



Mortgage Lenders' Forum

2008 PROGRAMME

(REVISED PACKAGE)

MUNGO DUNNETT
ASSOCIATES

A SERIES OF MASTERCLASSES, INSIDER BRIEFINGS AND RESEARCH WHITE PAPERS

Revised Package, based on lenders' preferences

Based on the perceived success of the Masterclass session held in London on 17 January, attended by 21 lenders and amended by the feedback received from these and other organisations, this revised package outlines the agenda, approach and costs for the first year's membership of the Mortgage Lenders' Forum.

There has been encouraging agreement among participating lenders that this calibre of strategic and practical debate is not currently available in the UK lending market, and that it is valuable to have continuity among the organisations – and individuals – attending. The Masterclasses are therefore a central feature of the revised package, along with a Research White Paper providing detailed and unique analysis of a key topic and specific 'implementation recommendations' to ensure this is highly actionable by lenders.

Within this brochure you will see the agenda for the six bi-monthly Masterclasses scheduled for the next 12 months and the Research White Paper. The topic areas are those emerging from lenders' feedback as being of greatest importance to their organisations. Beyond these, the future topics will be decided by the subscribing members.

Membership Price (12 months)

The price has been revised to £10,000 for the top dozen UK lenders and £7,500 for the remainder.

'Critical mass' necessary for the venture to proceed is six subscribing lenders, prior to the first scheduled Masterclass on 19 March.

Mungo Dunnnett
Oxford, February 2008

2008 MASTERCLASSES

In-depth specialist workshops

These are the central element of the Mortgage Lenders' Forum. As at the demonstration session on 17 January, we will impart the experience gained from detailed engagement with the UK mortgage market. Having worked with almost all the major lenders and numerous smaller lending organisations, we are uniquely able to convey what is really happening, and what lessons are being learned. Our promise will remain that we will not 'hold back' with either the degree of detail conveyed, or the frank answers to any questions about best practice.

Lender debate

We recognise that whilst delegates want to hear each other's views, for reasons of commercial confidentiality it will often be inappropriate for lenders to express comment during the Masterclass. We will therefore seek to create an environment in which discussion and debate can occur to the degree suitable to the participating members. However, the key value in the Masterclasses will remain the degree of detailed analysis and recommendations in the presentations themselves.

Every two months

The Masterclasses will occur every two months, held at the IoD Hub at Liverpool Street, London. The dress code is formal or business casual, as preferred. The Masterclasses will generally run from 10.30am until 4.00pm, depending on the level of discussion. Full agenda details will be sent out electronically to all delegates 3–4 weeks prior to each event.

Two delegates per session

Lenders may send two delegates to each session. It has been suggested by many lenders that one of these two delegate spaces is consistently taken by the same individual, to allow familiarity to develop amongst the subscribing members; and that the second delegate space is rotated by each lender to ensure that they are sending the person most suited to that day's topic.

Ability to opt out of one Masterclass

To ensure that lenders are only attending the sessions of greatest value to themselves, they will be invited and expected to 'opt out' of one of the six Masterclasses, at their discretion.

Briefing Pack

Subscribing members will be given access to all the presentation slideware, as well as a 'Briefing Pack' consisting of a small number of summary slides intended to enable delegates easily to brief their own teams.

Insider Briefing

Each Masterclass will feature a regular slot: 'Insider Briefing'. This will consider the key events in and around the UK mortgage market in the preceding two months, and their implications for lenders. Monitored topics will include:

- Regulatory developments
- Yield curve and margin movements
- Product launches and developments
- Fees and charges
- Media coverage and reputational risk
- Environmental and consumer trends

The Insider Briefing slot will enable lenders to discuss the most topical issues, and their implications, to the extent they feel comfortable. The topics being monitored can be amended and augmented at the discretion of the subscribing members.

AGENDA

Wednesday 19 March

Intermediary management: optimising the 3rd party channel

- What is the most effective way of selecting and managing the broker channel?
- What is the role of management information in identifying and evaluating broker targets?
- What is the most effective way of managing a Business Development salesforce?
- What are the implications of CCA regulation and its impact on non-MCOB business?
- What are the most effective strategies for managing retention of introduced business?
- What is the most effective way of using sourcing systems for competitive advantage?

Wednesday 7 May

Managing net yield: implications for portfolio diversification

- How can lenders best manage and control the diversity within their portfolio?
- How can lenders maintain attractive rates across a spread of market types while protecting their credit rating?
- Is it realistic to keep on diversifying – or will lenders need to focus on a chosen specialism?
- With funding now critical, how can lenders continue to grow at the right price?
- How long can lenders afford to offer loss leading products in prime residential?

Wednesday 2 July

Retention: moving to the second phase

- How can lenders balance market share and profitability for new and existing customers?
- What is best practice in analytical, pricing, staff training and communication practices?
- What is the best way to handle the rise of 'in deal' redemptions?
- What are the implications of intermediaries in mortgage retention?
- What is the 'second phase' of retention, moving from reactive maturity management to a proactive value-based approach?

Wednesday 10 September

Entering new markets: evaluating opportunities

- Where are the main prospects for growth in the UK market?
- Are there attractive options for UK lenders in other countries?
- What are the key considerations, and what tends to go wrong with ventures into new markets?
- Due diligence and pragmatism: what is the most robust process of diversifying and managing risk?
- Partnering: when and how should partners be utilised, and what is the best way to retain control over performance?
- What are the implications for lenders' branding and distribution channels?

Wednesday 5 November

Optimal use of MI and analysis for commercial gain

- What types of management information are of greatest importance to lenders?
- Systems, tools and processes: what are the best means of acquiring and handling analytical information?
- Why is qualitative consumer insight crucial – and why is it typically overlooked?
- Creating actionable MI: why do lenders frequently have more difficulty using MI than acquiring it?
- What are the key ways in which MI can be generated and utilised to steer commercial decisions and profit performance?

Wednesday 14 January 09

Innovation: product design and beyond, including TCF

- Robust development and positioning process: how should product development best be carried out?
- Confidence and creativity: why do lenders frequently find genuine innovation difficult?
- How should lenders seek, explore, evaluate and prioritise product opportunities?
- What are the typical organisational impediments, and how are they best overcome?
- The implications of TCF for product design: what does TCF prevent, and where does it offer opportunity?
- What are the most interesting mortgage product developments, and what lessons do they teach?

RESEARCH WHITE PAPER

Research with insights and ‘implementability’

Included within the price of membership, the Mortgage Lenders’ Forum will also issue a Research White Paper in September 2008. This is a new format, but one of interest to many lenders. It is recognised that whilst substantial research material is available to lenders, the syndicated research is frequently disappointing in terms of informed analysis; and it also tends to lack the ‘implementability’ that allows lenders to act upon research findings.

Similarly, lenders spend significant amounts on commissioning bespoke research to fill this gap, and lender feedback has suggested that the inclusion of this type of detailed research within the Mortgage Lenders’ Forum will save lenders part of their ongoing research spend.

Format and content

In 2008 one Research White Paper will be issued as follows, to enable lenders to assess its calibre:

- About 30-50pp in length
- Containing detailed information about typical issues encountered within mortgage lenders, both in the UK and overseas
- Outlining success criteria
- Utilising (anonymised) case studies
- Containing actionable insights: offering lenders the opportunity to see how the recommendations would apply specifically to an organisation like their own

It is anticipated that these Papers will become a regular feature of the Mortgage Lenders’ Forum package in 2009.

2008 Research White Paper

September

Operational efficiency: streamlining mortgage operations

- Identifying the areas where mortgage operations typically lack efficiency
- Lenders’ ability to manage capacity planning and volume surges
- Means of assessing spare capacity
- Best practice in operational practices, production throughput and resource levels
- Most effective means of establishing and formalising cross-departmental linkages
- Linkages with organisational priorities

The issue of Operational Efficiency emerged as being an area of significant interest among lenders, and is a topic suited to a detailed paper.



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