

# Business coach

Each month *Mortgage Business* gives insight into your pressing business issues. This month Dr Greg Chapman offer brokers insight on managing cash flow and capitalising on customer feedback

**Q: I've never really worried about cash flow but am becoming more concerned given the current market. How should I approach my cash flow management?**

**Jessica A**  
New South Wales

**MANAGING** your cash flow needs to be broken down into its component parts.

Your top line is driven by your sales and marketing system. For example, do you have a system to generate enquiries and manage them through your sales pipeline until you make your sale?

The middle line is your gross profit. This is driven by the margins for each of your products. Do you understand where the profit is coming from and whether you have hidden cross subsidies that cannibalise your profits?

The bottom line is driven by your overheads. You need to consider each of your costs to see that they are delivering value without falling into the trap of cutting them so far that it impacts the quality of your service.

Timing is a big issue for mortgage brokers

with the delay between closing the sale and receipt of payments, particularly if you don't have a steady stream of sales. Overdrafts are one answer, but only use them to even out the cash flow troughs – not fund the business.

Cash flow management is always an issue in business irrespective of size – cash is king. By understanding the components of your profit and loss statement and having strategies to manage and review it regularly, you will be in control of the business rather than it being in control of you.

**Q: What is the most effective way of gauging customer satisfaction and how should you react to feedback once received?**

**Christine S**  
Western Australia

**THE** best way to gauge client satisfaction is to directly ask customers what they thought of your service – whether you closed the sale or not. Send out a survey form with some incentive

(not a bribe!) to complete it, such as a draw for a bottle of wine or some movie tickets.

We all like to be told we are great, and often find criticism hard to take. Criticism, as long as it is constructive, is the most valuable advice you will ever get on how to improve your business. Don't ignore it, or make excuses, although it is important not to over react to one-off criticism. You can't please everybody!

In the event you have seriously dropped the ball for a client, do what you can to make it right. If you are able to do this it is possible you can turn the client right around.

Remember, as for everything in business, you must have a system for managing feedback and for using it to improve your business. ■

Send your questions to  
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Dr Greg Chapman is a leading business advisor, marketing strategist and author of *The Five Pillars of Guaranteed Business Success*.  
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