Succession Planning Cheat Sheet for Mortgage Brokers

A 5-Year Roadmap to a Sale-Ready, Transferable Brokerage

TrailBlazer Finance

Intro

Dear reader,

This eBook provides you 5-year roadmap to a sale-ready exit, with practical steps, checklists and key metrics to plan a clean, profitable handover, whether you are 2 or 5 years out.

Inside, you will not find theory or generic business advice.

You will find:

- A clear way to define what you are actually selling – a job, a trail book, a brokerage or a true "enterprise".
- A simple 2–5 year timeline that shows what to focus on at each stage, from first valuation to final handover.
- Concrete steps to reduce owner-dependence, strengthen your team and systemise your processes so the business can run without you.
- The key numbers buyers care about (run-off, clawbacks, arrears, loan age, growth) and how to use them to tell a compelling story – not just present a spreadsheet.
- Checklists you can literally tick off as you go, covering everything from data clean-up and client retention to preparing your information pack and choosing the right sale structure.

By the time you have worked through this cheat sheet, you will walk away with:

- Clarity on your ideal exit path (trail-only, full brokerage sale or staged exit).
- A realistic view of your current strengths and gaps – in systems, people, data and profit.
- A practical action plan you can start on this quarter to lift value and reduce risk in the eyes of a buyer.
- A better understanding of how tools like valuations, funding against trail and acquisition strategies can support your succession plan.

Most importantly, you will not just know that you should be planning for your succession – you have a step by step guide describing what to do next to turn your trail book and brokerage into the kind of asset buyers compete for, on your terms and your timeline.

Contents

1. Why Succession Planning Matters

Sooner than you think

Most brokers spend years building something valuable: a loyal client base, a solid trail book, referrer relationships and a reputation as "the broker" in their community. But when it is time to step back, many discover that buyers are only prepared to pay a simple multiple of trail, not pay for the whole business, the seller believes they justly deserve to sell.

At the same time, the market for quality trail books and sale-ready brokerages has been heating up:

- Multiples for strong books have been rising as buyer demand outpaces supply.
- More brokers are looking to acquire books and practices as a growth strategy, creating competitive bidding for the right assets.

The brokers who achieve the strongest outcomes are the ones who:

- Start planning 2–5 years before they need to sell.
- Build a business that runs on systems, people and data – not just the sweet of the principal.
- Know their numbers and can prove the quality of their income stream.
- Are clear about what they are selling and why.
- This cheat sheet is designed to help you do exactly that.

Step One:
Get clear on what you are actually selling

Before you can plan an exit, you need to define what is on offer.

Most brokers are effectively selling one of four things

A Job
- You are the business.
- If you step out, revenue stops.
- Value is usually limited and tied to the buyer taking over your personal production.

A trail book only
- A portfolio of recurring commissions.
- No staff, systems and or brand value.
- Appeal is mostly to buyers looking for cash flow, not a full practice.

A brokerage
- Some brand strength, staff and systems.
- Still heavily dependent on the owner's relationships and loan writing.

An enterprise
- A scalable business with team, premises, brand systems, lead sources and client service that operates independently of the founder.
- Able to continue growing under new ownership.

The closer you move toward "enterprise", the higher the sale price multiple above a simple multiple of trail.

Quick self-check

Tick what feels true today:

- ☐ Clients ask for you by name, not the brand.
- ☐ You personally write most new volume.
- ☐ Processes live in your head or in your PA's inbox.
- ☐ You would feel nervous taking a months entirely off.

If you ticked most of these, your current "sale" is probably closer to a job or trail book sale than a brokerage or enterprise sale. That is fine – the whole point of this cheat sheet is to help you move up the value curve.

Step Two:
Map Your 5-year Exit Timeline

A strong exit is a project, not an event. In TrailBlazer's work with brokers, the most successful exits follow a simple timeline

2–5 years out: Set your direction

- Decide what you want to sell (trail book, brokerage, enterprise, staged exit).
- Clarify when you would ideally like to exit.
- Get a baseline valuation of your trail book and/or business so you can see your starting point.
- Identify gaps in:
  - Systems and documentation
  - Staffing and succession
  - Data quality and reporting
  - Profitability and cash flow

Action: Run your numbers through TrailBlazer's Trail Book Valuation Calculator to get a quick sense of today's value and value levers.

12–24 months out: Clean and strengthen

- Tighten your client retention program (annual reviews, trigger-based check-ins).
- Clean your CRM and data – duplicates, missing fields, outdated contact details.
- Lock in key team members and referrers with appropriate agreements.
- Resolve any large ATO, compliance or quality issues that could spook buyers. (TrailBlazer Finance)

6–12 months out: Prepare to go to market

- Decide on sale structure:
- Asset vs share sale.
- Trail-only vs full brokerage.
- One-off vs staged exit. (TrailBlazer Finance)
- Build a simple information pack that tells your story clearly.
- Assemble a basic data pack: financials, trail statements, key metrics, contracts, policies.
- Line up advisors: legal, tax, mergers and acquisitions, and potentially funding for buyers. (TrailBlazer Finance)

Step Three:
Build a Business That Can Run Without You

Buyers pay more for low-risk, predictable income. The number one risk in most brokerages? Owner dependence.

High-value practices deliberately make the principal strategically replaceable: (TrailBlazer Finance)

Shift your role

Over the next few years, aim to move from "chief loan writer" to:

- Setting strategy and growth priorities.
- Building and maintaining key referral and aggregator relationships.
- Hiring, developing and retaining good people.
- Overseeing financial performance and risk.

Strengthen your team structure

Even a small team can de-risk the business if roles are clear:

- Lead broker(s): primary client-facing loan writers.
- Client service / post-settlement: reviews, repricing, retention.
- Admin / loan processing: file preparation, documentation, policy checks.

If you are a micro-business, you can still show buyers that it is not all in your head by:

- Outsourcing parts of the process to reliable partners (e.g. experienced loan processors).
- Documenting everything clearly so a buyer can slot someone into that role.

Step Four:
Systemise for a Smooth Handover

From a buyer's perspective, messy systems equal risk. Clean systems equal confidence – and confidence translates into higher prices and better terms.

Core systems to get right

- Documented processes – for lead intake, fact find, servicing, credit policy escalation, settlement, and post-settlement care.
- Standardised file notes & templates – so complex scenarios are handled consistently.
- CRM fully used – not just a contact list, but a living record of client interactions, loan terms, repricing dates, and review triggers.

Handover lens

Ask yourself, if I stepped back tomorrow and handed this to a competent broker, could they: Understand how we operate within a week? See how to manage and communicate with every client? Clearly identify upcoming risk (run-off, refixes, rate expiry, arrears)?

If the answer is "not yet", your systems project has a very direct pay-off: it makes a buyer more willing to stretch on price because they are not buying chaos.

Step Five:
Know Your Numbers

(and use them to tell a story)

Every serious buyer will ask for your numbers. The most prepared brokers know key metrics intimately.

Key metrics to track and improve

At a minimum, you should be able to qantify:

- *Run-off rate*
- *Clawback rate*
- *Arrears rate*
- *Average age of loans*
- *Average loan size (existing and new)*
- *Net growth (new settlements minus run-off*

These metrics:

- *Show the true health of your book (not just its size).*
- *Help you identify strengths (e.g. high average loan size, or low arrears) to highlight in price.*
- *Expose weaknesses (e.g. high run-off) that you can address in advance.*

"Story, not just stats"

Use your data to explain:

- *How you generate new business (lead sources and conversion). (TrailBlazer Finance)*
- *How you retain clients and manage repricing.*
- *How you manage credit quality and arrears.*

This turns raw numbers into a compelling, defendable narrative that makes buyers more comfortable paying a premium.

Step Six:
Protect and Grow the Value of Your Trail Book

Run-off, clawbacks and arrears quietly chip away at the value of a trail book. Buyers scrutinise these metrics closely

Build a simple retention program

- *Regular reviews – annual or event-based (fixed-rate expiry, anniversary, life events).*
- *Structured communication rhythm – newsletters, rate alerts, helpful content.*
- *Dedicated client service – even a part-time resource can significantly improve retention.*

Strengthen client relationships

- *Capture and use client preferences in your CRM.*
- *Collect online reviews and testimonials to demonstrate loyalty.*
- *Offer a clear handover plan for clients as part of your sale narrative (for example, you stay involved on a consulting basis for 6–12 months).*

A book with active retention and strong client loyalty looks and feels more like an annuity stream, not a melting ice block.

Step Seven:
Make Your Lead Sources Transferable

A common buyer fear is: "When the founder goes, will the phone stop ringing?"

Key metrics to track and improve

To counter that, you want lead generation that is:

- ***Documented** – you have written referral agreements that are capable of being assigned.*
- ***Diversified** – not just one referrer or one marketing channel.*
- ***Brand-led** – clients come to the business, not just the principal.*

Practical moves

- *Put basic **written agreements** in place with key referrers.*
- *Systemise your **marketing rhythm**:*
  - *Monthly or quarterly email updates.*
  - *A simple social media plan.*
  - *Occasional client or referrer events.*
- *Clarify your **positioning** (e.g. "self-employed experts", "investor specialists", "medico lending" etc).*

When buyers see that new enquiries are driven by structured activity, not just your personal relationships, they are buying future growth, not just past performance.

Step Eight:
Decide What You Will Put on the Market

There is no single "right" exit; there is only the exit that best aligns with your goals, finances and appetite for ongoing involvement.

Common options

1- Sell your trail book only

- *You step away from day-to-day broking to your existing clients.*
- *Clean way to release capital.*
- *Works well if you are ready to take a long break.*
- *Depends on the agreed non-compete and non-solicitation provisions agreed*

2- Sell the entire brokerage

- *Includes staff, brand, systems and trail.*
- *Higher potential value, especially if you have built an enterprise-style practice.*
- *Requires more planning and a more structured handover.*

3- Stage your exit

- *Sell part of your trail now, or bring in a partner and sell down over time.*
- *Stay on as a part shareholder, consultant or mentor to support transition.*
- *Can smooth your income and reduce risk for both sides.*

Matching the right structure to your goals is as important as the multiple you achieve.

Step Nine:
If You Are a Buyer as Well as a Seller

Many brokers planning an exit also want to grow by acquisition in the meantime.

Buying the right trail book or brokerage can:

- *Boost your scale and earnings prior to sale.*
- *Improve your metrics (for example, if the acquired book has strong tenure and low arrears).*
- *Make your own business more attractive when you exit.*

TrailBlazer's "Acquisition Ready" e-book outlines the key foundations for a successful acquisition, including:

- *Understanding exactly what you are buying and what it is worth.*
- *Getting legally and financially prepared.*
- *Managing risk and planning integration.*

"Thinking about buying as well as selling? Download 'Acquisition Ready: The 10 Things Professionals Must Cover for a Successful Acquisition' for a deeper dive."

Your One-Page Succession Planning Cheat Sheet

Use this as the "tear-out" or final page summary.

CLARIFY YOUR TARGET

- ☐ I know whether I am selling a job, a trail book, a brokerage or an enterprise.
- ☐ I have a rough target date or window for exit.
- ☐ I am clear on my personal goals (retire, consult, stay partially involved, legacy, etc.).

2–5 YEARS OUT

- ☐ I have had an initial valuation of my trail book / business.
- ☐ I can describe my current gaps in systems, people, data and profit.
- ☐ I have sketched out my preferred exit structure (trail-only vs full brokerage, one-off vs staged).

12–24 MONTHS OUT

- ☐ My CRM is clean and up to date.
- ☐ I have a structured client review and retention program.
- ☐ Key staff and referrers are documented and secured.
- ☐ Major compliance or tax issues are addressed or in a clear plan.

6–12 MONTHS OUT

- ☐ I have decided on the sale structure with advice from my accountant and lawyer or specialist corporate advisor.
- ☐ They have prepared an Information Memorandum and a basic data pack.
- ☐ I have a realistic understanding of current market multiples and buyer demand.
- ☐ I have a handover plan that looks after clients and staff.

THROUGHOUT

- ☐ I know my key metrics (run-off, clawbacks, arrears, average loan age, average loan size, net growth).
- ☐ I am investing in systems and people so the business can run without me.
- ☐ My lead sources are diversified and documented.
- ☐ I review and update my exit plan at least annually.

How TrailBlazer Finance Can Help

You do not have to figure this out alone.

TrailBlazer Finance works exclusively with brokers and other professional practices to help them:

Understand what their brokerage is really worth

- *Free Trail Book Valuation Calculator for a quick snapshot.*
- *Detailed independent valuations and advisory reports.*

Prepare for and execute a sale

- *Guidance on timing, structure and value levers.*
- *Access to a marketplace and buyer network for trail books and brokerages.*

Access funding to grow or tidy up pre-sale

- *Loans secured against the value of your trail to fund acquisitions, hire staff, invest in systems or manage ATO obligations.*

Ready to start your succession plan?
Whether you are six months or five years from the door, the decisions you make now will shape your eventual exit.

For a confidential discussion about your options – from valuations and funding through to buy/sell support – book a chat with a TrailBlazer Finance specialist or call 1300 139 003.


TrailBlAzer
Finance
TrailBlazer Finance is a specialist funder that works with Finance Brokers, Financial Planners, Legal Firms, Accountants and Property Managers, assisting them with funding and valuations.
Call: 1300 139 003
Email: info@trailblazerfinance.com.au
Enquire: trailblazerfinance.com.au