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# AustralianBroker

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# COVER STORY

## PFS FINANCIAL SERVICES

**Daniel O'Brien**, owner of this year's AMA Brokerage of the Year, on what it took to make his one-broker band the industry's best

**WHEN DANIEL O'BRIEN** traded in his former career as a bank manager with Commonwealth Bank to become a start-up mortgage broker in Sydney's West, he saw it as a chance to do more of what he loved, with a lot less of the "BS".

Tired of internal bank politics and attracted to a better potential income and a passive income stream, O'Brien says he was also drawn to the broking industry's core promise: to put square pegs into square holes, rather than round ones.

"I liked the concept of sitting down with a customer and not minding where they go for a loan. I liked the idea of matching their wants and needs with the best options, rather than just selling a particular bank's product," he says.



It's a calling that has served him well since 2004. Starting out in a 2-metre by 3-metre bedroom near Penrith all by himself, he has grown the business steadily and is now in a position to maintain five staff and a quality office space in Bella Vista.

Named AMA Young Gun of the Year in 2006, O'Brien was also able to rise quickly to become Broker of the Year in 2008, and at the 2016 AMAs held on 21 October, he took home the award he didn't expect to win: the coveted Brokerage of the Year award.

"It feels like we've come full circle to win such a big one. When I was interviewed afterwards, I don't think I gave much to write about. I was babbling like an idiot."

Success hasn't always been easy. O'Brien's growth strategy basically came down to doing two jobs instead of one, rather than scaling up by hiring new staff.

"I guess in that growth phase where you are potentially understaffed I went a different way to most, in that I didn't get extra people in to get to a new level. I would work my butt off for a period of time then get that person in," he says.

He also differed in that he hired friends – like schoolmate Joshua Ransom in 2006 as operations manager – and clients, like Megan Byrne, who says it was O'Brien's service while getting her own mortgage that helped convince her to join.

"Knowing somebody more intimately, you have a better idea if they will work out within the business or not. You have a higher strike rate," O'Brien says.

The strategy has resulted in a strong business. O'Brien, who is the only broker, has grown loan settlements consistently year-on-year, hitting 422 loans worth \$154.8m in FY2015/16, including a record \$17.08m month in June this year.

Customer service and word-of-mouth referrals are PFS Financial Services' recipe for success. O'Brien says that because he and his team are down to earth, customers are easily able to open up about their financial situation, goals and dreams.

"Joshua and I are simple guys from the Western Suburbs near Penrith, and the way we explain things to clients we think is basic and easy to understand," he says. "We make complicated things easy to understand and communicate well with people, and we do that with a sense of humour as well."

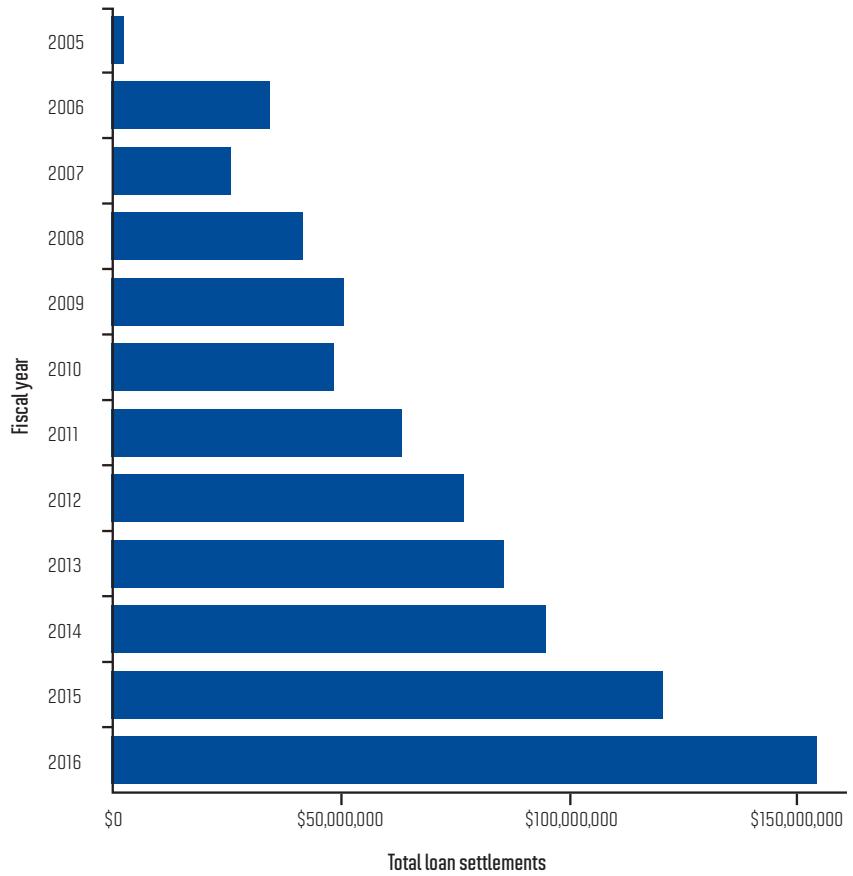
This is supported by back-office systems and processes that prioritise simplicity, and by a committed and friendly team, both of which result in high productivity.

"I don't think we do amazingly well; we just do the simple things well. We tell the truth, work hard, keep clients well informed, and we have built our office around systems and processes so anybody can pick up a file and see what's been done, what needs to be done next, and when it needs to happen. We duplicate that over and over again to create reliable service and just communicate well."

O'Brien is content with the single broker model. He says he would find it hard to justify the time and effort required to recruit, train up and manage new brokers who are likely to move

## PFS FINANCIAL SERVICES: A DECADE OF GROWTH

PFS Financial Services has grown year-on-year since its launch, through word-of-mouth referrals. In the 2015/16 financial year, O'Brien wrote 422 loans worth \$154.8m, which included three all-time record months.



Source: PFS

**"We are simple guys from the Western Suburbs near Penrith, and the way we explain things to clients we think is basic and easy to understand"**

Daniel O'Brien, PFS Financial Services

on once self-sufficient, while having to share commission.

"I think we'll probably cap out at six staff, with maybe one extra admin person at some point. I don't want to go to the level of having a dozen people," he says.

If anything, O'Brien says, his future might involve a move into full-time property development. "I'm quite active with developing property now, and at some point I could see myself exiting the broking industry to move

full-time into property development. But at the moment I'm still enjoying what I do," he says.

That's because – for now – O'Brien and his team have more to achieve. "I'm quite competitive, and I've been lucky enough that every year I've done better than the last," he says. "I do enjoy writing big numbers, and I see no reason why we won't keep growing every year, because with each year that passes there are more clients, and that means more opportunity for word-of-mouth business." **AB**

# COVER STORY

DANIEL O'BRIEN ON...

## Marketing



"I don't do any marketing or use social media; it's all word of mouth, and with existing clients, out of sight is out of mind. If you are not keeping in contact via newsletters and sharing things personally relevant to them in the marketplace, they will forget about you and next time they might use somebody else."

## Customer service

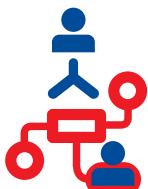


"For us, even if there's no news, we let clients know, because if the client knows you are doing something and you haven't forgotten about them, it builds trust, and it will save time overall. If they are calling you, they are not 100% confident in you, but a quick 20-second call can show we are professionals and on top of it."



## Productivity

"I do a high number of loans, and part of that is having very good processes and systems and staff to deal with that volume. But I also make use of dead time. If I'm sitting in a car driving somewhere, I'm making calls constantly to clients; if I have time to kill I'll do something instead of just listening to music."



## Management

"With the right simple systems and processes everyone knows what is required and there is less management time required. I don't care how my team does it, as long as they do it. There are certain boxes that need to be ticked, like compliance for example, but I don't need to spend time watching over their shoulders."



## Personal character

"Some of the worst human characteristics are some of the best characteristics a broker can have. For example, as a broker, being impatient and anal are strong traits to have when you are dealing with banks that are taking forever to do things, but it's not a great personal trait. Just ask the ex-wife."

## THE CUSTOMER AND THE TEAM

PFS Financial Services operations manager Joshua Ransom and operations and client liaison officer Megan Byrne know that for them, the customer comes first.

Operationally, that means keeping things very simple, Ransom says. "We don't try and get fancy with our software or our processes. We have a basic checklist which we've kept virtually the same for the last 10 years."

This commitment to keeping it simple, as well as a strong customer focus and the ability to work well in a tight-knit team, is what Ransom thinks sets PFS apart.

"You can have a lot of business coming in,

but if you can't manage and control it and process it efficiently, that's not any good," Ransom says. "On the other hand, if you've got a high staff turnover that's no good either. Just like a football team or sports team that's stuck together over a couple of seasons, we know each other's thinking to a certain degree and we all click really well together."

Byrne says constant follow-ups and efforts to stay in contact with clients – such as touching base after six months, or letting all relevant clients know when there are any loan changes – leaves clients impressed and appreciative of the service.

That requires a good team, she says. "I think it's the team we have. Obviously, there's Daniel, but the rest of the staff do get along well, and we know when to work and we know when it's time to have a bit of fun. We work very hard, but we have a lot of fun as well, and a lot of laughter makes for a happy office."

Ransom says success is proven by referrals. "A huge percentage of our work comes from word of mouth and repeat customers, and our customers regularly refer friends and family to us. The fact that our referrals just keep growing every year really speaks to the strength of our customer service," he says.