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Before Jumping Ship, Evaluate Your Options

Seize control of your future by investigating competitors

In the mortgage business, a company's growth tends to occur when a firm recruits production teams and leadership from its competitors. Individual producers and teams of professionals build books of business. Whether a result of the brand they represent or the referral relationships they build, when they move to a new company, their relationships and revenue tend to follow.

Right or wrong, it's safe to assume everyone is recruiting everyone — all the time.

There is a major flaw with this process, however: Most originators who change companies usually follow a former co-worker or leader without full awareness of all their market options or a complete understanding of their new company's risk profile.

In some cases, they follow a former co-worker because of a long-standing relationship or because they trust their colleague to conduct full due diligence concerning the company and opportunity. Although that could be enough to make an informed decision, in many instances originators don't spend enough time researching the best fit for them and their business.

Regardless of what prompts someone to make a change, there is a right and wrong way to evaluate an opportunity and to reach the correct conclusion about a true model match.

Model matching

A true model match exists when the needs and wants of a candidate match a company's value propositions and culture. The goal is to minimize risk for the hiring company and for the candidate to establish a long-term, mutually beneficial working relationship.

The best way to evaluate whether you're in the right organization for your clients, business partners and career is to consider other options before the need arises. Originators should be open to learning and understanding how other companies conduct business on an ongoing basis. Call it competitive intelligence gathering. In essence, you should be prepared for a future move controlled by you — not someone else.

Often, there's not a lot of opportunity in the mortgage industry to learn how competitors operate, what their key value propositions are or how they enhance the way their originators do business. By being proactive and learning about other companies, you can gain control of your future.

Because of the lack of network knowledge in the mortgage industry, meeting with competitors and peers at other companies — and with respected leaders in your market — can offer insight into how others support businesses built around referral relationships. In today's market, however, that doesn't offer the proper level of intelligence.

Gaining clarity in the following two areas, however, can help you make an informed decision.

1. Leadership: This is the first and most important factor to consider. The leader defines a company. Leaders are the creators and keepers of a company's culture. They also carry the power to develop and drive strategic initiatives and business plans.

One of the best ways to evaluate leaders is to learn their background. Are they in their first leadership position? If not, were they successful in their previous leadership roles? Do your best to find out their backgrounds and credentials.

Don't make the mistake of not knowing the true situation.

In addition, find out how many employees or peers from their past still work with them. The answers could tell you a lot about how well they maintain relationships.

2. Culture: Working for a company that's not a cultural match will transfer to your client base and at some point, impact you negatively. In most cases, originators' business culture and the company they work with should align. It's imperative to learn about a company's culture before making any move.

Platform

In addition to studying a company's leadership and culture, it's also critical to find out about its platform. There are five main points to consider.

1. Operations: All mortgage companies are in the business of closing loans. How they do this varies. Some operational systems are centralized, some are decentralized, and some use a combination of the two methods. Regardless, a company's operational

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approach should focus on service. It either closes loans on time and meets or exceeds industry service standards, or it doesn't. There's no middle ground. If you want to set borrowers' expectations and meet them, the company you work with must execute acceptably.

2. **Products and pricing:** For the foreseeable future, agency product will dominate the market. Although some portfolio lenders are surfacing — and others are talking about building pools for the secondary market and through their relationships with investment bankers — the product playing field is relatively level. On the other hand, overlays and pricing philosophies differ. Often, larger lenders have fewer overlays. Economies of scale can lead to advantages in guidelines and pricing.
3. **Marketing:** Mortgage companies all support their marketing efforts differently. With the level of sophistication and maturity of technology in the market, however, originators must have a way to keep their personal brand in front of clients, potential customers and referral partners. Most companies have a system in place that allows

originators to e-mail and send traditional mail through a vendor or partner. Because of this, it's critical that you maintain a database of clients and business partners. A company's marketing system should support your database and increase your productivity.

4. **Technology:** It's important to understand what technological systems a company has in place and if they're interconnected. This can provide a glimpse into the company's efficiency and how it might be leveraged in the lending value chain. Technology is not a replacement for personal interaction, but it must be used to an originator's advantage. Companies that lack technology and integrated systems can hinder your ability to deliver service consistently.
5. **Training:** Ultimately, you'll learn how a company operates by submitting deals. Some companies, however, invest time and resources into developing processes and teams to help train and assimilate new originators into the organization. Understanding how this training works will give you a better idea about what will be required on your end.

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Mortgage originators considering a move should focus on what that change could mean for their clients and business partners. In addition to improving and enhancing your business, the ultimate goal should be to make the transition as seamless as possible.

Don't be afraid to initiate contact with the companies for which you'd like to work. Failure to act could leave you unaware of the opportunities available, one of which could prove to be your perfect model match. To find that match, be objective and thorough about the aforementioned areas of consideration.

For those who lack the time to conduct the necessary research, an industry-focused adviser or search consultant can help. If you take that route, hire someone who shares your industry beliefs and understands the importance of making the best match for your business.

Your career is nothing to take lightly. By seizing control of your options, you'll avoid the mistake of blindly following someone who might have made the wrong decision. ●