



# SaaS IMPROVES THE BOTTOM LINE

Sometimes the difference between closing a loan and not closing is getting an answer to a question.

By Mark Ramirez

As the morning sun rose over the foothills of Saddleback mountain in Southern California, the frosty dew would smother the windshield of either my mom's or my dad's car, whomever got home the latest from work the previous evening and left their car in the driveway. As I gathered my things to get ready for school about 20-something odd years ago, I remember that my dad used to make it a point to head outside and fire up the engine to the car on the driveway so "the 'ol clunker" could make it to work. My father, the wannabe mechanic, was always cognizant of the required upkeep and maintenance of their cars. My parents had a real sense of pride of ownership and always purchased their cars, although they seem to certainly entertain the occasional lease.



During these years, I used to take the bus to school (yes, it was elementary school) and I remember that I would make sure I would walk to the same corner at the same time of every day. The squeaky door of the giant yellow bus would fling open and I would be greeted by the same smiling face of our beloved bus driver. To this day, I don't know if the service of taking the bus to school was something my parents paid for or if it was included in the school fees, but unbeknownst to me at the time, this was a very thorough and reliable system for getting kids to school. Never a thought occurred that the bus wouldn't take the same route, not have enough gas, or even break down on the way to bringing the future leaders of America to their educational destination.

All the years of education and bus rides have led me to a mortgage industry that is in a transition period; a transition period that involves endless amounts of data and information. Over the past 17 years in this business, I've been exposed to a number of different ways to close a loan. I've also had the privilege of using and administering a non-admirable number of software and service providers. Recently, I have seen many of these software and service providers move from the desktop to the internet.

Software as a Service can be defined

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as a software delivery model in which software and its associated data are hosted centrally (typically in the Internet cloud) and are typically accessed by users using a thin client, normally using a web browser over the internet (source: Wikipedia). What!?!?! This brings me back to my story about taking the bus to school...

#### **SaaS AND YOU**

In the software biz, there are primarily three different kinds of delivery models.

You can purchase the software (buying a car). You will get a disc in the mail or download a big file but you will be required to install on your own servers or computers, keep up the maintenance on the hardware for those computers, and, in some cases, install your own updates to that software. You then own the software and if you want to upgrade, you will be required to buy the latest and greatest software. Let me warn you, the blue book value of your old software sucks.

#### **MORE CHOICES**

You can also lease software (leasing a car). Typically this means that you can download software and install it on your own servers and computers but instead of paying a large fee upfront, you might pay a smaller fee to get the software and utilize a software license, and if you choose to not continue using the software, your license will expire and you can no longer use the software.

The last, and most certainly not the least, is software as a service (SaaS). Much like the reliability of taking a bus to school, SaaS is software you pay a monthly or yearly fee for but there is no requirement of hardware, no requirement of IT experts for installation, and usually no cost for upgrades and enhancements. In the mortgage business, this type of

software application can make an immediate impact to the bottom line. Let's take a look at some examples.

The Email Issue: It's no secret that our industry lives and breathes email. The average person sends or receives 47 messages per day (if it were only that many). We rely on it to communicate to our business partners and colleagues and we also rely on it to transfer information back and forth from brokers to bankers to end investors. All that data needs to be stored some-

where. Although storage costs are decreasing, the cost to administer and maintain a reliable and secure enterprise email platform continues to increase. With viruses, spyware, malware, and who knows what other-ware; email will always be one of the major backbones of any organization and must be maintained as such.

**How SaaS Improves Email:** You will never catch me working on the engine in my car, I leave that to the experts. Maintaining email combined with anti-virus, anti-spam, disaster recovery, archiving and backup, and security policies is no different. It takes a team of IT gurus to maintain this, even a small network of around 100 employees. Many web hosted platforms alleviate the cost of servers, staff, backup, anti-virus, and anti-spam and group it all into one easy to allocate and easy to administer platform. All you need is an internet connection and all your employees can be connected via desktop, web, and mobile within 24 hours; without any upfront setup costs. SaaS driven email is the quickest implementation you can do to see instant savings and an improvement to your bottom line.

**The LOS Fence:** The main argument behind an on-premise LOS and a SaaS LOS all comes down to data security. Even if you had a majority of the services on a network hosted in a cloud environment, many executives will err on the side of hosting their LOS data on premise. I tend to be on the fence in this respect due to the LOS being the major mission critical application in any mortgage company. There are advantages and disadvantages to both sides but a LOSaaS (I just made that up) can definitely bring some improvements to your bottom-line.

**How LOSaaS Adds Up:** The major advantage to a cloud hosted LOS application is the ability for platforms to integrate with another in a secure and efficient manner. We have all seen examples of this for years past with integrations between DU/LP, Credit Vendors, Doc & Compliance, Product/Pricing Engines, and Anti-Fraud vendors all working to integrate with LOS companies to transfer data back and forth.

You may not see a direct improvement in basis points but you will definitely see an improvement in efficiency and time. The more loans you close, the more money you make and the ability to get answers quickly and efficiently by transferring LOS data out to service specific vendors can pump up the volumes quickly.

**The Greg Brady of SaaS:** We all watched the Brady Bunch and as everyone was focused on how cute Cindy and Bobby were, Greg was growing up to be a man. Customer Relationship Management (CRM) was probably one of the first services to be hosted in the cloud. With salespeople on the go all the time, they needed access to customer data on their phones and on laptops so the CRM SaaS was born.

**CRM = ABC:** Every sales person knows the cardinal rule, always be closing. Knowing and communicating with a potential or a current customer with

## ABOUT THE AUTHOR

Mark Ramirez is CEO of Priceweaver, Inc. With over 15 years of experience in the mortgage banking industry including Secondary Marketing, Capital Markets, Information Technology, and Business Process improvement; Mr. Ramirez is dedicated to providing the very best tools and innovation to forge a revolution in the mortgage industry. His company, Priceweaver, is responsible for building the next generation of technology tools for lenders, banks, and credit unions.



their pipeline data, pull through ratios, purchase/refinance differential, etc. can pinpoint your salespeople to the relationships that are thriving and even possibly revive the cold ones. Having information like that available at all times and via any medium can be invaluable to any organization.

Being a technology guy (aka geek), I am always searching for tools and ideas on how to improve the processes and efficiency of the staff of not only my own company, but also the many mortgage companies that I have worked for in the past. The power to bring together the expertise of different service providers that are absolute experts in their fields can forge together a platform that will make the potential of any mortgage professional become endless. I will go over some of those technologies and how they improve your bottom line.

**Chat/Instant Messaging** – As the refinancing market has dried up, regulations attack the industry, and almost everyone selling the same flavor otter pops; customer service becomes a central focus of every mortgage company. As my wife will tell you, communication is the backbone to any great relationship. Sometimes the difference between closing a loan and not closing is getting an answer to a question as fast as possible. Chat and Instant Messaging make this happen and the ability for the customer to have direct and instant access to your staff will make you more money...guaranteed.

**Social Media** – The ways that social media improve your bottom-line can be saved for an entirely new article. We all know that maximum exposure doesn't necessarily guarantee you more busi-

ness, but communicating to your community of brokers and loan officers sure doesn't hurt.

**Video/YouTube** – This could be couple in with Social Media but I believe it deserves a spot of its own. Experts believe that by 2016, approximately 70% of the content that we read today will be delivered to us via video. Enhancing the customer experience can have an astronomical effect if the communication that is happening between you and your customers is done via video. It's a more personable, honest, and open-minded approach to going the extra mile for your customers, which will in turn, improve your bottom line with more loans.

**Text Messaging** – 2.5 billion text messages are sent every day in the U.S. alone. Everyone is on the go and I'll emphasize again that enhancing the customer experience by providing better means of communication will net an improvement to your bottom line and a simple 140 character text message that keeps all the parties involved in the transaction updated consistently, will push your volumes on an upward trend.

All of the services mentioned in this article are currently being offered as a SaaS solution and can easily be implemented into your business. Whether or not they work for you in your environment will be a decision that you will have to make but I encourage you to embrace each new idea you come across. Hopefully one day, you will find yourself on a street corner with someone smiling at you, and you will happily hop along on their giant yellow bus to a more efficient, and profitable business.

Enjoy the ride. ❖

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