

TONY BICE

First Choice Mortgage Brokers

LOCATION: Chiswick, NSW

Why did you diversify?

It wasn't long into starting to grow my mortgage business that I recognised the power of diversification. So the first thing I did, which was the easiest transition into diversification, was get into leasing and Chattel mortgages, debtor finance and stuff like that. I could see that was just a natural spin off from writing a mortgage. You can see they need to update their car, or they may be in business – straight away you can identify opportunities. And to become accredited to write leases, Chattel mortgages, commercial hire purchases

– asset finance – back then was a fairly easy transition.

How did you get into financial planning?

I toyed with the idea of setting up a cross-referral relationship [with a planner]. Many brokers go down that path. The downside to that path is you do lose control to a certain degree. And you're heavily reliant on it being a 50-50 split with regard to referrals going both ways. Invariably what happens is that one party will supply more than the other party and that leads to the demise of the relationship. The reason I know about that is I did it twice. I'm not saying it's not the way to go. I'm just saying it's not the way to go for me.

How much training did you do to become a planner?

I got my diploma in financial planning. The first decision is to realise you've got to take on extra studies. And that comes with a little bit of heartburn and a fair bit of juggling, because your business doesn't stop. Mine was a six-month course, five or six years ago. The first transition is to get your head in the space to study again, and then come up with the funds to do it. Once you get your diploma that's where the fun starts. But there's a fair bit of anxiety around 'where am I going with this monster?' and 'how do I get it to crystallise?'. You need to find yourself a dealership group, then you've got to get your accreditations with the life groups. You've also got to undertake a number of hours of exams.

What advice would you give brokers who want to move into planning?

Have a clear strategy, and there's a fair bit of work



Tony Bice

involved. For me to see the growth that I've got now, it probably took two years. The first two years were really about understanding how best to cross-sell the product. The challenge in becoming a financial planner, in my case specialising in risk and superannuation, is you need to be able to make the client feel comfortable seeing it as an add-on to the original reason that they came to you – which was for a home loan. It took me quite a bit of time to get my model right to the point where I now convert 80% or 90% of my home loan clients to take out risk insurance and rollover their super.

How do you convert home loan customers into insurance customers?

Most people don't have a lot of disposable income leftover once they budget for their mortgage instalments. So I got involved in understanding the power of superannuation, and how the client can have their instalments put inside their super. And that eases the cash flow, and that's the key.

How do you manage the compliance burden?

The secret is support, it's that simple. Just as a mortgage broker will have a loan processor to assist them, I have a financial planning processor. I also engage a paraplanner. They have the skills and expertise to be able to analyse superannuation statements and prepare a complicated document called a statement of advice, which enables me to come back into the process and focus on selling it. I have two loan processing staff and I have a financial planning processor – and the paraplanner that I engage one day a week.

Average settlement figures

Mortgages:
\$40m pa

Insurance (life, TPD, income protection & critical illness):
\$110m pa

Asset finance:
\$6-8m pa