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Working your way out of a sales slump

March 2008

Everyone knows that January can be a tough month for any entrepreneur, but what happens if March rolls around and you're still struggling to write any business? You may have to face the fact that you are in a slump. Broker coach Raz Chorev provides some tips on how to climb out of it...and fast

If you've been in the mortgage business for any length of time you've seen both peaks and valleys in your loan production. Those highs and lows can be caused by a number of things, including market conditions and new competitors. Sometimes business is good, and at other times you may find yourself in a "slump".

A slump is defined as a sudden drop-off in volume and a noticeable decrease in inbound loan activity. I'm meeting many mortgage brokers now who tell me their business is off and they are in one of those slumps. What about you (or your sales team)? Are you in a slump? If so, it's extremely important that you work yourself out of it right away. The longer you stay in a slump, the harder it is to climb out.

Here are some things to think about:

Maybe it's you

The first place to look for the reason you are in a slump is at that man or woman in the mirror. Sometimes we create our own slump. Your motivation and attitude determine your drive and enthusiasm for success. Maybe you're having trouble with things around the office or perhaps you just lost a major referral client or a big loan. You get depressed and down on yourself. Your grim outlook finds more reasons to worry. Since misery loves company, you seek out other brokers who are also having a hard time right now. Their slump confirms your slump and it becomes a self-fulfilling prophecy: I believe I am in a slump...therefore I am.

If you've talked yourself into a slump recently, it's time to talk yourself right back out. Our thoughts create our actions and in sales, our actions generate our results. It's important that you begin a shift of mindset toward the positive as fast as you can. Talk it out with someone you trust. Take an inventory of what's going well in your business and your life. Take a few days off and get away. Read an inspirational story or book. Listen to upbeat music. Most importantly, admit that your slump is your fault, and that you are not the victim of any influences other than yourself. Get your head back on track and your business will quickly follow.

Maybe it's your referral sources

"There's no activity right now," one real estate agent tells you. "Nothing's moving," says another. Just because your real estate agents (or other referral partners) are slow, that doesn't mean everyone is slow. A sample survey of two realtors does not accurately represent the other 2,000 agents in your market, nor does it measure the total demand for housing and mortgages in your city. Be careful not to let inactive or low-producing real estate agents skew your outlook for business. While one realtor's activity

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may be off, another agent working 15 feet from her in the same office might be closing 10 transactions this month.

Good loan originators are diligent in tracking their sources of referrals and the number of leads from every referral client. If you find that you have aligned yourself with low-volume real estate agents or referral partners that send you only a few leads every so often, change partners. Remember that their business creates your business. Remember also that their lack of business does the same to you. Re-direct your focus and start to approach the better quality agents - those who are advertising, showing buyers around town and writing contracts. Even in market slumps, high-volume real estate agents are still hustling and making sales while low-volume agents drop to near nothing. Don't let someone else's slump create yours.

Maybe it's your approach

Every broker has an approach. Some approach realtors and some builders. Some approach refinance opportunities, others debt consolidation loans, first-time buyers, or investment-property clients. While having a niche is good, so is a willingness to change that niche if it slows down or dries up. For example, if you have predominantly been working the new home construction market with builders and the building in your community slows down because of over-saturation, you will quickly find yourself in a slump. You need to diversify your approach toward a new target or a new clientele.

It's not that difficult to locate what's hot in your market. A quick look around and asking a few people where they see the most activity will yield you some useful information. Brush up on some new products you can use to penetrate that hot market and get out there and start selling and marketing with a new and different approach. Selling the same thing the same way to the same people can get boring and put you in a mental slump. Try something new. Do something different.

Maybe it's your sales and marketing activities.

Many mortgage brokers have spent the last two or three years in the office writing refinance loans. I recently spoke with one broker who told me he had been in the business for eight months writing nearly a million dollars a month and has seen only three purchase deals. Now his business is in a slump. The re-finances have dwindled away and he's not making any money. He needs to ramp up his sales and marketing activities for purchase business or he is going to struggle, and he knows it.

Maybe that's what's causing your slump, too. Perhaps you need to look at just how much sales and marketing you are doing today and increase it as quickly as you can. Make sure prospecting activities like phone contacts, presentations, seminars, sales visits, advertising and database marketing are a part of your daily disciplines. If you are going after purchase loan business, you'd better leave your chair and go get the business, because it's not coming to find you. When you increase the amount of sales and marketing you are doing every day, you will increase the volume of calls and leads you get.

Maybe it's your selling skills

Perhaps you are engaged in a number of sales and marketing activities, yet your ability to convert prospects to clients is poor. You visit busy real estate agents and have nice conversations, but come back with nothing. You advertise to make the phone ring with potential buyers, yet they never seem to call back or go with you. I have always believed that selling is a skill, and like any skill it has to be learned, practised

and perfected.

There are a number of ways to improve your selling skills. There are great books, CDs, tapes, coaches and wonderful seminars in the mortgage industry that can teach you how to sell better. You may be fortunate enough to work with a top-producing broker who will share valuable tips and suggestions for converting prospects to loans. Seek out these resources and don't be bashful about asking for help. That's what they are there for. Sell your way out of that slump!

Maybe it's your market

There is always some mortgage loan activity going on in every market. However, some markets are more active than others. With the same economy and interest rates, some markets report as many as 100 home sales a week at the same time as other markets report only 10. Market demand drives any business. Let's face it - you're going to have much better luck selling umbrellas in Melbourne than your competitors are in Alice Springs; not because you are a better salesman, but because you are in better market for umbrellas!

Are you in a good market for what you sell? Has your market matured? Has new construction slowed or stopped? Have major job layoffs in your city brought housing sales to a halt? Do seasonal slowdowns last months on end? It happens, and it could be the cause of your current slump.

It's a big, bold step, but I have met a number of dedicated mortgage lending professionals who have uprooted their families and moved to a new city. Sold on the profession, it was their desire to find a strong market that can sustain a good living for someone in the home financing business. Perhaps it's a last resort, but it's worth thinking about. A positive attitude, good referral clients, the right approach and effective marketing activities are all moot if you don't work in a market with a lot of people buying and selling homes. That's just the way it is.

Slumps happen. And just because you are in a slump right now doesn't mean you are a failure as a mortgage broker. It just means you need to re-adjust your game plan to get back on track as quickly as you can. There's plenty of business out there. Top mortgage brokers I meet are producing as much as \$3m, \$5m, even \$10m a month. You could be too!

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