

With Insights™, Gold Star Mortgage leaves nothing to chance

Profile

- Gold Star Mortgage Financial Group
- Ann Arbor, Michigan
- \$2.75B in closed loans (2020)
- Lending in 30 states

Challenge

Get fast access to accurate, timely industry data and peer group benchmarking for more informed business decisions.

Results

- Better, data-driven decisions
- Improved recruiting
- More effective product and pricing strategies
- Quick market analysis for business expansion
- A more accurate view of performance

The challenge

Gold Star Mortgage Financial Group didn't become a \$2.75B, 30-state lender by relying on "gut feel." Every business decision—from pricing and product to recruitment and expansion—is all based on hard data.

However, the bigger the company got and the faster the industry changed, that relevant, timely information became more difficult to find.

"The problem with a lot of the market data out there is that most is based on the previous year, so it's over 12 months behind," explained AJ Franchi, COO for Gold Star Mortgage Financial Group. "We tried using another market intelligence tool for a while, but you had to build your own visualizations, which was time consuming. We wanted the data and benchmarking, but didn't want to spend hours trying to get to it."

When Franchi was introduced to Insights™ from ICE Mortgage Technology™, he liked what he saw.

The solution

"Insights is easy to use and navigate—basically, just point and click," Franchi said. "It gives you good visibility into your own pipeline, then lets you overlay benchmarks as well. It's simple to use, even for people who aren't generally data people."

According to Franchi, one of Insights' big selling points is that the benchmarking data is based on other Encompass users—lenders that "look like Gold Star Mortgage" for apples-to-apples comparisons.

Since implementation, he's used the tool in a variety of different ways.

"One of the original reasons we implemented Insights was to check rates, which have been inconsistent this past year, and vary from market to market," he said. "Insights updates the rates based on applications, so the data is almost real time—which is key."

He also uses Insights to ensure that Gold Star Mortgage isn't being adversely selected in any of the markets it serves.

"Insights gives us a good view of what the standard business looks like in our markets, and how we compare," Franchi said. "For example, if I look across the credit verticals in Nevada, and see I'm underperforming in credit scores around 700, but overperforming in credit scores below 700, I can look for the cause. I may not be priced correctly, or it might be a coaching opportunity, because my staff is missing what the standard business should be in that market."

That analysis also helps Franchi develop Gold Star's expansion strategy.

"Before we enter a market, we can clearly understand what products and rates we need to compete—and better determine if it makes good business sense to be in that market at all," Franchi says. "It's one thing if you're in one market or state. But, if you're going to start expanding outside of your geographic footprint, you really need a tool like this."

“The real value of Insights is how quickly it can help you make good business decisions.”

AJ. Franchi
COO
Gold Star Mortgage Financial Group

Just as importantly, getting all of these analytics isn't complicated.

“Insights eliminates the need for me to manage my data outside of Encompass, and does a lot of the data normalization that you would have to do if you were trying to benchmark yourself, which is a heavy lift,” Franchi said. “You don't have to build your report. You log in and the report is there to drill into.”

The results

In less than a year, using Insights has already made a positive impact on Gold Star Mortgage's success.

Faster, data-driven decisions

“The real value of Insights is how quickly it can help you make good business decisions without having to filter through and analyze all the data yourself,” Franchi said. “You only have so much time in the day, so there's a time value on that. And the wrong decisions will cost you, whether it involves a rate, a market expansion or the wrong hire.”

With Insights, every decision is based on numbers and facts.

Improved recruiting

When entering a new market, Insights not only helps Franchi understand what products and rates Gold Star has to offer to be competitive, but also enables him to better vet the prospective sales team there.

“I can't tell you how many times I've had someone come in and tell me 'I can sell 500 basis points, no problem.' Then, I look at the data and know they're going to be way out of what's needed in that market to be competitive,” Franchi said.

A more accurate view of performance

According to Franchi, the only way to get an accurate view of how your business is performing is to benchmark against like companies in your specific market.

“Just looking at your own volumes isn't an accurate measure of success. For example, if 50 percent of your business was refinance, when you're normally a purchase lender, it might look good on paper. But, if your purchase loans were flat and your peers had a 12 percent increase, the year was actually a failure, because you were so distracted with refis that you lost a year of growth,” Franchi explained. “Insights gives you a true assessment of how you performed. The numbers don't lie.”