

WHY YOU NEED A BUSINESS PLAN



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WHY YOU NEED A BUSINESS PLAN



INTRODUCTION

A business plan outlines your company's goals, strategies and financial projections, and lays out a path towards future success.

Regardless of whether you're a major established mortgage brokerage or a recent start-up, a business plan can have countless benefits for your firm, including:

- **Providing a roadmap for your day-to-day operations**
- **Clarifying your objectives and vision, so you have a clearer sense of purpose and direction**
- **Helping you assess the feasibility of a plan**
- **Outlining your target audience, so you can tailor your sales and marketing strategies accordingly**
- **Identifying your main competitors and laying out what you can do to get ahead of them**
- **Making financial projections for the future**
- **Helping you identify risks and manage them appropriately**
- **Ensuring all team members understand and have bought into your business's objectives**

- **Laying out the metrics you'll use to measure progress against your key performance indicators**
- **Helping you attract potential investors and secure financing**

Of course, the level of sophistication and detail in your business plan will depend on the size of your mortgage brokerage and your specific goals.

But for large, small and medium-sized companies, this essential document will give you a structured framework to present your concept, ambitions and organisational structure.

In this guide, we'll explore in detail issues including:

- Different types of business plan
- How to keep your plan on track
- What a mortgage broker business plan should contain

We'll also point you towards other useful blogs, guides and podcasts across Accord's Growth Series, so you can consider further context, insights and advice.

We hope you find the guide helpful!



WHY YOU NEED A BUSINESS PLAN



CHAPTER 1: TYPES OF BUSINESS PLAN

There is no one-size-fits-all model of a business plan.

Every single business plan will have a slightly different purpose and audience, so it needs to be written and structured accordingly.

The most likely types of business plan you'll be drawing up are the following:



Start-up business plan

If you're setting up a new business, you'll create a start-up business plan to outline key pieces of information that will affect its operation.

This will include:

- **Your business concept**
- **Your target audience**
- **What the wider marketplace looks like**
- **Your unique selling points and value proposition**
- **Financial forecasts, including your anticipated expenses, funding requirements and revenue streams**

Your start-up business plan will ultimately act as a roadmap for the owner of a new business, and help support their efforts to attract funding from lenders and potential stakeholders.

This crucial document will also ensure business owners have their strategic priorities clearly laid out, so they can build their venture on a solid foundation and know where they want to go.



WHY YOU NEED A BUSINESS PLAN



CHAPTER 1: TYPES OF BUSINESS PLAN CONTINUED

Strategic business plan

If you're an established business, you need a roadmap for your future growth and development. A strategic plan will serve this function, outlining your long-term objectives and the tactics you will deploy to achieve these goals.

It will include a comprehensive analysis of the wider mortgage market, identify your competitors and your key strategic objectives for the months or years ahead. The business plan will also detail how you intend to fund these objectives and what resources are required to deliver on them.

In addition, it will identify risks and challenges your business may be facing, and set out what plans you have in place to mitigate them.

A strategic business plan will be crucial in guiding your day-to-day decisions, and also making sure you're able to adapt when circumstances demand it.



Succession or exit plan

Your business will be built on firmer foundations if you have a plan in place for when you move on.

If you or other key personnel want to retire or pursue new opportunities elsewhere, a business can be seriously disrupted. So it's well worth devising a plan to ensure a smooth transition and ensure there's a steady pipeline of potential future leaders within your business.

Succession and exit plans can help to make a business more attractive to prospective buyers and investors if you're thinking of selling up. If you're running a family business, it can help prevent unnecessary conflict.

Read more:

[Why it's important to review your business continuity plan](#)

Financial business plan

This type of business plan takes a deep dive into the financial health of your business, including:

- **Balance sheets**
- **Income statements**
- **Detailed financial projections**
- **Ongoing funding needs**
- **How you plan to generate revenue**
- **Current and projected profitability**



WHY YOU NEED A BUSINESS PLAN



CHAPTER 1: TYPES OF BUSINESS PLAN CONTINUED

A financial business plan can help you demonstrate the financial viability of your organisation, which can be essential if you're planning to sell up or seeking external funding.

At the same time, it enables you to keep a close eye on your business's financial performance, so you're in a strong position to make the right calls on resource allocation, and adapt in the event of a shock to the market.



One-page business plan

A one-page business plan is a more digestible summary of your overall strategy, with key pieces of information condensed into one easy-to-read document.

Of course, it cannot go into the same level of detail as a comprehensive plan, but it can still outline key information such as your:

- **Goals and strategy**
- **Target market**
- **Unique selling points**
- **Revenue model**

Ultimately, it should effectively communicate the core elements of your business and act as a springboard for a more detailed discussion if and when this is required.



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CHAPTER 2: HOW TO KEEP YOUR PLAN ON TRACK

Set clear goals and milestones

You can only tell if you're doing well or doing badly if you have a specific target in mind and a way to scientifically measure success or failure.

For example, your goal may be to increase revenue, but that alone isn't very tangible and substantial. How much do you want to increase revenue by? What date do you want to achieve this target by? How can you see if you're on course to achieve this target early on?

If you set clear goals and metrics, you'll be able to measure your progress, change your strategy where necessary, mark successes and milestones, and say definitively when the time comes, if you've accomplished what you set out to achieve.

All this can help keep you and your team focused on the path to success, and foster a sense of accomplishment as you continue working towards your goals.

Review your progress regularly

Monitoring your progress is vitally important, as you need to know if you're on track and whether or not you need to change your approach.

Of course, mortgage brokers will face countless time pressures every single day, and might have many valid reasons why they can't review their progress against their business plan.

With that in mind, it's worth setting designated review periods throughout the calendar year, so you know in advance when this needs to happen and you can manage your workload accordingly.

You could even set aside a brief time for reflection - 20 minutes or so - each week, where you can pause, take stock and think about what's happened in the last seven days. Are there any trends or patterns emerging that might impact on your business, or situations arising that you need to consider or plan for? By taking the time to think this way regularly, you'll find carrying out the larger diarised reviews much easier.

You could also make use of automated digital tools to gather management information and publish reports at the click of a button, so you can spend the bulk of your time focusing on your main priorities, such as servicing your clients.

Read more:

[The Complete Tech Checklist for Brokers](#)

Identify and address challenges

Many factors can force you to alter your approach, from evolving client tastes and preferences, to regulatory updates and changing economic circumstances.

It's therefore vital that you try to anticipate potential challenges to your business and devise plans so you're in a strong position to overcome them if and when they arise.



WHY YOU NEED A BUSINESS PLAN



CHAPTER 2: HOW TO KEEP YOUR PLAN ON TRACK CONTINUED

Remember, your business plan shouldn't be set in stone, so it's important to be flexible and adaptable if circumstances demand it, without losing sight of your overarching goals.

Communicate with your team

Your business plan can't simply be filed away and forgotten after it's been written. It's really important that every single person in your team understands the goals and objectives for your business, and the role that they have to play in achieving them.

To help make this happen, you should actively keep your team informed about your progress, whether any adjustments to the plan need to be made and why these are happening.

At the same time, encourage an open culture where everyone feels valued and able to share their ideas and collaborate. This should strengthen your team and make individuals feel they have more of a stake in the success of your business.

Read more:

[How to build the company culture you want](#)

Mark successes and achievements

There's nothing like achieving tangible success to boost a team's morale, so if you reach any milestones in your progress towards a certain goal, let people know, celebrate the accomplishment and thank everyone for their contribution.

This highlights why it's so important to have clear metrics to measure your progress over time. Not only can you see how well you're doing, you can use this data to give your team an added push and extra motivation to succeed.





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CHAPTER 2: HOW TO KEEP YOUR PLAN ON TRACK CONTINUED

Respond to changes in the mortgage market

The mortgage market is shifting and evolving all the time, so you need to be agile and able to respond to any changes.

You can do this by making sure you're up to date on regulatory issues and wider market trends, so you know if you need to adjust your strategy.

Again, this can be a time-consuming task, so it's well worth blocking out time in your diary so you can factor it into your wider workload and commitments.

Being able to respond swiftly to shifts in the marketplace can help you both overcome challenges and take advantage of emerging opportunities. This can be vitally important as you look to secure a competitive advantage over rival brokers.

Read more:

[Growth Series Live On-Demand: How the Economy Affects the Mortgage Market](#)

Find out more:

[Podcast #83 Preparing For Consumer Duty](#)

Garner feedback from your peers

Getting a fresh pair of eyes to review your business process can make a huge difference.

You might be so close to it that you simply can't see the big picture, such as areas where you can innovate or seize opportunities that may exist.

So tap into your professional network, from mentors and industry experts to friends in the mortgage industry, and invite a trusted peer or two to cast an objective eye over your plan.

There's a good chance they might spot something you've missed and be able to make valuable suggestions.

Read more: [How to build relationships as a broker](#)





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CHAPTER 3: WHAT SHOULD A MORTGAGE BROKER BUSINESS PLAN COVER?

What your business plan looks like will depend on countless factors, such as the size of your business, how many people you employ and the scale of your growth ambitions.

However, a typical business plan for a mortgage broker may contain:

Executive summary - An overview of what your business plan contains and what you want to achieve

Business description - A detailed description of your mortgage brokerage, the services you provide, where you're based and what your target audience looks like

Market analysis - A more in-depth insight into your target audience, wider market trends, your direct competitors and the opportunities currently on offer to your business

Sales and marketing strategies - How you plan to attract clients, drive referrals, increase the number of leads and the strategies you'll use to contact and seek to retain existing customers

Financial projections - Forecasts of your projected expenses, revenue and profits

Competitive advantage - Unique selling points that distinguish your business from other mortgage brokers

Operational plan - Details of your day-to-day operations, such as the number of staff you need and your IT and technology infrastructure requirements

Compliance - Measures you're taking to ensure you adhere to rules and regulations governing the mortgage industry

Risk analysis - What challenges may affect your business, such as rising interest rates and regulatory changes, and how you intend to manage these difficulties. This can also cover business continuity issues, such as how you plan to cope with key personnel leaving

Management and workforce plan - An overview of the key members of your management team and their experience. This can summarise how many employees you have and need, their roles, responsibilities and details of training schemes that are needed to ensure you have a skilled workforce

It's important to remember though that the complexity and sophistication of your business plan depends on the size of your brokerage, so don't go overboard if you don't really need to.

For instance, if you're a one-man band, it stands to reason that your business plan doesn't need as much detail as one for a company with 20 or 100 employees.



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CHAPTER 3: WHAT SHOULD A MORTGAGE BROKER BUSINESS PLAN COVER? CONTINUED

Similarly, your business plan should reflect what you intend to use it for and who is going to read it.

Is it to create an effective strategy for growth?

Is it to help attract investors and lenders?

Will it be read by internal stakeholders or third parties?

Answering these questions will fundamentally affect how it's written and how much focus is placed on certain areas.

A final point to stress, as you write and review your business plan, is to back up any points you make with factual evidence, data and research.

This can significantly enhance your credibility as you present your business plan and assist you if you're asked to speak in further detail about certain elements of the document.

Read more:

[Get your business future ready](#)





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CHAPTER 4: WHAT SHOULD A BUSINESS PLAN FOR A SMALLER BROKERAGE CONTAIN?

A business plan for a smaller brokerage will be relatively basic in comparison to a document for a larger business. Ideally, it should contain:

Business summary - A brief overview of your business, its profitability and what you want to achieve

Your target audience - A description of your ideal customer, who they are and why they should choose your business

Products and services - An overview of the services you provide

Competitor analysis - Other mortgage brokers will provide a broadly similar service, so it's important to identify existing competitors, and outline what makes you different. For example, do you have specialist expertise in a particular area? Is your pricing structure better value than rival brokers in your area?

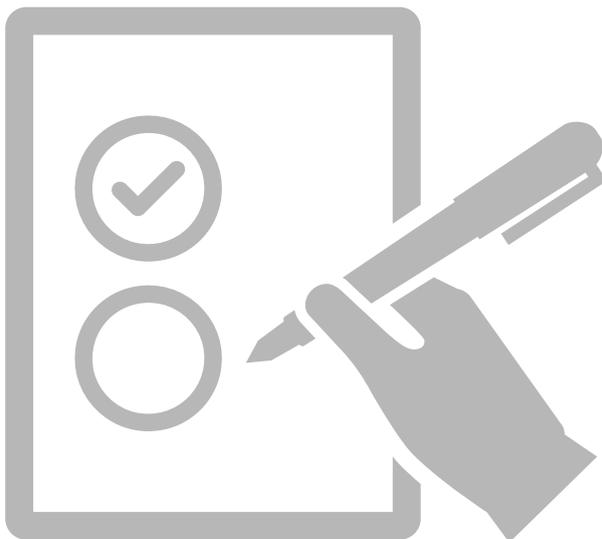
Marketing strategy - How you intend to promote your brand, and attract and retain clients

Measures of success - The metrics you will use to track your progress towards specific goals. For instance, if you want to handle more remortgages; set a specific number you want to reach and the date you want to hit this milestone by

Finances - An overview of your current and potential sources of future income

Read more:

[Future proofing your business in the digital age](#)





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CHAPTER 5: BUSINESS PLAN TEMPLATE

We've created the following templates on the next couple of pages for larger and smaller businesses to help you get started on creating a business plan for your brokerage.

Feel free to use and edit these to suit your needs.

Read more:

[A guide to building business resilience](#)



MORTGAGE BROKER BUSINESS PLAN

EXECUTIVE SUMMARY

BUSINESS DESCRIPTION

MARKET ANALYSIS

SALES AND MARKETING STRATEGIES

FINANCIAL PROJECTIONS

COMPETITIVE ADVANTAGE

OPERATIONAL PLAN

COMPLIANCE

RISK ANALYSIS

MANAGEMENT AND WORKFORCE PLAN

SMALL BROKER BUSINESS PLAN

BUSINESS SUMMARY

YOUR TARGET AUDIENCE

PRODUCTS AND SERVICES

COMPETITOR ANALYSIS

MARKETING STRATEGY

MEASURES OF SUCCESS

FINANCES



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CONCLUSION

A business plan isn't something that's just nice to have. It's an essential tool that can have a big influence on the success of your business and its future direction of travel.

You can set out your vision in a tangible form, devise a strategy to make it a reality, and lay out the finer details that underpin the bigger picture.

But remember that this should be a live, dynamic document - one that's regularly reviewed and that can be changed as and when circumstances demand.

When it comes to putting a business plan together, flexibility is most definitely a key strength.

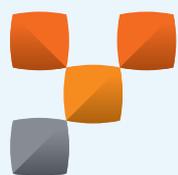
Read more:

[The broker's guide to all things marketing](#)

Read more:

[Sense check your business to drive success](#)





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