Harnessing the Power of Relationships in Business

Building Long Term Affinity Relationships

A White Paper

by
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Author Background

As the founder and President of CRMnow, I have gained over 20 years' experience in both the Software Development and Financial Services Sector. After graduating from California State University Long Beach with a Bachelor's Degree in Finance and spending numerous years as VP of Sales for Lacerte Software, a major developer of Tax Compliance software for Tax Professionals, I founded CRMnow in 1992 to focus on CRM (Customer Relationship Management) software and consulting services.

Originally focused on implementing CRM systems for many diverse business sectors, the vision for the business model was to develop and support CRM solutions for a specific industry in order to provide optimal value to our customers. Between early successes with mortgage implementations and a family background in Real Estate and Mortgage Lending, all roads seemed to lead to the mortgage industry.

Since 2001 all efforts have been focused on developing products and services specifically for mortgage lenders. Our flagship product, Mortgage iQ is now installed at over 30 mortgage companies and growing. With two distinct product offerings, Retail and Wholesale, and a robust, customizable engine, we're able to service a multitude of Lender business models.

Building Long Term Affinity Relationships

af·fin·i·ty (-f n -t)
n. pl. **af·fin·i·ties**
1. A natural attraction, liking, or feeling of kinship.
2. Relationship by marriage.
3. An inherent similarity between persons or things.
4. *Biology* A relationship or resemblance in structure between species that suggests a common origin.

The first definition has a nice ring to it! Question is, how do we earn it? An affinity relationship doesn't just happen. It's a culmination of hard work and effort in a trusted relationship. This can be a powerful relationship within your mortgage company!

Let's take a closer look at the Keys to Success within an Affinity Relationship with your Agent/Partners .

Understanding The Short/Long Term Goals

- Short Term – It's obvious that the short term goal on both sides is to "fund the loan". Interestingly enough this is actually a smaller part of the long term goal in the relationship (see below). With each transaction, a "cumulative" experience is building for your affinity partner:
  - How smoothly did it go?
  - Were there surprises (especially ones that made your partner look awkward)?
  - Was your partner kept in the loop at all times?
  - How about the borrower's experience?

- Long Term – It's also obvious that the experience from the above will ultimately impact the chances for a long term relationship and achievement of the long term goal – MANY funded loans and referrals.

- Managing the Relationship – In addition to managing transactions, you must also find the time to cultivate the relationship (without violating RESPA!). There's a saying that "The Conversation is the Relationship" and this often requires proactive touch points as opposed to reactive fire fighting. This is NOT a one time phone call or letter. It requires consistent and constant nurturing so that the relationship does not go stale.

  "The Conversation is the Relationship"

- Adding Value – What are you doing to add value to the relationship? This goes beyond funding loans. You'll need to think outside the box on this one to generate value for your partner.

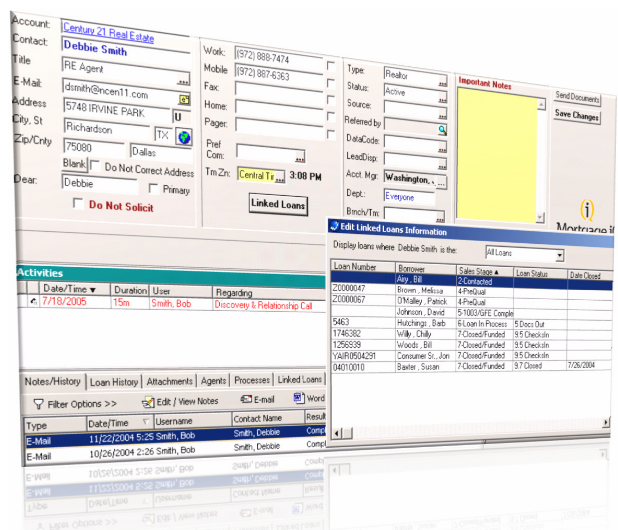
- More with Less – Unless you've successfully mastered the science of cloning yourself you'll need to work smart. You'll need to find ways to do all of the above without the need for an army of assistants and expensive overhead. Read On…..

Working Smart

- Start with a CRM System – Find a CRM system that is tailored to your industry (ie Mortgage iQ from CRMnow). A Mortgage Specific CRM solution is built out of the box to help you manage your relationships and much more without the need for expensive customizations with other solutions.

- Foundational CRM is the Key! – What do I mean by "Foundational"? Lots of people think that CRM (Customer Relationship Management) refers to the ability to store and track a person's name, address and phone number and send out a letter or email once in a while. Foundational CRM is literally the core system and dashboard used to manage all relationships and related information as well as managing you and your company's "DAILY GROOVE". This means that your CRM tells you everything you need to know and is your "go to" system for information about:

  - Calls to make
  - Important deadlines to hit
  - Meeting/Calendar
  - Loan Transaction History/Pipeline
  - Correspondence History (all calls, all emails, all documents, etc.)



Relationship Dashboard

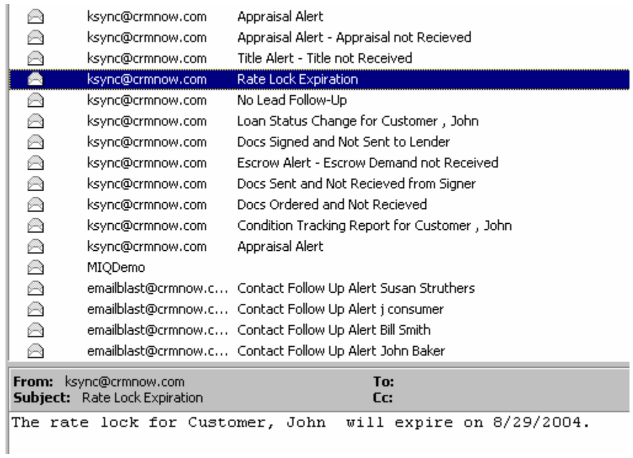
Managing the Transaction

- Better Efficiency – Because you have a "dashboard" of your partner's transactions and the details, it's much easier to monitor and track progress and status reports for your partner. Turnaround on questions and/or issues is handled with a few clicks as opposed to a few days of research.

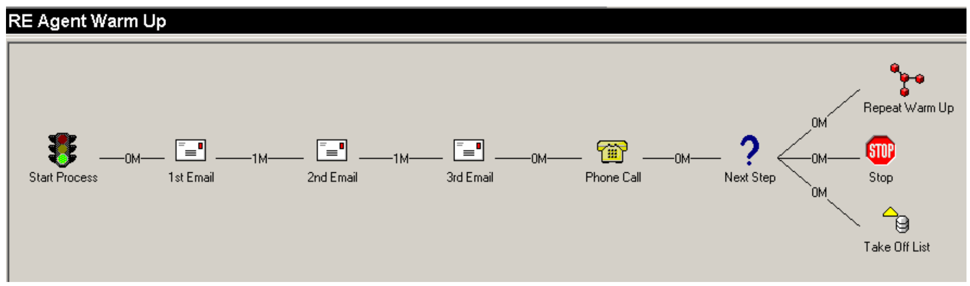
- No Surprises – Foundational CRM allows you to notify your partner (and possibly the borrower) not only on progress and status but also alerts them of potential issues automatically so that you don't have to worry.

Managing the Relationship

Because your system is tracking every call, email and communication, it's easier to reference previous conversations or correspondence when speaking to your partner. This makes you look good! It exudes a sense of professionalism, organization and trust from your partner that you can handle their business.



- Proactive/Automated Follow-up – The is the part that you WILL NOT DO consistently unless it's automated. Your CRM system can be configured to automatically schedule strategic touch points with your partner on a very consistent basis. Again, this makes you look good! It shows you care not just today but for the long term.



- Value Add – An increasingly popular way to add value utilizing your CRM system is to assist in open house fliers. Gather your agent's information on a property (pictures, floor plans, etc.) and build them into a flier that would include several loan scenarios for your products. You will look like a hero!

	Current Loan	Scenario 1	Scenario 2	Scenario 3
Loan Program	30 Year Fixed	30 Year Fixed	20 Year Fixed	3/1 ARM
Loan Amount	$250,000.00	$300,000.00	$300,000.00	$300,000.00
Interest Rate (see attached for additional information on Adjustable Loans)	7.5%	6%	3.5%	3.5%
Monthly Expenses				
Loan Payment (Principal + Interest)	$1,743.00	$1,798.65	$1,739.88	$1,347.13
Association Dues	$50.00	$50.00	$50.00	$50.00
Property Taxes	$80.00	$80.00	$80.00	$80.00
Homeowner's Insurance	$50.00	$90.00	$90.00	$90.00
PMI (Private Mortgage Insurance)	$0.00	$0.00	$0.00	$0.00
Debt Payments	$0.00	$1,500.00	$1,000.00	$1,000.00
Total Household Expenses	$3,963.00	$3,518.65	$2,959.88	$2,567.13
Savings Analysis				
Net Monthly Payment Difference (this is the difference in your total monthly payments compared with current payments)		$449.35	$1,008.12	$1,400.87
Net Annual Payment Difference (this is the difference in your total annual		$5,392.20	$12,097.44	$16,810.44

- Go Team - One of the added benefits of foundational CRM is that you can much more easily delegate and employ the help of other team members to assist your partner when you're unavailable. You can easily assign activities and to do's to others and they can also assist with just about any question your partner can throw at them just by having access to your "dashboard". With a glance they can look up important notes, conversations, emails (even if you didn't copy them) and more. Again you will look good! (Even when you're on vacation!)

- More with Less – Exploiting your CRM system is the ONLY way you are going to be able to pull off all of the above. Leveraging the technology as mentioned above will enable you to extend your abilities far beyond your capacity in a "manual" groove.

Other Considerations

- Co-Branding/Product Placement - "Intel Inside", "Eddie Bauer Expedition" and on and on… we've seen great examples of how two products can be positioned and leveraged together to equal an end product greater than its sums. You can do the same thing.

- Open House – As mentioned before, utilize the open house flier to position your company as the "lender inside" the home buying experience. You can place both your logo and your partner's logo together to take on the appearance of a cohesive team approach.

- Other Vehicles – How about a joint slogan on the side of the pen you offer to the borrower or collaborating on printed materials (calendars, mouse pads, etc.)?

- Seminars – Put together a joint seminar and invite the community to learn more about trends in the Real Estate Market and Loan Products.

- Share best practice on ways to generate referrals – recommend some books to read such as Referral of a Lifetime by Tim Templeton or High Trust Selling by Todd Duncan

Things to Remember

- An Affinity Relationship is earned over time

- An Affinity Relationship requires professionalism, organization, efficiency and trust

- The Conversation IS the Relationship - Always be asking "when was the last time I spoke with ……"

- Work Smart – There's no way to manage an Affinity Relationship without leveraging the right technology so that you can do more with less

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