

# MPA

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A man with short dark hair, wearing a white dress shirt and a red patterned tie, stands in an office setting. He is looking slightly to the right of the camera with a neutral expression. The background shows office cubicles with glass partitions.

## australia's top commercial brokers

Danny Masri shines in a tough, tough year

**PART-TIMERS**  
THE DEBATE RAGES ON

**EXPERT VIEW**  
SHORT-TERM LENDING  
OPPORTUNITIES

**INDUSTRY PROFILE**  
LIBERTY FINANCIAL

# survival guide

Mortgage Ezy CEO *Garry Driscoll*  
presents five tips to survive the GFC



Garry Driscoll

## 1: Know where you want to be after the crisis

The first question you need to answer is: are we going to survive this crisis? If the answer is yes, then where do you want to be when the crisis finishes? If you don't think you'll make it, then act quickly and get out – but it may be a bit too late.

Unless you have a clear vision of where you want to be, you will never get there. Every decision you make needs to be with the long-term goal in mind. You don't want to be making short-term decisions simply to try and survive.

## 2: Know your margins

A very successful businessman once said to me “we do it for profit, not for practice”. Sounds simple, but it is really important. You need to know what you can sell – at a price that it is competitive but still profitable. In the mortgage management business there is no point selling huge volumes of product or services if you cannot make any money. Look at the total package and find innovative ways to generate income from the base product.

## 3: Know your costs even better

When you know rough times are coming, you must make sure that all unnecessary costs are cut from your business as soon as possible. The real issue is that what is unnecessary for one business may be vital for the next. For some small businesses travelling business class is never an option, but for some of the larger corporations this is a standard feature of their travel, and written into the HR policy. The bottom line is that in these times you must look at all your costs and analyse every cent to establish what value each spend brings to the company. Also, the best way to know where the money goes is to make sure you sign the cheques or authorise the payments yourself. Nothing gives you a better ‘finger on the pulse’ than the hands-on experience of signing off payments. This is a given in a small company, but tends to be forgotten in larger companies where the executive management gets removed from the day-to-day

activities. In large corporations this is not possible or practical, but there should be adequate systems in place to keep a close track on the type of expenditure – not just the performance against budget. The monthly P&L statement needs to be examined and any trends identified and explained.

## 4: Keep your good staff

No one is irreplaceable, but if you have good people do everything in your power to keep them in these tough times. Not all of them may be superstars, but like the old footy adage says: “a champion team will always beat a team of champions”. Identify the staff that you want to retain, and make sure you use these slower times to train them and motivate them so that they are ready to fire up once the market improves. Good staff solve problems, and poor staff cause problems.

It is also a great time to recruit new staff as there are some incredibly talented people in the market who for reasons beyond their control are ‘between jobs’ at the moment. For example, two years ago you would have had to pay 50% more to employ an average business development manager. Now there are a number of fantastic candidates available who are realistic about their salary expectations and are keen to work hard to prove themselves.

## 5: Look for opportunities

Adversity creates opportunity. If you are cashed up and prepared to be picky, then there are a number of opportunities out there to consider. These range from established businesses that are struggling and that need to sell; business owners who have prospered during the good times but have no desire or lack the skills to manage in the tough times; existing markets that have been abandoned but are still viable; and new sources of business that have previously been serviced by competitors that are no longer in business. The list is endless, but it is important to look hard at any opportunity and make sure it will work in the long run.