

Managing For More Origination Volume!

In light of the current mortgage origination environment it has become crucial that Sales Managers take a more hands on day to day approach to managing their sales force. They must have a detailed plan to lead and manage their teams to success.

Over the last few years most mortgage originators were successful not necessarily because of hard work, great ideas, or an excellent plan. The incredible production happened because of the sheer velocity of the market. That market environment shifted managements focus from how to get more origination volume in the front door, to how do we get this insane volume out the back door closed and sold to the secondary markets. We had to accomplish closing ridiculous numbers of loans while at the same time trying to keep customer service levels at a satisfactory degree of disappointment to the consumer. We trained the public to expect bad service and pay high fees because it wasn't our fault every person in America decided to refinance. The mortgage industry infrastructure was designed to close less the one trillion dollars in total mortgage volume and we were closing close to three trillion dollars of refinance and purchase mortgages!

Due to the change in today's market, notably contraction, management now has to shift its focus again back to figuring out how to get more customers in the front door. It now becomes more crucial to make sure we develop and cultivate a stronger relationship with our consumer until we can close their next transaction.

Companies must have excellent systems in place that identifies new customers, captures the customer and cultivates a strong relationship during the customers buying decision process. The companies and Loan Officers who find ways to improve these skills will have significant success and longevity in our business.

Please consider this analogy; you're riding in a car driven by a friend down a large freeway. The car is traveling at one hundred and forty five miles per hour. You are terribly frightened that your friend may lose control at any second! Sensing your fear, your friend slows the car down to a mere eighty miles per hour. A major sense of relief waves over you, finally you feel safe. When in reality eighty five miles and hour is still considerably fast and unsafe but, you feel as though the car is now crawling.

If you have been in the mortgage business over the last several years you have experienced that ride! Mortgage origination volumes in units and dollars have tripled over the last three or four years. We are now in a market where the accelerator is no longer to the floor and we are noticing a major slowdown. Well, it feels like a major slowdown. The reality is that 2006 will still be a strong volume year.

Managers must make sure every Loan Officer writes a comprehensive business plan with systems that ensure consistent contact from the initial shopping call, during the process phase, at the closing and for years after the closing.

Freddy Mac recently did a study to see how often the consumer required to be contacted by a loan officer prior to making a buying decision. The statistics are frightening.

Freddy Mac says that 80% of all sales are made after the fifth call however:

48% of all sales people quit after the first call

25% of all sales people quit after the second call

17% of all sales people quit after the third call

10% of all sales people keep calling

Wow, how startling are those numbers. I want to ask you another question. What do you think we as an industry call that elite ten percent of sales people who keep calling? In case you don't know, it's "TOP PRODUCER"! Those top producers have systems in place that database every new customer and guarantees those consumers will be called regularly from first contact and for years after the closing!

If you are a Loan Officer who is trapped in the vortex of mediocrity you have to occasionally ask yourself; how do the top producers do it? Let's take a look at the answers.

First and foremost a Top Producer never gives up! They are relentless at pursuing the customer. They know how and where to find new prospects on a consistent basis. Once they receive a lead they have a routine system in place that ensures no lead is mishandled and the system directs what happens and when. They know their customers will receive information timely and the system makes certain that follow-up contacts are pre-arranged. The Top Producer will call more than the required five times.

Another component to the Top Producers success is that most work from a solid business plan. They write annual business plans that reflect the current market conditions that will effect annual production. Their plans have well thought out goals and projections with action plans that will guarantee achieving results.

Top Producers do not sit in the office waiting for business to happen, they go out and make it happen. They network, prospect, educate, and get in front of many people to spread the word of who they are and what they do for a living.

Top Producers believe they are the best Loan officer to handle a customer. They face every day with a positive mental attitude even when things may not be going right in their business or personal lives. They have a significant belief in themselves. It amazes me at how few people realize their lack of success comes from mainly one thing, the face staring them back in the mirror every morning. The Top Producer understands that and develops an attitude of "failure is not an option!" Everything they do, they elevate to the highest possible standards.

The Top Producer knows that twenty percent of the things they do daily are what create eighty percent of their income. They constantly monitor what they are doing and stay in the earning zone and delegate the tasks that steal earning time to an assistant or outsourced resource.

Top Producers are excellent at scheduling their days, weeks and months, they manage their time to complete efficiency. This provides them more freedom to do the things they want to when they want to.

If you want your team to succeed in this new market write, a plan, implement the strategies and tactics, and then execute everyday! Remember activities create motion, motion creates momentum and momentum creates winners!

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