



Citiwide - The Business

Citiwide Mortgage Services is one of the longest serving mortgage broking businesses in Australia. Established in Melbourne in 1988, the business has an enviable reputation for service excellence and experience. Early on, Citiwide pioneered the after hours and mobile service convenience for its customers.

Citiwide brokers offer customers a wide choice of home loans and expert advice. The service offering has grown to a full range of financial and accessory products such as Conveyancing, Insurance and Risk protection. Citiwide is a true 1-STOP-SHOP for the home buyer and property investor or for the self-employed customer looking for Commercial loans, Motor Vehicle and Equipment finance.



The Challenge

Citiwide had determined its current consultant/employee model was not appropriate in the light of its growth plans. The company believed an owner operator model would be more suitable. Franchising was chosen as the way for Citiwide to achieve its growth objectives.

Franchising is a common and proven business model in the mortgage broking industry; however Citiwide wanted to create and offer something that stood out from the competition. Citiwide and DC Strategy developed a franchise model that allows franchisees to grow a valuable individual business and Citiwide to increase its value through increased commissions. The challenges to achieving its objectives were:

- Setting a commission structure which is attractive to brokers and competitive in the market place.
- Ensuring the commission structure allows Citiwide to achieve its growth and profitability objectives.
- Attracting appropriately trained and qualified mortgage brokers as well as totally new entrants to join the Citiwide team.
- Developing a suitable operational framework and self-generated referral network.

Setting remuneration levers

The Citiwide system is an attractive financial proposition for aspiring brokers who wish to build a valuable and saleable business

Motivated Sellers

An owner operator business model provides Citiwide with access to motivated sellers

The Solution

Citiwide engaged DC Strategy, a distribution and franchising specialist, to assist in developing the franchise model. Together Citiwide and DC Strategy built a solid franchise system and developed the method, economic model, commercial policies and recruitment framework for Citiwide to launch its offer in the national market.

DC Strategy's thorough understanding of franchising and financial services combined to create a franchise offer which attracts motivated mortgage brokers who want to grow their own business and a reputable brand. As a Franchisor, Citiwide will have access to wider markets and the ability to grow its total mortgage book and the resulting trailing income.

**Building an asset**

The Citiwide offer and proven business practices allow entrepreneurial aspiring business owners to build a valuable and future saleable asset

The Outcomes

Citiwide is well positioned to undergo significant growth across Metropolitan Melbourne and the nation with the confidence it has invested sufficient time and effort in developing the process, systems and understanding to support a national network.

The outcomes of the development of Citiwide's franchise business model and growth strategy included:

- The identification of the appropriate head office structure and infrastructure to drive growth
- Development of the network rollout and management strategy as the business expands into other geographical regions
- Development of the processes and systems to recruit, train and retain appropriately qualified mortgage brokers
- A detailed understanding of the challenges and responsibilities associated with operating a growing network

Citiwide has laid the necessary foundations to embark on the next phase of exciting growth in the knowledge that its objectives are achievable and that ultimately the business continues to grow its profitability.

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