost you a fortune.”

Fourth, keep abreast of your financial position. “Know how much is in the bank and what tax is due.”


A final piece of advice is that Young makes a commitment to exercising. In fact, she puts personal commitments and exercise sessions in her diary before any work commitments are factored in “because otherwise you get overwhelmed with work”.

Young is already thinking about the future of the business. She has been planning her departure from day one. “It’s about having some sort of exit strategy when you go to business, knowing how big you want it to be and where you want to head.”


For now though, she and Seton are content to be running a sustainable business which, at some point, will have a saleable value. Down the track they can assess their options; perhaps they will sell the business or even pay someone wages “to keep it rolling while we are not there”.

“So we don’t have to worry so much about making it massive and employing lots of people – naturally over time the value of the business keeps growing.”

BROKERS • PLANNERS • ACCOUNTANTS • LEGAL ADVISERS



ONLINE COURSE
IN-HOUSE PROGRAMS
NATIONAL WORKSHOPS




TRAINING SOLUTIONS FOR EQUITY RELEASE PROFESSIONALS

BROKERS

PLANNERS

ACCOUNTANTS

LEGAL ADVISERS



“Step Up to Industry Accreditation”

www.sequal.com.au/education