



## **Focus and Energy ©®**

*“Either you know what you need to do or you are wasting resources”*

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The reality is that many organizations have elongated job descriptions that go into great detail as to what is needed from a particular position. The reality is that life as with many things that surround it are just not that complicated. Take for example and many of you may feel I am simplifying things here. But take the Mortgage / Real Estate meltdown of 2008. Did you really feel it was that complicated? Two (2) year rates were 200 basis point higher in 2006-7 and person income had not grown, in fact rather it had shrunk and 1% of the consumer index that was fueling our economy was based upon refinancing an asset that was based on factors negative to this use of funds. Add to that unemployment had grown and you had a clear recipe for disaster. It is that simple yet we allowed the banks and the government to explain away all their bad decisions as being over our head. Not.

You job, your company's future depends, especially in this marketplace, on you actually knowing what is **“your”** job and executing on that platform such that it positively affects the revenue and good fortunes of the company or self employ you serve. The reality is we accept this when we hear it from a football genius the likes of Bill Belichick Head football coach of the New England Patriots when he in on the sideline sounding the same refrain of **“Just Do Your Job”**. It makes sense if everyone just does their job, then we as a team will have backed each other up and will execute the vision and planning of management. Agree, disagree but you cannot argue with his success.

Let's translate that into today's business environment. I will hearken back to a time when running a large mortgage bank we had a very focused environment. We targeted the credit grade, loan to value grade and over collateralization of the interest rate to choose who our optimum client was. In our case a client who may have had credit problems but was not over the edge. B+ credit, Average LTV 73% and Interest Rate Yield of 11.2%. That person had the lowest default and the most likely opportunity to use the loan to right a wronged financial ship. So know your customer.

To our employees who covered Sales, Underwriting and Secondary Markets where we would sell our collateral to the highest bidder this meant knowing what their job was. By example we had a College where by we invited our sales personnel and other who interfaced with them and would have a lengthy weekend of training. But the simple fact that dictated how we saw their job was the words we had at the front of the room.

***“Either you are working on originating a loan or closing a loan. If not, stop what you are doing, because you don’t work here.”***

That simple really because that’s where they made their money and why we employed them, not all the nonsense that had little to with the simple refrain above. Put their energy to work with a proper directive.

When trying to get these same tremendous high performing personalities who are in it to win it focus even more we initiated another simple platform. I bought a number of 30 second hour glasses with our company’s unofficial motto ***“Fund or die”*** on it. Our purpose was to simplify the process of knowing what you do. It demanded that if in 30 seconds you could not elaborate on why a particular loan file should fund, how can you expect the underwriter to see it your way when they underwrite the loan application. 30 seconds is a long time and again loans fund for specific reasons such that if the necessary elements are not in place you are originating business that will not fund. Or you are effectively planning to fail. Put their focus in a proper manner and you will have people accomplishing what you wanted to hire them for.

We actually rewarded not the just the highest volume producers but also those who had the highest funding to application ratios. Product knowledge, salesmanship and work ethic were the mainstays of our operation. The result is that we originated good loans, did it with fewer personnel and were able to sell into the secondary markets at viable prices. Also everyone was happy because they knew what their job really was.

My challenge is to help make companies, organizations or the great masses of self employed to see that the way to their success lays in understanding what is their job and realizing it is not a 3 paragraph description but rather the elements that drive it success. Good fortune to you all the path lay in simplicity.