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A BUSINESS DEVELOPMENT PROPOSAL

for

**SENSE MORTGAGE
AND RESIDENTIAL**

Integrity | Transparency | Trust

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**Master's Degrees by Examination and Dissertation
Declaration Form.**

I, Kaniz Fathama Chowdhury, declare that this dissertation has been composed by myself, that the work contained herein is entirely my own except where explicitly stated otherwise in the text, and that this work has not been submitted for any other degree or qualification, in whole or in part, except as specified.

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Chapter 1: Executive Summary

This Business Development Proposal evaluates the feasibility of establishing Sense Mortgage and Residential, an independent mortgage advisory firm operating within the UK's regulated financial services sector. The report assesses the strategic rationale, market opportunity, operational structure, human resource planning, financial viability, and risk profile of the proposed business. The analysis demonstrates that Sense Mortgage and Residential is commercially viable, operationally sustainable, and well aligned with current regulatory and market conditions (FCA, 2023; UK Finance, 2024).

Sense Mortgage and Residential is structured to operate as an Appointed Representative under an FCA-authorised principal network, enabling the firm to deliver regulated mortgage advice while benefiting from established compliance oversight and regulatory infrastructure. The business adopts a hybrid advisory model that combines personalised, adviser-led guidance with digitally enabled processes. This approach reflects growing consumer demand for transparency, efficiency, and professional support when navigating increasingly complex mortgage products and affordability requirements (MarketLine, 2024; Deloitte, 2023).

Market analysis confirms that the UK mortgage market remains resilient despite economic uncertainty, with sustained demand driven by first-time buyers, remortgaging households, and buy-to-let investors (UK Finance, 2024). Remortgaging activity associated with fixed-rate mortgage expiries provides recurring demand and repeat business opportunities for intermediary firms (Deloitte, 2023). Competitive analysis indicates that while rivalry within the sector is strong, there is a clear service gap for compliant, client-focused advisers who combine digital convenience with personalised advice (McKinsey & Company, 2023).

The operational plan outlines a structured and scalable service delivery model supported by digital systems, embedded compliance processes, and phased growth.

The human resource strategy prioritises adviser competence, ethical conduct, and continuous professional development, ensuring alignment with regulatory expectations and Consumer Duty requirements (FCA, 2023; CIPD, 2023).

Financial analysis demonstrates that the business is viable under conservative assumptions. Revenue is generated primarily from mortgage completions, supplemented by ancillary protection income offered on a suitability-led basis. Monthly cash flow forecasting and break-even analysis indicate that the business can achieve sustainability at modest case volumes, supported by strong gross margins and controlled cost structures (UK Finance, 2024).

Risk analysis identifies regulatory, market, operational, financial, and human resource risks; however, appropriate mitigation strategies are embedded throughout the business model. Strong compliance oversight, conservative financial planning, and a scalable operating structure reduce exposure to uncertainty and support long-term stability. Overall, the findings of this report confirm that Sense Mortgage and Residential is well positioned to enter the UK mortgage advisory market and achieve sustainable growth through a compliant, client-centred, and financially disciplined business model.

Chapter 2: Company Description and Strategic Foundations

2.1 Introduction

This chapter establishes the strategic, legal, and organisational foundations of Sense Mortgage and Residential. It outlines the business identity, regulatory structure, mission and values, founding rationale, and sources of competitive advantage. By defining the internal context of the business, this chapter provides the framework for understanding the subsequent market, operational, and financial analyses. The discussion is situated within the wider UK mortgage advisory environment, where sustained demand and increasing regulatory complexity continue to reinforce the importance of intermediary-led advice (MarketLine, 2024; FCA, 2023).

2.2 Business Identity and Strategic Orientation

Sense Mortgage and Residential is positioned as an independent mortgage advisory firm delivering personalised, compliant, and transparent advice to residential property customers in the UK. The business adopts a client-centred advisory model that prioritises suitability, clarity, and long-term customer outcomes in line with FCA expectations.

The firm's strategic orientation reflects structural changes within the UK mortgage market. As mortgage products and affordability assessments have become more complex, consumers increasingly rely on professional intermediaries to navigate regulatory and financial requirements (MarketLine, 2024). Research indicates that regulatory tightening and product differentiation have strengthened the role of mortgage advisers relative to direct-to-lender channels (UK Finance, 2024). Sense Mortgage and Residential responds to these conditions by combining adviser-led guidance with efficient digital processes, ensuring both regulatory compliance and service accessibility.

2.2.1 Application of the Triple Bottom Line Framework

The strategic orientation of Sense Mortgage and Residential is informed by the Triple Bottom Line (TBL) framework, which evaluates business performance across three dimensions: People, Planet, and Profit (Elkington, 1997). The framework is particularly relevant in regulated financial services, where commercial objectives must be balanced with ethical responsibility and long-term sustainability.



Figure 1: Triple bottom-line framework

Source: Author illustration

From a People perspective, the business prioritises positive customer outcomes, adviser competence, and ethical conduct. Mortgage advice is delivered in line with the Financial Conduct Authority's Consumer Duty requirements, ensuring that customer needs, understanding, and suitability remain central to all recommendations (FCA, 2023). Ongoing professional development and compliance oversight further support responsible advice delivery and client trust.

The Planet dimension is addressed through the firm's digitally enabled operating model. By adopting paperless documentation, electronic communications, and cloud-based systems, Sense Mortgage and Residential reduces its environmental footprint

while improving operational efficiency. This approach aligns with broader sustainability expectations within professional services, where digital transformation is increasingly linked to environmental responsibility (McKinsey & Company, 2023).

From a Profit perspective, the business is designed to achieve financial sustainability through strong gross margins, controlled fixed costs, and scalable operations. The financial model demonstrates that Sense Mortgage and Residential can reach break-even at a relatively low activity level, supporting long-term viability without reliance on excessive volume or high-risk lending. This balanced approach ensures that profitability is achieved in a manner consistent with ethical standards and regulatory expectations.

By integrating People, Planet, and Profit considerations into its strategic foundations, Sense Mortgage and Residential adopts a sustainable business model that aligns commercial success with responsible conduct. The application of the Triple Bottom Line framework therefore reinforces the firm's commitment to long-term value creation for clients, regulators, and stakeholders.

2.3 Legal Structure and Regulatory Framework

Sense Mortgage and Residential operates as a limited company within the UK's regulated financial services environment. Mortgage advisory activity is governed by the Financial Conduct Authority (FCA), which sets requirements relating to conduct, competence, transparency, and consumer protection under the Mortgage Conduct of Business (MCOB) framework (FCA, 2023).

Rather than pursuing direct FCA authorisation, the business will operate as an Appointed Representative (AR) of an authorised principal network. The AR model is widely used within the UK mortgage intermediary sector, particularly by new and growing firms, as it provides regulatory oversight, compliance infrastructure, and

training support while allowing operational flexibility (PwC, 2023). This structure enables Sense Mortgage and Residential to manage regulatory risk effectively during early-stage operations while focusing on client service and sustainable growth.

2.3.1 Network Selection and Strategic Fit

A comparative review of established FCA-authorised principal networks, including Quilter Financial Planning, City Plus, and Openwork, was undertaken to assess strategic fit. While each network offers regulatory supervision and access to lender panels, differences exist in compliance intensity, cost structures, and support for early-stage advisory firms.

Openwork was selected as the preferred network due to its strong compliance framework, structured adviser development programmes, and alignment with Consumer Duty principles (Openwork, 2024). The network's emphasis on advice quality and ongoing monitoring supports Sense Mortgage and Residential's compliance-led strategy and aligns with the phased growth model outlined in later operational and human resource planning chapters.

2.3.2 Compliance Responsibilities

Despite operating under the supervision of a principal network, Sense Mortgage and Residential retains responsibility for ensuring that all advice meets regulatory standards. This includes adherence to the Treating Customers Fairly principles, compliance with Consumer Duty requirements, effective anti-money laundering controls, and robust data protection practices under UK GDPR (FCA, 2023; ICO, 2023). Accurate record-keeping and audit readiness are treated as core operational priorities, reflecting the high regulatory expectations placed on mortgage intermediaries.

2.4 Mission, Vision, and Core Values

The mission of Sense Mortgage and Residential is to provide clear, responsible, and accessible mortgage advice that supports informed decision-making and positive long-term financial outcomes for clients. The firm aims to simplify complex lending processes while maintaining high standards of professional integrity and regulatory compliance.

The long-term vision is to establish a trusted boutique advisory practice recognised for transparency, service quality, and ethical conduct. Growth will be pursued gradually and sustainably, consistent with research suggesting that trust and reputation are critical success factors in professional financial services (Kotler and Keller, 2023).

The firm's core values underpin its culture and operations. Integrity and transparency guide all client interactions, ensuring advice is delivered honestly and clearly. Compliance excellence reflects the regulatory environment in which the firm operates, while client-centred service prioritises customer needs at every stage of the advisory process. Innovation is embraced using digital tools to improve efficiency, and professional competence is maintained through ongoing training and continuous professional development.

2.5 Founding Background and Business Rationale

The establishment of Sense Mortgage and Residential is driven by identifiable gaps within the UK mortgage advisory market. While large national brokers often prioritise volume-driven models and digital-only platforms emphasise automation, many borrowers continue to value personalised guidance, particularly in complex or high-risk financial decisions (MarketLine, 2024).

Market evidence suggests that regulatory tightening, affordability pressures, and increased scrutiny of customer outcomes have reinforced the need for compliant, adviser-led services, especially among first-time buyers and remortgaging households (UK Finance, 2024; FCA, 2023). Sense Mortgage and Residential was therefore conceived to address this need by offering a balanced model that integrates regulatory rigour with personalised client engagement.

2.6 Unique Value Proposition

The unique value proposition of Sense Mortgage and Residential lies in its hybrid advisory model, which combines personalised, human-led advice with streamlined digital processes. Unlike execution-only or fully automated platforms, the firm emphasises suitability, education, and ongoing support. At the same time, digital systems are used to improve efficiency, documentation accuracy, and communication.

This approach reflects industry evidence that borrowers increasingly prefer hybrid service models that combine technology with professional advice, particularly in regulated financial services (McKinsey, 2023). By addressing both regulatory and experiential expectations, the firm differentiates itself within a competitive advisory landscape.

2.7 Strategic Advantage

Sense Mortgage and Residential's strategic advantage is derived from a combination of regulatory alignment, operational flexibility, and client-focused differentiation. The compliance-led AR structure reduces regulatory risk and supports early-stage stability, while the hybrid service model aligns with contemporary borrower preferences. Additional advantages include a scalable cost structure, digital efficiency, and a phased growth strategy that prioritises service quality over rapid expansion.

Together, these factors provide a defensible competitive position within a highly regulated and competitive market.

2.8 Summary

This chapter has outlined the strategic and organisational foundations of Sense Mortgage and Residential, including its business identity, legal structure, regulatory framework, mission, and value proposition. The analysis demonstrates that key strategic decisions are grounded in both regulatory requirements and industry conditions. By integrating compliance excellence, personalised service, and scalable operations, the business is positioned to operate responsibly and competitively within the UK mortgage advisory sector. These foundations support the market analysis, operational planning, and financial evaluation presented in subsequent chapters.

Chapter 3: Market Research

3.1 Industry Overview

The UK mortgage market represents a mature but resilient financial services sector that continues to demonstrate sustained demand despite economic and regulatory pressures. Gross mortgage lending in the UK exceeded £300 billion in recent years, supported by population growth, housing demand, and the continued role of mortgage refinancing (UK Finance, 2024). While macroeconomic uncertainty and interest rate volatility have affected transaction volumes, overall demand for mortgage advice has remained robust, particularly among first-time buyers and remortgaging households.

Industry analysis indicates that regulatory tightening and increased product complexity have reinforced the importance of intermediary-led advice. MarketLine (2024) notes that mortgage intermediaries continue to play a central role in the market, as borrowers increasingly rely on professional guidance to navigate affordability assessments, regulatory requirements, and lender criteria. This trend supports the strategic rationale for establishing a compliance-focused advisory firm such as Sense Mortgage and Residential.

Demand within the UK mortgage market is driven primarily by sustained housing needs, population growth, and fluctuations in interest rates, which influence both purchase and remortgage activity. Periods of interest rate change, in particular, create recurring refinancing cycles that generate consistent demand for mortgage advice. In 2024, more than 1.6 million households reached the end of fixed-rate mortgage deals, leading to a significant increase in remortgaging activity (Deloitte, 2023). This trend highlights the structural nature of demand within the mortgage advisory sector and presents a stable revenue opportunity for intermediary firms. Furthermore, regional concentration of activity remains evident, with London and the Southeast accounting for a disproportionate share of property transactions and mortgage lending. This is driven by higher property values, sustained housing demand, and relatively strong labour market conditions in these regions (ONS, 2024).

These market characteristics support the strategic focus of advisory firms operating within high-demand geographic areas.

While headline mortgage lending volumes fluctuate in response to interest rate movements, the underlying demand for mortgage advice remains structurally strong. This is because housing transactions and refinancing decisions are driven not only by price conditions but also by lifecycle events such as household formation, relocation, and financial restructuring. UK Finance (2024) reports that intermediary involvement continues to dominate the mortgage market, reflecting consumer reliance on professional advice amid increasingly complex affordability assessments and lender criteria.

For Sense Mortgage and Residential, this environment presents an opportunity to enter the market with a value proposition focused on guidance rather than product comparison alone. As regulatory expectations increase and product structures become more nuanced, borrowers are less willing to rely solely on digital comparison tools. This reinforces the strategic relevance of adviser-led models, particularly for first-time buyers and remortgaging households navigating rate volatility (Deloitte, 2023).

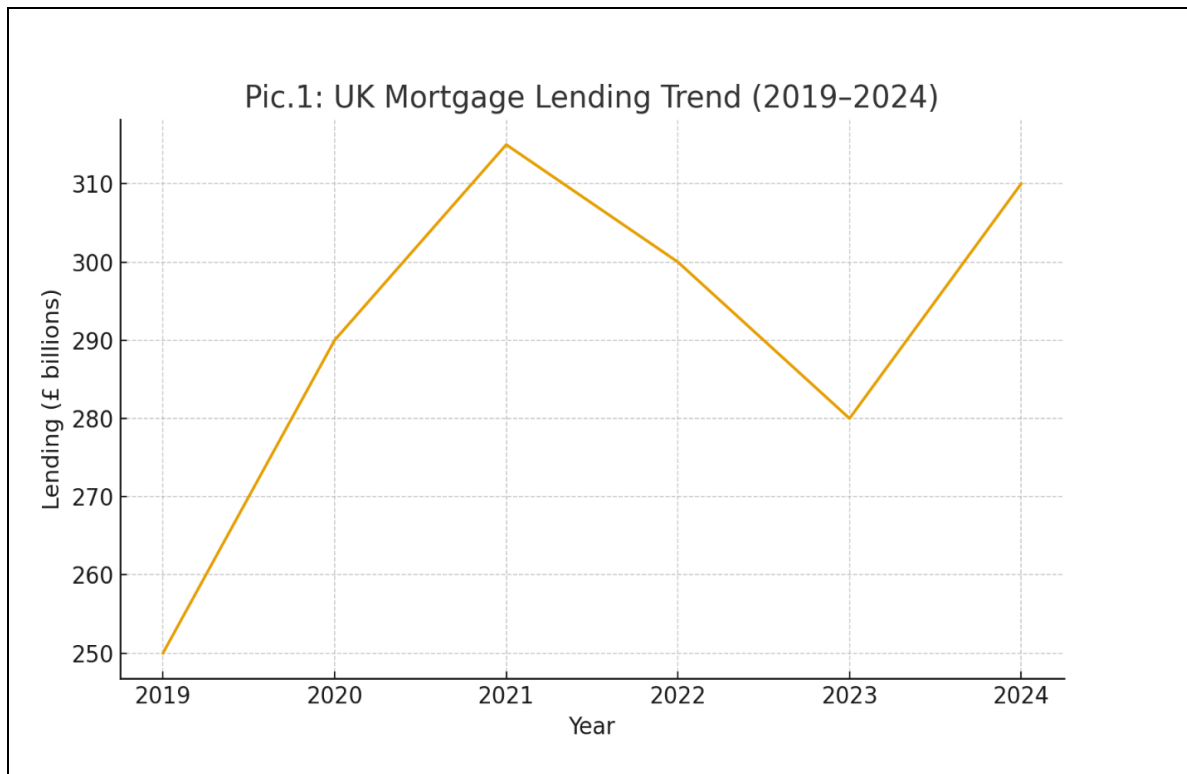


Figure 2: Mortgage trends report

Source: UK Finance (2024). Mortgage Trends Report.

The mortgage market size illustrated above demonstrates the continued scale and resilience of the UK mortgage sector despite periods of economic uncertainty. Although lending volumes fluctuate in response to interest rate movements and affordability pressures, overall market activity remains substantial. This indicates that demand for mortgage finance is structural rather than cyclical. For advisory firms, such stability reinforces the ongoing need for professional mortgage advice, particularly as regulatory requirements and product complexity increase (MarketLine, 2024; UK Finance, 2024). The scale of the market therefore provides a credible commercial foundation for the entry of Sense Mortgage and Residential.

3.2 Market Segmentation, Targeting, and Positioning (STP Framework)

The UK mortgage market can be segmented into several distinct customer groups, including first-time buyers, home movers, buy-to-let investors, and remortgaging clients. Each segment demonstrates different motivations, risk profiles, and advice requirements, making segmentation essential for effective targeting and positioning (Kotler and Keller, 2023).

First-time buyers represent a significant and growing segment, supported by demographic trends and government-backed affordability initiatives. MarketLine (2024) highlights continued growth in first-time buyer activity, driven by long-term housing demand despite short-term affordability challenges. This segment typically requires high levels of guidance due to limited prior experience and regulatory complexity.

Remortgaging clients form another key segment, particularly during periods of interest rate fluctuation. UK Finance (2024) reports that large volumes of borrowers continue to refinance as fixed-rate deals expire, creating sustained demand for advisory services. Buy-to-let investors represent a smaller but more complex segment, requiring specialist advice due to tax, regulatory, and portfolio considerations.

The UK mortgage market can be segmented into four primary customer groups: first-time buyers, home movers, remortgaging households, and buy-to-let investors. Recent data indicates that market activity is distributed unevenly across these segments. In 2024, approximately 520,000 remortgage transactions were recorded, compared with around 370,000 first-time buyer transactions, 300,000 home mover transactions, and 220,000 buy-to-let transactions (ONS, 2024; UK Finance, 2024). Remortgaging therefore represents the largest proportion of market activity, driven primarily by interest rate fluctuations and the high volume of fixed-rate mortgage expiries. This segment presents a particularly attractive opportunity for advisory firms,

as remortgage clients typically re-enter the market every two to five years, creating recurring demand and repeat business potential. These characteristics align closely with the service model of Sense Mortgage and Residential, which prioritises long-term client relationships and ongoing advisory support.

Table 1: Target Market Segmentation for Sense Mortgage and Residential

Segment	Characteristics	Needs	Opportunity Level
First-Time Buyers	Early-stage buyers with limited experience	Guidance, affordability assessment, education	High
Remortgage Customers	Existing homeowners seeking better rates	Competitive comparisons, efficient processing	High
Home Movers	Individuals and families relocating	Timelines, chain coordination, flexibility	Medium
Buy-to-Let Investors	Portfolio or individual landlords	Tax considerations, portfolio structuring	High
High-Net-Worth Clients	Multiple income streams, complex finances	Bespoke lending solutions	Medium

Author illustration (2025), based on industry data from UK Finance, 2024.

The distribution of mortgage activity across first-time buyers, home movers, remortgages, and buy-to-let investors illustrates the importance of diversification within an advisory business model. Remortgage transactions represent the largest proportion of market activity, supported by interest rate resets and refinancing cycles (UK Finance, 2024). This pattern highlights the strategic importance of building long-term client relationships that generate repeat business over time.

For Sense Mortgage and Residential, this data supports a model that balances acquisition-focused services for first-time buyers with retention-focused strategies for remortgaging clients. By combining structured aftercare processes with proactive client communication, the business can maximise lifetime customer value while maintaining manageable acquisition costs. This approach is particularly important for small advisory firms seeking sustainable growth without reliance on high marketing

expenditure. Sense Mortgage and Residential targets first-time buyers, remortgaging households, and buy-to-let clients, positioning itself as a trusted, adviser-led firm offering clear, compliant, and personalised guidance. This positioning differentiates the business from both digital-only platforms and volume-driven national brokers.

The segmentation strategy adopted by Sense Mortgage and Residential reflects both demand volume and advisory complexity. First-time buyers represent a strategically important segment due to their limited market knowledge and heightened need for professional guidance. According to ONS (2024), first-time buyers account for a substantial proportion of new mortgage lending, particularly in urban and commuter regions. These clients typically require support across affordability assessment, deposit structuring, and lender selection.

Remortgaging clients form a second core segment, offering recurring revenue potential. In 2024, over 1.6 million households reached the end of fixed-rate mortgage deals, creating sustained demand for refinancing advice (Deloitte, 2023). Unlike first-time buyers, remortgage clients often prioritise cost efficiency and speed, making them well suited to Sense's hybrid service model. Buy-to-let investors, while smaller in number, present higher advisory complexity and therefore higher value per case, aligning with a quality-focused rather than volume-driven strategy. This segmentation enables Sense to allocate resources efficiently while tailoring service delivery to the expectations of each group.

Based on demand potential and alignment with the firm's strengths, the primary target segments are first-time buyers, remortgage customers, and buy-to-let investors. These groups require extensive advisory support, particularly due to complex affordability criteria, changing interest rate environments, and differing lending policies across financial institutions (Moneyfacts, 2024). Following chart shows more details about Market Segmentation:

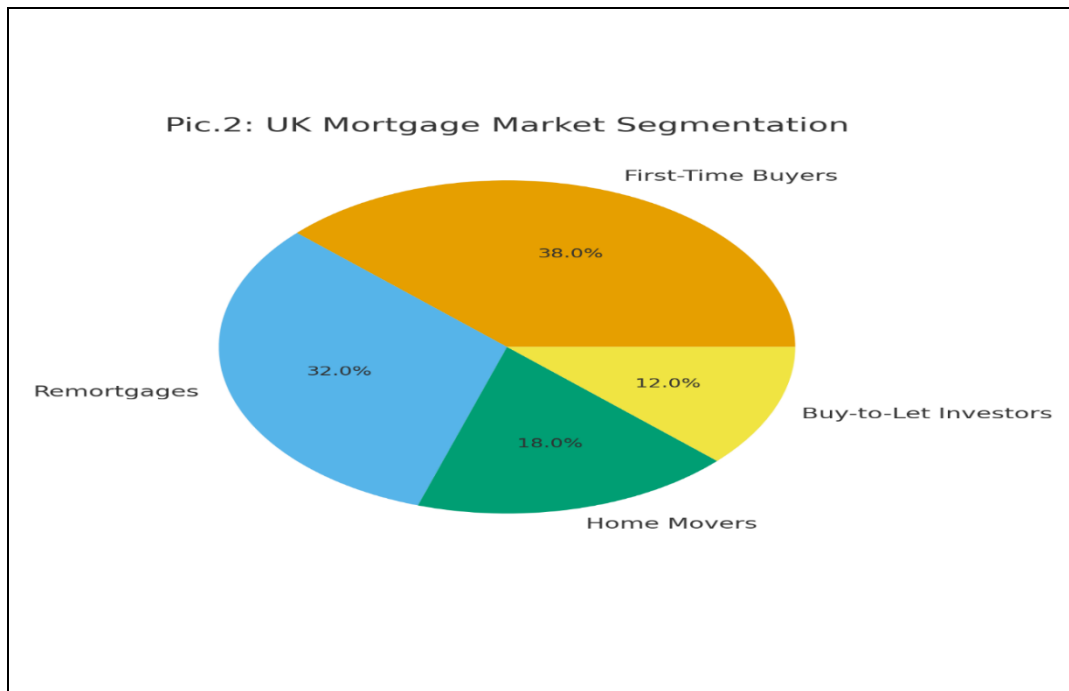


Figure 3: Mortgage market segmentation

Source: ONS (2024) UK Housing Market Release; Moneyfacts (2024) Mortgage Trends.

3.3 Customer Needs and Demand Patterns

Customer needs within the mortgage market have evolved significantly in response to regulatory changes and product complexity. Research indicates that borrowers increasingly value clarity, trust, and professional support throughout the mortgage process. MarketLine (2024) observes that regulatory requirements have increased documentation and affordability scrutiny, making mortgage applications more challenging for consumers to navigate independently.

Studies by McKinsey & Company (2023) suggest that most borrowers prefer a hybrid service model that combines digital convenience with human advice. This is particularly evident among first-time buyers and self-employed applicants, who often require additional explanation and reassurance. Trust and transparency are also critical factors, as financial decisions involve long-term commitments and perceived risk.

Sense Mortgage and Residential addresses these needs by prioritising adviser accessibility, clear communication, and step-by-step guidance, supported by efficient digital tools that reduce administrative burden without removing the adviser-client relationship.

Consumers increasingly prioritise clarity, convenience, and trustworthy advice when navigating the mortgage process. Empirical evidence from Deloitte (2023) indicates that 61% of borrowers find mortgage products difficult to understand, while 72% seek clearer explanations of affordability assessments. In addition, 78% of consumers express a preference for hybrid advice models that combine digital access with human adviser support, and 64% report greater trust in regulated mortgage brokers compared to banks or online comparison platforms. These findings highlight a growing expectation for advisory services that balance professional expertise with accessible digital functionality.

This shift in consumer behaviour directly supports the business model of Sense Mortgage and Residential, which emphasises transparent communication, step-by-step guidance, and digitally enabled service delivery. Younger and digitally engaged borrowers, in particular, value features such as online document uploads, rapid affordability assessments, and responsive communication channels. By aligning its service offering with these expectations, Sense Mortgage and Residential is well positioned to differentiate itself within a competitive market and to build long-term client relationships based on trust and service quality.

These findings also demonstrate that while technology plays an important role in improving efficiency, trust remains central to the advisory relationship. Regulated mortgage brokers are perceived as more trustworthy than banks or comparison websites by most consumers, reinforcing the value of adviser-led services (Deloitte, 2023). For Sense Mortgage and Residential, this aligns directly with the firm's emphasis on transparent communication, step-by-step guidance, and ethical advice delivery.

Younger borrowers expect seamless digital interactions, including online document uploads, rapid affordability checks, and real-time communication. By integrating digital

systems with personalised advice, Sense can meet evolving consumer expectations while differentiating itself from both traditional brokers and digital-only platforms.

3.4 Competitive Analysis

The UK mortgage advisory market is highly competitive, comprising national brokerage firms, digital-only platforms, and smaller independent advisers. Large national firms benefit from brand recognition and scale, while digital platforms emphasise speed and automation. However, both models may lack the personalised service and flexibility required by complex customer cases.

Independent advisers, while offering personalised service, often face limitations in digital capability or compliance infrastructure. MarketLine (2024) notes that regulatory pressure has increased operational costs for smaller firms, reinforcing the importance of robust compliance support.

Sense Mortgage and Residential positions itself between these models by combining personalised advisory services with digital efficiency and compliance oversight through its principal network. This hybrid positioning enables the firm to compete effectively on service quality rather than price alone.

Pic.3: Competitor Comparison Matrix

Feature	Sense M&R	L&C	Habito	Local Brokers
Personalised Advice	High	Medium	Low	High
Digital Tools	High	High	High	Low
Compliance Strength	High	Medium	Medium	Low
Processing Speed	High	High	High	Medium
Customer Support	High	Low	Low	High

Figure 4: Competitors comparing Matrix

Source: Author Illustration (2025)

The threat of substitutes, such as AI-driven advice systems or fully automated platforms, is increasing but currently limited by the complexity of borrower circumstances and the need for human judgment in affordability assessments. Supplier and primarily lenders hold moderate power, as they frequently adjust criteria and stress-testing parameters; however, intermediaries account for a significant portion of mortgage distribution, giving brokers substantial influence in product placement (UK Finance, 2024). Overall, the environment favours firms that offer strong compliance, personalised service, and digital efficiency.

The combined findings of this market analysis demonstrate that Sense Mortgage and Residential is entering a market characterised by sustained demand, increasing advisory complexity, and evolving consumer expectations. While competition remains intense, the evidence indicates that borrowers continue to value professional guidance, particularly during periods of interest rate volatility and regulatory tightening.

By focusing on clearly defined customer segments and aligning its service model with demonstrated consumer preferences, Sense Mortgage and Residential is well

positioned to convert market demand into sustainable revenue. The insights generated in this chapter directly inform the firm's marketing strategy, operational design, and financial assumptions presented in subsequent chapter

3.5 Market Validation

The viability of Sense Mortgage and Residential is supported by multiple sources of market validation. First, sustained transaction volumes within the UK mortgage market provide confidence in ongoing demand (UK Finance, 2024). Second, regulatory complexity continues to increase reliance on professional advisers, particularly among first-time buyers and remortgaging clients (MarketLine, 2024). Third, consumer preference for adviser-led or hybrid service models further supports the firm's strategic positioning (McKinsey & Company, 2023).

These factors collectively validate the decision to enter the market with a compliance-led, client-focused advisory model. Rather than relying on speculative growth, the business is grounded in established demand patterns and structural industry trends.

3.6 SWOT Analysis of Sense Mortgage and Residential

A SWOT analysis brings together the key internal and external factors identified in the earlier sections of the market research chapter. It provides a structured assessment of the firm's strengths, weaknesses, opportunities, and threats, helping clarify its strategic position within the UK mortgage advisory market. Conducting a SWOT analysis is useful for translating market analysis into actionable strategic insight (Kotler & Keller, 2023). The analysis below considers internal capabilities such as compliance culture, service quality, and technology adoption, alongside external market forces such as regulatory changes, consumer trends, and competitive pressures.

Table 2: SWOT Analysis of Sense Mortgage and Residential

Strengths	weaknesses
1. Strong compliance culture supported by Openwork network. 2. Hybrid digital-human advisory model supporting efficiency. 3. Personalised service and transparent communication. 4. Professional brand identity and modern technology stack	1. New brand with no established market reputation. 2. Limited initial operational capacity (small team). 3. Higher workload risk on founder in early phases. 4. Dependence on network systems may limit flexibility.
Opportunities	Threats
1. Growing demand for hybrid advisory models. 2. Increased remortgage activity due to rate changes. 3. Rising first-time buyer interest in trusted advisers. 4. Ability to scale cost-effectively through digital systems.	1. Strong competition from both large brokers and digital platforms. 2. Regulatory tightening increasing administrative workload. 3. Economic uncertainty impacting borrowing levels. 4. Market disruption from fully automated mortgage tools.

Source: Author illustration (2025)

Interpretation of SWOT Findings

The SWOT analysis shows that Sense Mortgage and Residential is well positioned to enter the market, with strong advantages such as its compliance-driven model and hybrid digital–personal service approach. These strengths align with growing consumer demand for transparent and efficient mortgage advice (McKinsey, 2023) and are reinforced by the support provided through the Openwork network, which enhances regulatory confidence and operational structure (FCA, 2023).

However, the firm's newness presents challenges, particularly limited brand recognition and a small initial team, which may affect early client acquisition and capacity. These weaknesses can be managed through targeted marketing and gradual recruitment as demand increases.

Externally, the firm benefits from rising demand among first-time buyers and strong remortgage activity during periods of rate fluctuation (UK Finance, 2024). Digital tools create opportunities for scalable growth without proportionate cost increases. At the same time, threats such as strong competition, potential regulatory tightening, and economic uncertainty must be managed through effective planning and maintaining operational flexibility.

Overall, the SWOT analysis indicates that the firm has a strong foundation for growth, provided that early-stage weaknesses and external threats are addressed proactively.

3.7 Summary

This chapter has examined the UK mortgage market to assess the commercial viability of Sense Mortgage and Residential. The analysis confirms that while lending volumes fluctuate in response to economic conditions, demand for mortgage advice remains structurally strong due to regulatory complexity, affordability constraints, and recurring refinancing cycles. Market segmentation highlights first-time buyers, remortgaging households, and buy-to-let investors as strategically attractive target groups, each requiring tailored advisory support.

The findings demonstrate that consumer preferences are shifting toward hybrid service models that combine digital efficiency with personalised advice. Market data further indicates that remortgaging activity offers significant opportunities for repeat business and long-term client relationships. Competitive analysis suggests that although rivalry is high, there is a clear opportunity for compliant, client-centred advisory firms that prioritise transparency and guidance over volume-based sales. Overall, this chapter provides strong empirical support for the strategic positioning of

Sense Mortgage and Residential and directly informs the marketing, operational, and financial strategies presented in subsequent chapters.

Chapter 4: Marketing and Sales Strategy

4.1 Introduction

This chapter outlines the marketing and sales strategy for Sense Mortgage and Residential. It explains how the business will attract, convert, and retain clients within a competitive and regulated mortgage advisory market. The chapter focuses on brand positioning, pricing rationale, marketing mix decisions, sales funnel structure, digital marketing strategy, and performance measurement. The approach is designed to support sustainable growth while remaining compliant with regulatory requirements and aligned with consumer expectations.

4.1.1 Strategic Marketing Rationale

The primary marketing objective of Sense Mortgage and Residential is not rapid scale but sustainable client acquisition aligned with regulatory and service capacity constraints. Research indicates that professional service firms operating in regulated sectors benefit from trust-led marketing approaches rather than volume-driven promotional activity (McKinsey & Company, 2023). As a new market entrant, the business prioritises credibility, transparency, and clarity over aggressive lead generation, ensuring that marketing activity supports long-term brand development rather than short-term transaction volume.

This approach aligns with Consumer Duty expectations, which require firms to consider customer outcomes across the full client journey, including how products and services are marketed (FCA, 2023). Consequently, marketing success for Sense Mortgage and Residential is measured not only by enquiry volume but also by lead quality, conversion efficiency, and client satisfaction.

4.2 Unique Selling Proposition (USP)

The unique selling proposition of Sense Mortgage and Residential is its hybrid advisory model, which combines personalised, adviser-led mortgage advice with digitally enabled processes. Unlike digital-only platforms that prioritise automation, or

large brokerage firms that focus on volume. Sense as a business positions itself as a transparent, client-focused advisory service that prioritises suitability, clarity, and long-term relationships.

This proposition is particularly relevant in a market where borrowers increasingly face difficult situation on affordability assessments, changing interest rates, and regulatory requirements. Industry research indicates that consumers value advisers who can clearly explain mortgage options while offering the convenience of digital engagement (Deloitte, 2023; McKinsey & Company, 2023). Understanding both functional and emotional customer needs, Sense differentiates itself on service quality rather than price competition alone.

The unique selling proposition of Sense Mortgage and Residential is grounded in the delivery of personalised, adviser-led mortgage advice supported by efficient digital processes. Market research indicates that while digital tools are increasingly valued, consumers continue to prioritise human interaction when making complex financial decisions (Deloitte, 2023). This reinforces the relevance of a hybrid advisory model that combines accessibility with expert guidance.

Digital-only platforms which focus primarily on product comparison, Sense Mortgage and Residential positions itself as a trusted adviser throughout the full mortgage lifecycle. This includes affordability assessment, lender selection, application support, and post-completion aftercare. By emphasising clarity and step-by-step guidance, the business addresses common consumer concerns regarding mortgage complexity and affordability transparency (ONS, 2024). This positioning supports differentiation in a competitive market where service quality is a key decision factor.

4.3 Brand Positioning and Identity

Sense Mortgage and Residential is positioned as a trusted, compliant, and approachable mortgage adviser. The brand identity emphasises professionalism, transparency, and accessibility, reflecting the firm's regulatory obligations and customer-centric philosophy. Trust is a critical factor in financial services, particularly for long-term commitments such as mortgages, where perceived risk is high (Kotler and Keller, 2023).

The brand positioning aligns closely with Consumer Duty principles, reinforcing the firm’s commitment to delivering fair value, clear communication, and positive customer outcomes (FCA, 2023). Visual branding, tone of voice, and digital presence are designed to convey reassurance and credibility rather than aggressive sales messaging.



Figure 4: Brand Identity Framework

Source: Author Illustration (2025), Canva

Branding will be consistently implemented across all touchpoints, including the firm’s website, digital documents, social media content, stationery, and adviser email signatures. This helps build a professional and cohesive visual identity, supporting a stronger market presence.

4.4 Marketing Mix (7Ps Framework)

The marketing strategy for Sense Mortgage and Residential is structured around the extended 7Ps marketing mix, which is widely applied in service-based industries (Kotler and Keller, 2023).

Product:

The core service offering includes mortgage advice for first-time buyers, remortgaging clients, and buy-to-let investors. The service is advisory led, regulated, and supported by digital tools that enhance efficiency without removing human involvement. Where appropriate, clients may also be offered protection and general insurance solutions as part of a holistic advice process, in line with suitability and regulatory requirements.

Price:

Pricing is based on a combination of lender procurement fees and, where applicable, broker fees. Fee levels are benchmarked against competitor practices to ensure fairness and competitiveness. Industry data suggests that typical broker fees range. Pricing within Sense Mortgage and Residential reflects both market norms and the value of personalised advisory support. Industry benchmarks suggest that broker fees typically range between £300 and £995 per case, depending on complexity and service scope (Moneyfacts, 2024). Sense adopts a transparent pricing approach aligned with these benchmarks, ensuring that fees are disclosed clearly at an early stage of client engagement.

This pricing strategy supports Consumer Duty requirements by enabling customers to assess value for money and make informed decisions (FCA, 2023). Rather than competing on price alone, the business positions fees as reflective of adviser expertise, compliance oversight, and end-to-end service delivery. This approach reduces downward pricing pressure and supports sustainable margins without compromising ethical standards.

Place:

Services are delivered through a hybrid model, combining remote digital interaction with personalised adviser engagement. This approach allows the firm to reach a broader geographic market while maintaining accessibility and flexibility.

Promotion:

Promotional activity focuses on digital channels, referrals, and relationship-based marketing. Content-led engagement, client testimonials, and educational materials are used to build credibility and trust rather than reliance on price-led advertising.

People:

The adviser-led nature of the business places significant importance on professional competence, ethical conduct, and communication skills. Ongoing training and compliance oversight ensure service consistency.

Process:

Processes are structured to ensure regulatory compliance, efficient case progression, and clear communication. Digital document uploads, automated reminders, and CRM systems support workflow management and customer updates.

Physical Evidence:

Professional branding, compliant documentation, digital interfaces, and customer communications provide tangible reassurance of service quality and regulatory legitimacy.

4.5 Sales Strategy and Customer Funnel

The sales strategy follows a structured customer funnel that reflects both consumer decision-making behaviour and regulatory requirements. The funnel progresses through four key stages: lead generation, enquiry, adviser appointment, and mortgage completion.

Leads are generated primarily through digital marketing, referrals, and repeat clients. Once an enquiry is received, initial engagement focuses on understanding client needs, eligibility, and affordability. Qualified enquiries progress to adviser appointments, where regulated advice is provided in accordance with FCA standards. Successful cases then proceed to application, offer, and completion stages.

This structured funnel supports compliance by ensuring suitability assessments occur before recommendations are made, while also enabling performance tracking at each stage. The approach reflects best practice in professional services marketing, where trust-building and relationship development are central to conversion (Kotler and Keller, 2023).

The customer acquisition funnel for Sense Mortgage and Residential follows a structured progression from initial lead to completed mortgage transaction. Leads are generated through digital marketing channels, referrals, and repeat business, before being filtered through an initial enquiry stage. This screening process ensures that adviser time is focused on suitable and viable cases, improving conversion efficiency.

Following enquiry, clients progress to adviser appointments where fact-finding, affordability assessment, and recommendation take place. Research suggests that structured advisory processes improve both customer outcomes and conversion rates within financial services firms (PwC, 2023). Post-completion, aftercare processes support retention and future remortgage opportunities, reinforcing lifetime customer value rather than one-off transactions.

This funnel-based approach allows Sense Mortgage and Residential to align marketing expenditure with operational capacity, ensuring that growth remains manageable and compliant.

4.6 Digital Marketing Strategy

Digital marketing plays a central role in the growth strategy of Sense Mortgage and Residential. Primary channels include search engine optimisation (SEO), pay-per-click advertising (PPC), social media engagement, and content marketing. These channels are selected due to their measurability, scalability, and alignment with consumer search behaviour in financial services (McKinsey & Company, 2023).

Content marketing focuses on educational material, such as guides for first-time buyers and remortgaging checklists, which support both lead generation and trust-building. Digital engagement is designed to complement, rather than replace, adviser interaction, reflecting consumer preference for hybrid service models (Deloitte, 2023).

Digital marketing channels are selected based on cost efficiency, measurability, and relevance to target customer segments. Search engine optimisation (SEO) and paid search advertising are prioritised due to their alignment with high-intent customer behaviour, particularly among first-time buyers and remortgaging clients actively seeking advice (McKinsey & Company, 2023). Social media channels support brand visibility and trust-building rather than direct conversion.

Marketing performance is monitored through key performance indicators including cost per lead, enquiry-to-appointment conversion rates, case completion ratios, and customer acquisition cost. These metrics enable continuous optimisation of marketing spend and support evidence-based decision-making. This data-driven approach is particularly important for small advisory firms seeking to maximise return on limited marketing budgets (Deloitte, 2023).

4.7 Marketing Budget and Resource Allocation

Marketing expenditure is allocated conservatively, particularly during the early stages of operation. Budget allocation prioritises digital channels with clear performance metrics, allowing the business to evaluate return on investment and adjust spend

accordingly. This approach reduces financial risk while supporting gradual brand awareness growth.

The marketing budget is aligned with projected case volumes and revenue targets outlined in the financial plan. As the business scales, increased marketing investment can be supported by retained earnings rather than external funding.

Table 3: Estimated Marketing Budget for Sense

Activity	Estimated Cost (£)
Website Development	£800 – £1,200
Branding & Logo Design	£300 – £500
CRM & Automation Tools	£600 – £900 annually
Google Ads	£150 – £300 per month
Social Media Ads	£100 – £200 per month
Content Creation	£300 – £600
Total Estimated Budget	£3,000 – £5,000

Source: Author Illustration (2025)

The marketing and operational budget estimates used in this report are derived from a combination of industry research, competitor benchmarking, and established practices within the UK mortgage advisory sector. Budget allocations reflect typical cost structures observed among independent mortgage brokers, including digital marketing expenditure, software subscriptions, compliance-related costs, and professional services, as reported by industry sources such as UK Finance, Moneyfacts, and Deloitte. Where precise market data is unavailable, conservative assumptions have been applied to avoid overstatement of performance. All financial estimates are therefore grounded in realistic market conditions and aligned with the service model and scale of operations proposed for Sense Mortgage and Residential.

4.8 Performance Measurement and Key Performance Indicators (KPIs)

Marketing and sales performance is monitored using clearly defined key performance indicators. These include lead conversion rates, cost per lead, appointment-to-completion ratios, customer acquisition cost, and client retention rates. Monitoring these indicators enables management to assess the effectiveness of marketing campaigns and identify areas for improvement.

Digital tools and CRM systems provide real-time data to support performance tracking, ensuring that marketing decisions are data-driven and aligned with strategic objectives. The use of KPIs reflects best practice in service marketing and supports accountability and continuous improvement (Kotler and Keller, 2023).

The marketing and sales strategy outlined in this chapter is closely aligned with the operational and financial assumptions presented in subsequent chapters. By prioritising lead quality over volume and adopting a structured conversion funnel, Sense Mortgage and Residential ensures that marketing activity supports service quality and compliance requirements. Conservative budget allocation and performance monitoring further reduce financial risk during early-stage operations, reinforcing the sustainability of the proposed business model.

4.9 Summary

This chapter has outlined the marketing and sales strategy for Sense Mortgage and Residential, demonstrating how the business intends to attract, convert, and retain clients within a competitive and highly regulated market. The analysis confirms that a trust-led, adviser-focused marketing approach is more appropriate than volume-driven promotion, particularly for a new entrant operating under Consumer Duty requirements. The firm's unique selling proposition is clearly positioned around personalised advice supported by efficient digital processes, addressing identified consumer demand for clarity, transparency, and professional guidance.

The application of the marketing mix and customer conversion funnel illustrates how pricing, promotion, and service delivery are aligned with both regulatory expectations and operational capacity. Digital marketing channels are selected based on cost efficiency and measurability, while performance is monitored through defined key performance indicators to ensure responsible use of marketing resources. Overall, this chapter demonstrates that the marketing and sales strategy of Sense Mortgage and Residential is strategically coherent, ethically grounded, and closely integrated with the firm's operational and financial planning.

Chapter 5: Operational Plan

5.1 Introduction

This chapter outlines how Sense Mortgage and Residential will operate on a day-to-day basis to deliver compliant, efficient, and client-focused mortgage advisory services. The operational plan explains the end-to-end service process, systems and technology used, compliance integration, quality control measures, and scalability considerations. The objective is to demonstrate that the business can translate its strategic positioning and marketing plans into consistent operational performance.

5.2 Service Delivery Model

Sense Mortgage and Residential operates an adviser-led, hybrid service delivery model. Clients engage with the business through digital channels for initial enquiries, document submission, and communication, while regulated mortgage advice is delivered through structured adviser appointments. This model balances efficiency with personal interaction, reflecting consumer preference for hybrid advisory services identified in the market research.

The service model supports accessibility and flexibility, allowing clients to interact remotely while maintaining a high standard of personalised advice. This approach also enables the business to serve a wider geographic area without the overheads associated with physical branch operations.

5.3 End-to-End Operational Process

The operational workflow follows a structured and compliant process aligned with FCA requirements:

1. Lead Receipt and Initial Enquiry

Enquiries are received via digital marketing channels, referrals, or repeat clients. Initial screening ensures that enquiries fall within the firm's advice scope.

2.Fact-Finding and Affordability Assessment

Clients complete a regulated fact find, supported by document collection and affordability analysis. This stage ensures suitability and compliance before any recommendation is made.

3.Adviser Recommendation and Application

Suitable mortgage options are identified and explained clearly to the client. Applications are submitted to lenders following client consent.

4.Offer, Completion, and Aftercare

Once a mortgage offer is issued, the adviser supports the client through to completion and provides ongoing aftercare, including future remortgage reminders.

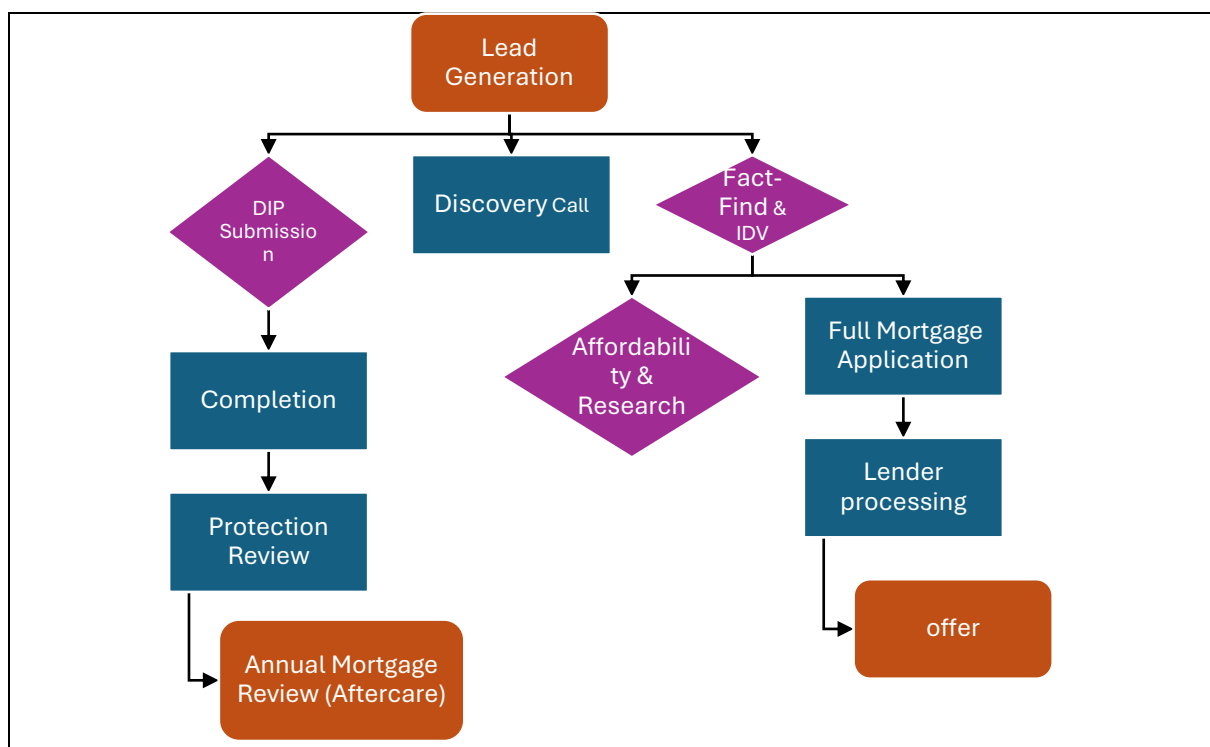


Figure: Operational Process Diagram

Author Illustration, (2025)

This structured process supports both regulatory compliance and consistent customer experience.

To ensure consistent service delivery and manage client expectations, Sense Mortgage and Residential adopts structured service timelines aligned with industry best practice. From initial enquiry to mortgage completion, cases are managed through clearly defined stages, each with indicative turnaround targets. Initial client contact and fact-finding are expected to be completed within five working days, subject to client responsiveness. Mortgage recommendations and application submissions typically follow within a further five to seven working days, depending on case complexity and lender requirements.

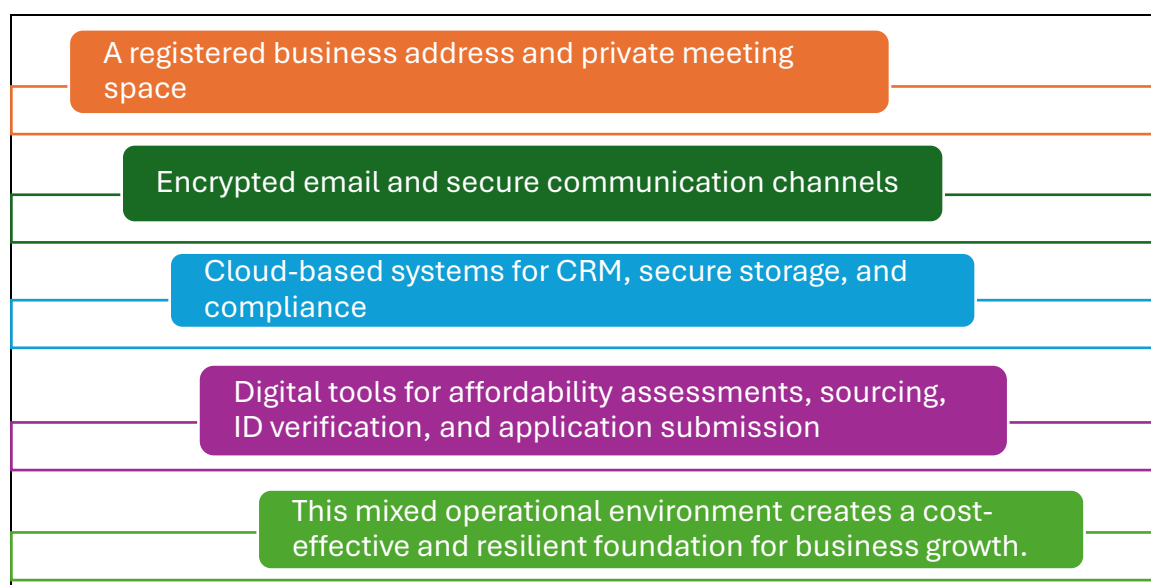
Establishing clear service standards supports operational efficiency and improves customer satisfaction, particularly in a market where delays and uncertainty are common concerns (FCA, 2023). These timelines also allow for effective workload planning and ensure that adviser capacity remains aligned with case volumes. While external factors such as lender processing times and solicitor actions remain outside the firm's direct control, proactive communication ensures transparency throughout the process.

5.4 Systems, Technology, and Digital Infrastructure

Operational efficiency is supported using digital systems, including customer relationship management (CRM) software, document upload portals, lender sourcing systems, and secure communication tools. These systems improve case tracking, reduce administrative errors, and ensure accurate record-keeping.

Digital tools also support compliance by maintaining audit trails and enabling secure storage of client data in accordance with UK GDPR requirements. The adoption of cloud-based systems allows operational scalability as case volumes increase without proportionate increases in overheads.

The firm's infrastructure includes:



Accurate record-keeping is a critical operational requirement within regulated financial services. Sense Mortgage and Residential maintains comprehensive digital records for each client, including fact finds, suitability assessments, correspondence, and lender documentation. These records are stored securely using cloud-based systems that support audit readiness and regulatory review.

Maintaining structured and accessible records supports compliance with FCA requirements and UK GDPR obligations, ensuring that personal data is processed lawfully and securely (ICO, 2023). Audit readiness is further supported through consistent file structuring and version control, enabling efficient internal reviews and network compliance checks. This approach reduces regulatory risk and supports accountability across all stages of the advice process.

5.5 Operational Capacity and Scalability

The operational capacity of Sense Mortgage and Residential is designed to support phased and sustainable growth. During the initial stages of operation, case volumes are intentionally limited to ensure service quality, compliance consistency, and effective workload management. This approach reflects research suggesting that

controlled growth reduces operational risk and enhances service reliability in professional service firms (McKinsey & Company, 2023).

Scalability is achieved through process standardisation, increased use of digital systems, and selective outsourcing of administrative tasks as demand grows. Cloud-based CRM systems, document management platforms, and automated communications allow the business to manage higher case volumes without proportional increases in fixed costs.

The key advantages of integrating a CRM system include improved productivity, enhanced client communication, error reduction, and stronger compliance evidence (PwC, 2023). In addition, tools such as digital fact-finds, automated affordability calculators, client document portals, and email automation significantly reduce administrative workload. A simple table summarises the firm's technology stack below.

Table 4: Technology Systems Supporting Operations:

System / Tool	Function	Source / Type
CRM Platform	Case management, compliance checks, automation	Acre / One Key
Digital ID Verification	AML, KYC compliance	Third-party IDV tools
Sourcing Software	Mortgage product research	Mortgage Brain / Twenty7Tec
Cloud Storage	Secure document storage	Google Workspace / Box
E-Signature Tools	Digital compliance and onboarding	Docu Sign / Adobe Sign

This scalable operating model supports the financial assumptions outlined in Chapter 7 and ensures that growth does not compromise customer experience or regulatory standards.

5.6 Complaints Handling and Customer Feedback

An effective complaints handling process is an essential component of operational governance within financial services. Sense Mortgage and Residential maintains a formal complaints procedure aligned with FCA dispute resolution (DISP) rules. Clients are informed of their right to raise concerns and the steps involved in resolving complaints in a timely and transparent manner (FCA, 2023).

Complaints are logged, investigated, and resolved within prescribed timeframes, with escalation to the principal network where required. In addition to regulatory compliance, customer feedback is actively encouraged as part of continuous service improvement. Research indicates that structured feedback mechanisms contribute to improved service quality and client retention within professional service firms (PwC, 2023). This feedback loop supports operational refinement and reinforces a client-centred service culture.

5.7 Risk Management and Operational Resilience

Operational risks faced by Sense Mortgage and Residential include compliance breaches, data security threats, system downtime, and capacity constraints during periods of increased demand. These risks are mitigated using secure IT systems, regular software updates, and robust data protection practices in line with UK GDPR requirements (ICO, 2023).

Operational resilience is further supported by remote service delivery and cloud-based infrastructure, which reduce reliance on physical premises and enable business continuity in the event of disruption. Clear procedures for issue escalation, data backup, and system recovery are maintained to minimise service interruption. This approach aligns with regulatory expectations that firms identify and manage operational risks proactively to protect customer outcomes and business stability (FCA, 2023).

5.8 Operational Performance Monitoring

Operational performance is monitored through non-financial key performance indicators that complement financial metrics. These include enquiry-to-appointment conversion rates, case completion times, file accuracy, and client satisfaction indicators. Monitoring these measures enables early identification of bottlenecks and supports data-driven operational decision-making.

For Sense Mortgage and Residential, performance monitoring ensures that growth remains sustainable and compliant. By prioritising service quality and operational control over transaction volume, the business reduces the risk of service degradation during periods of increased demand. This approach aligns with Consumer Duty expectations, which emphasise ongoing assessment of customer outcomes rather than reliance on retrospective metrics alone (FCA, 2023).

This chapter has demonstrated how Sense Mortgage and Residential will operate effectively to deliver compliant, efficient, and client-focused mortgage advisory services. By embedding compliance into daily operations, utilising scalable digital systems, and implementing robust risk management practices, the business is structured to maintain high service standards while supporting controlled growth. The operational model aligns with regulatory expectations and industry best practice, providing a strong foundation for the human resource strategy and financial projections presented in subsequent chapters.

5.9 Compliance and Quality Assurance

Compliance is fundamental to the firm's operational model. As an Appointed Representative under Openwork, the business will receive structured oversight that includes file reviews, training, supervision meetings, and compliance audits. This support is essential to meet FCA requirements and maintain high-quality advice.

The compliance strategy includes mandatory AML checks, affordability assessments, suitability report documentation, audit trails, and complaint-handling procedures. Systems will be aligned with the network's compliance portal, allowing secure uploading of documents and ensuring case approval before submission to lenders. This layered approach ensures that operational risk is minimised, and advisers maintain competent and compliant practice.

A flow diagram of compliance responsibilities demonstrates clarity:

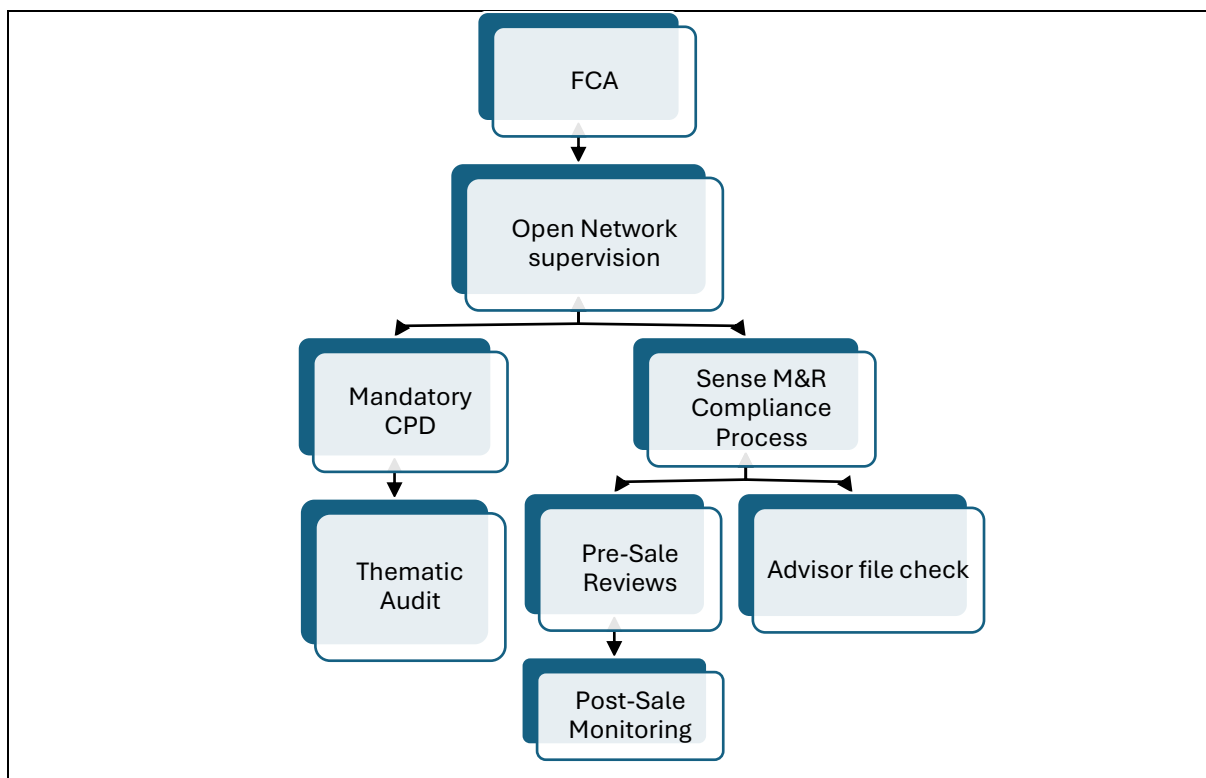


Figure 6: Compliance Responsibilities Diagram

Source: Author Compilation (2025) based on research from FCA, 2023

This model ensures that compliance is embedded into every stage of operations rather than treated as an administrative afterthought.

5.10 Summary

This chapter has demonstrated how Sense Mortgage and Residential will operate effectively to deliver compliant, efficient, and client-focused mortgage advisory services. By embedding compliance into daily operations, utilising scalable digital systems, and implementing robust risk management practices, the business is structured to maintain high service standards while supporting controlled growth. The operational model aligns with regulatory expectations and industry best practice, providing a strong foundation for the human resource strategy and financial projections presented in subsequent chapters.

Chapter 6: Human Resource Plan

6.1 Introduction

This chapter outlines the human resource strategy for Sense Mortgage and Residential and explains how staffing, recruitment, training, and performance management will support the delivery of compliant and high-quality mortgage advisory services. Given the regulatory nature of the industry, the HR plan focuses not only on workforce capacity but also on adviser competence, ethical conduct, and ongoing professional development. The objective is to ensure that human resources are aligned with the firm's operational needs, growth strategy, and regulatory obligations.

6.2 Organisational Structure

Sense Mortgage and Residential adopts a lean organisational structure during its initial stage of operation. The business is adviser-led, with the founder acting as the primary mortgage adviser and business manager. Administrative and compliance support is initially provided through a combination of network resources and part-time or outsourced roles.

This streamlined structure reduces fixed staffing costs while allowing the business to maintain flexibility as demand evolves. Research suggests that small professional service firms benefit from lean staffing models in early stages, as they allow closer management oversight and reduce operational risk (Armstrong and Taylor, 2023). As case volumes increase, additional roles can be introduced gradually to support service delivery and compliance requirements.

6.3 Staffing Requirements and Role Definition

At launch, staffing requirements are limited to essential functions required for regulated service delivery. The key roles include a qualified mortgage adviser, responsible for client advice and relationship management, and administrative support for case processing, documentation, and liaison with lenders and solicitors.

Administrative tasks may initially be outsourced or handled on a part-time basis to maintain cost efficiency. This approach reflects industry practice among small advisory firms, where non-core activities are often delegated to maintain adviser focus on revenue-generating activity (PwC, 2023). As the business grows, the introduction of dedicated paraplanning or administrative staff will be considered to support increased case volumes and maintain service quality.

6.4 Competency Framework and Skills Requirements

Given the regulatory complexity of mortgage advice, competence within Sense Mortgage and Residential extends beyond formal qualifications. Advisers are required to demonstrate technical knowledge, ethical judgement, communication skills, and the ability to assess suitability in line with individual client circumstances. The Financial Conduct Authority emphasises that competence should be viewed as an ongoing capability rather than a one-time qualification requirement (FCA, 2023).

In addition to meeting minimum qualification standards, advisers must be capable of interpreting lender criteria, explaining complex mortgage features clearly, and identifying potential consumer vulnerabilities. Research by the Chartered Institute of Personnel and Development (CIPD, 2023) highlights that competency-based role design improves service consistency and reduces operational risk in regulated professional environments. For Sense Mortgage and Residential, a structured competency framework ensures that service quality is maintained as the business grows.

6.5 Recruitment Strategy

Recruitment at Sense Mortgage and Residential will follow a phased and needs-based approach. During the early stages, recruitment will focus on roles that directly support compliance and customer outcomes. Selection criteria will prioritise technical competence, ethical standards, communication skills, and cultural alignment with the firm's values.

The recruitment process will be designed to ensure regulatory suitability, including background checks, qualification verification, and assessment of competence in line with FCA expectations (FCA, 2023). Sense Mortgage and Residential will operate with one lead adviser and one part-time administrator or paraplanner. As case volume increases, the business will expand its team, supported by Openwork's onboarding and training pathways.

A projected growth table supports operational planning:

Table 5: Capacity Planning and Staff Growth (Years 1–3)

Year	Advisers	Admin Staff	Estimated Case Capacity
Year 1	1	1 (PT)	15–20 cases/month
Year 2	2	1 (FT)	30–40 cases/month
Year 3	3–4	2 (FT)	50+ cases/month

Source: Author Projection (2025)

This structured expansion ensures operations remain manageable, compliant, and financially sustainable. By recruiting gradually and selectively, the firm reduces the risk of overstaffing while maintaining control over service standards.

As a small, adviser-led firm, Sense Mortgage and Residential faces potential key-person risk, particularly during early-stage operations. Succession planning is therefore incorporated into the human resource strategy to ensure continuity of service

and regulatory compliance. This includes documenting processes, maintaining comprehensive case records, and ensuring that administrative support functions are transferable.

Succession planning also supports long-term scalability by enabling the gradual introduction of additional advisers or support staff without disruption to existing operations. Armstrong and Taylor (2023) argue that early-stage succession planning enhances organisational resilience and reduces dependency on individual roles. For Sense Mortgage and Residential, this approach ensures that growth does not compromise customer outcomes or regulatory standards.

6.6 Training, Competence, and Professional Development

Training and competence are critical within regulated mortgage advice. All advisers are required to meet minimum qualification standards and engage in continuous professional development (CPD) to maintain competence. Sense Mortgage and Residential will ensure that advisers complete mandatory CPD requirements and remain up to date with regulatory changes, lender criteria, and market developments.

Ongoing training is supported through the principal network, which provides compliance updates, technical workshops, and regulatory guidance. Research highlights that continuous learning is essential in financial services to mitigate compliance risk and improve customer outcomes (FCA, 2023; CIPD, 2023). Internal knowledge sharing and reflective practice further support professional development and service consistency. Training programmes will include:

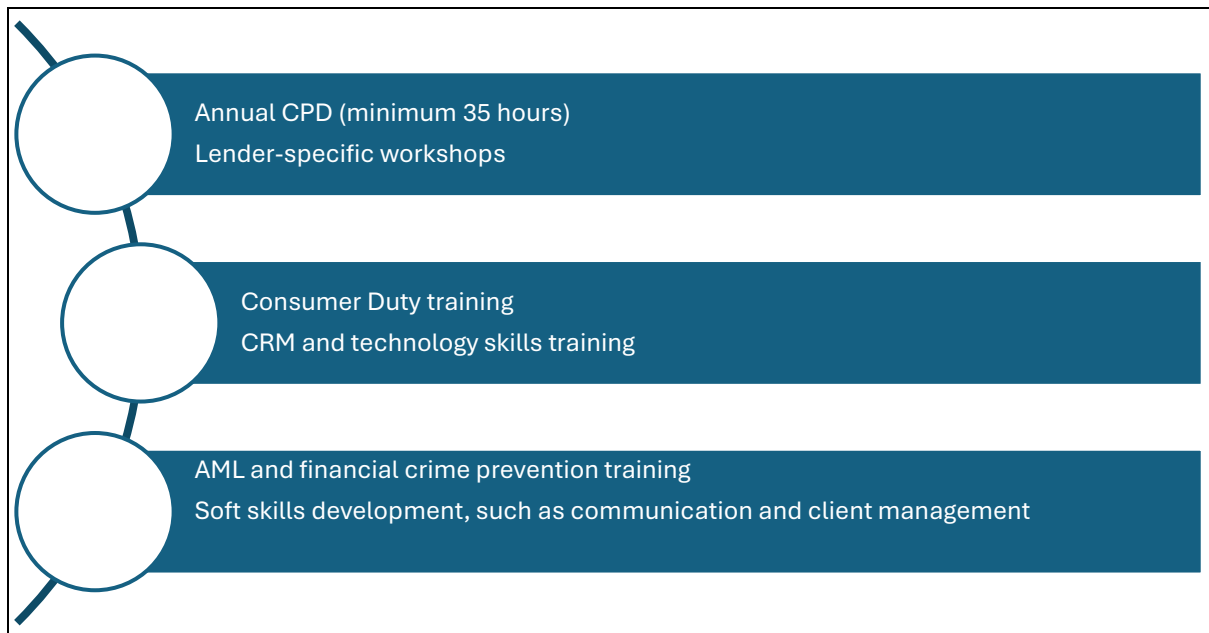


Figure 7: Training Programme Package

Source: Author Projection (2025)

Evidence of professional development is provided in Appendix A.

6.6.1 Ethical Culture and Consumer Duty Alignment

Beyond technical competence, Sense Mortgage and Residential places strong emphasis on ethical conduct and customer-focused culture. The introduction of the Consumer Duty framework reinforces the requirement for firms to act in good faith, avoid foreseeable harm, and support customers in achieving their financial objectives (FCA, 2023). These principles are embedded within training programmes and performance expectations.

Promoting an ethical culture reduces the risk of mis-selling and enhances long-term trust. According to CIPD (2023), organisations that align performance management with ethical values experience improved staff engagement and lower regulatory risk.

By integrating Consumer Duty principles into daily advisory practices, Sense Mortgage and Residential ensures that ethical considerations remain central to decision-making.

6.7 Performance Management and Incentives

Performance management at Sense Mortgage and Residential focuses on quality, compliance, and customer outcomes rather than volume alone. Key performance indicators include advice quality, file accuracy, customer satisfaction, and case completion efficiency. This approach aligns with Consumer Duty principles, which emphasise fair value and positive outcomes over sales-driven targets (FCA, 2023).

Incentives, where applied, will be structured to reward compliant behaviour and service quality rather than aggressive sales performance. This reduces the risk of mis-selling and supports a culture of ethical advice delivery. Evidence suggests that balanced performance frameworks contribute to improved staff engagement and reduced regulatory risk in financial services organisations (CIPD, 2023).

Key performance indicators will include:

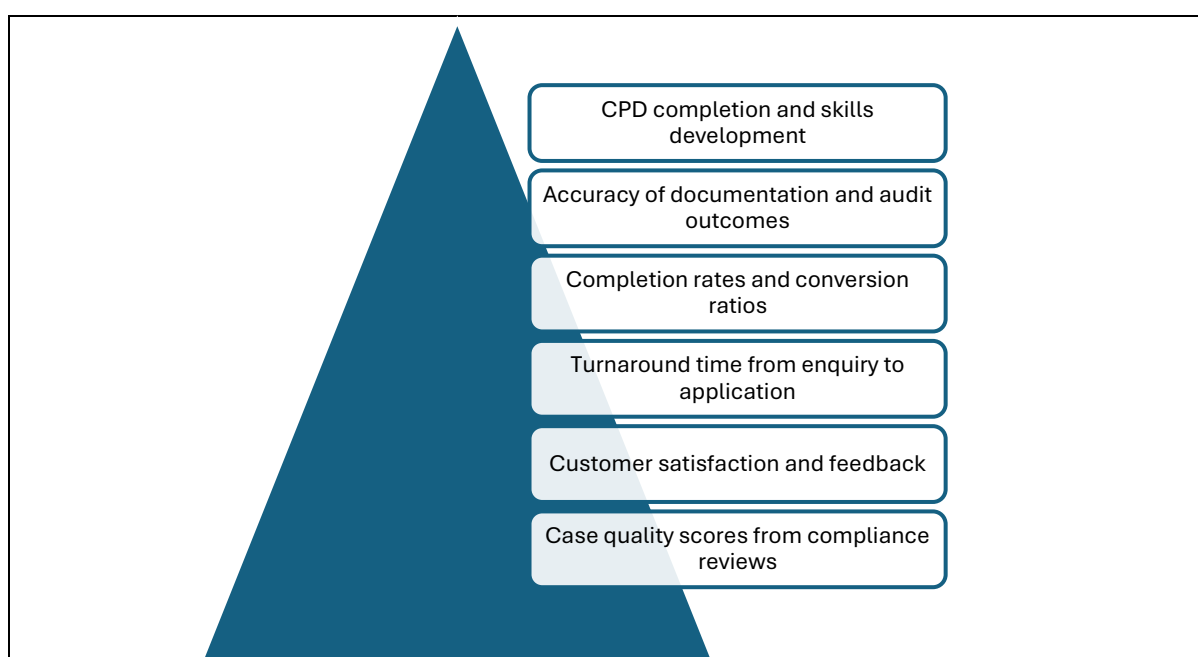


Figure 8: Staff engagement validation list

Source: Author Projection (2025)

The mortgage advisory sector is subject to frequent changes in lender criteria, regulatory guidance, and market conditions. Effective knowledge management is therefore essential to maintaining adviser competence and service accuracy. Sense Mortgage and Residential supports continuous improvement through regular internal updates, access to network-led training resources, and structured knowledge sharing.

Maintaining up-to-date knowledge reduces operational errors and supports consistent customer outcomes. PwC (2023) notes that continuous learning frameworks are particularly important in financial services environments where regulatory change is ongoing. By embedding knowledge management into its HR strategy, Sense Mortgage and Residential strengthens both compliance and service delivery.

6.8 Employee Wellbeing and Retention

Employee wellbeing is recognised as an important factor in maintaining performance and reducing turnover. Sense Mortgage and Residential promotes flexible working arrangements, manageable workloads, and a supportive working environment. These practices are particularly relevant in advisory roles, where cognitive load and regulatory pressure can be high.

Retention is supported through opportunities for professional development, clear communication, and alignment between individual and organisational values. Studies indicate that investment in employee wellbeing contributes to higher productivity, improved service quality, and long-term organisational sustainability (CIPD, 2023).

6.9 HR Risk Management

Common HR risks include turnover of skilled advisers, compliance failures due to inadequate training, workload imbalance, and recruitment challenges. To reduce these risks, the firm will:

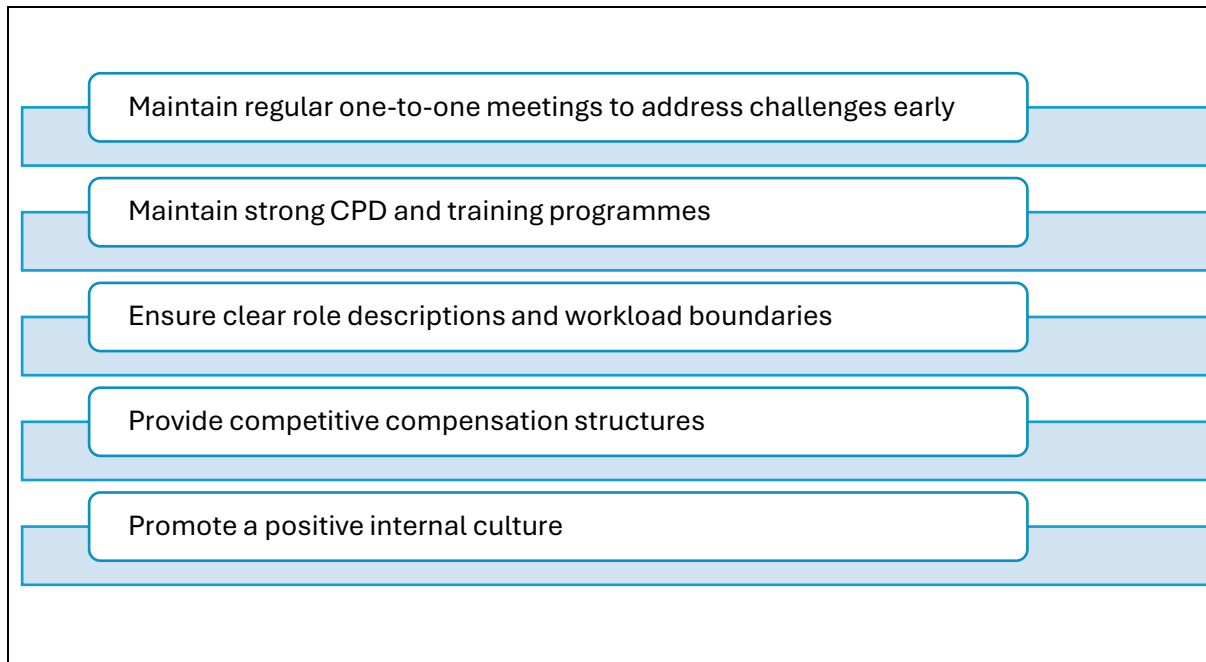


Figure 9: Risk Management Validation List

(Author illustration 2025)

The combination of structured supervision from Openwork and internal HR policies provides a strong safeguard against compliance breaches or operational disruption.

6.10 Summary

This chapter has outlined the human resource strategy underpinning the delivery of compliant and high-quality mortgage advisory services at Sense Mortgage and Residential. The analysis demonstrates that staffing, recruitment, training, and performance management are closely aligned with regulatory requirements and the firm's phased growth strategy. Emphasis on adviser competence, ethical culture, and continuous professional development ensures that customer outcomes remain central to service delivery. By adopting a structured competency framework, succession planning, and knowledge management processes, Sense Mortgage and Residential

reduces key-person risk and supports long-term operational resilience. Overall, the HR plan provides a strong foundation for sustainable growth while maintaining regulatory compliance and service quality.

Chapter 7: Financial Plan

7.1 Purpose of the Financial Plan

The financial plan outlines how Sense Mortgage and Residential will achieve financial sustainability while maintaining compliance, operational efficiency, and responsible growth. As a new mortgage advisory business, strong financial planning is essential to manage early-stage costs, forecast revenue, and ensure the business can operate confidently under changing economic and regulatory conditions.

All financial assumptions are informed by industry research, competitor benchmarking, and prevailing cost structures within the UK mortgage advisory sector. Where precise market data is unavailable, conservative estimates have been applied to avoid overstatement of performance.

According to Kotler and Keller (2023), financial planning in service-based firms is a critical component of strategic decision-making because it aligns operational capacity with market opportunity. This chapter presents a structured financial model comprising revenue assumptions, start-up costs, operating expenses, financial projections, and risk considerations.

The financial plan also evaluates the financial viability and sustainability of Sense Mortgage and Residential during its initial years of operation. The analysis is based on conservative, product-level assumptions and is supported by a detailed monthly cash flow model prepared in Excel. The financial projections demonstrate how the business generates revenue, manages costs, achieves break-even, and maintains positive cash flow under realistic operating conditions.

7.2 Justification of Revenue Assumptions

The revenue assumptions used in this financial plan are intentionally conservative and reflect prevailing practices within the UK mortgage intermediary market. Revenue is generated primarily through lender procurement fees, supplemented by broker fees where applicable, and limited ancillary income from protection products offered on a suitability-led basis. This diversified revenue structure reduces reliance on a single income stream and supports financial resilience during periods of market volatility (UK Finance, 2024).

Projected case volumes align with the operational capacity outlined in Chapter 5 and reflect realistic conversion expectations for a newly established advisory firm. Research indicates that early-stage professional service businesses benefit from conservative forecasting, as it reduces the risk of liquidity pressure and overextension during initial growth phases (McKinsey & Company, 2023). By avoiding aggressive volume assumptions, Sense Mortgage and Residential ensures that service quality and regulatory compliance remain prioritised over short-term revenue maximisation.

7.3 Revenue Model and Income Streams

Sense Mortgage and Residential generates income through mortgage advisory services across three core product categories: first-time buyer mortgages, buy-to-let mortgages, and remortgage transactions. Revenue is earned primarily through lender procurement fees and, where applicable, broker fees charged to clients. Revenue generated by Sense Mortgage and Residential is derived from a combination of lender procurement fees and, where applicable, broker fees charged to clients and therefore varies by product type depending on case complexity and lending characteristics.

Revenue assumptions are calculated on a per-case basis, reflecting realistic income levels within the UK mortgage intermediary market. *In addition to mortgage advice, the business anticipates limited ancillary income from protection and general insurance products, which are offered only where suitable and in line with regulatory requirements, and are therefore treated as a supplementary revenue stream rather than a core service.

Here is the estimated revenue forecast for next 3 years of Sense Mortgage and Residential:

Table 6: Revenue Forecast for Sense

Revenue Forecast (Year 1–3)					
Year	Mortgage Completions	Revenue from Mortgages (£)	Broker Fees (£)	Protection/ GI (£)	Total Revenue (£)
Year 1	120	108,000	18,000	12,000	138,150
Year 2	150	135,000	26,250	18,750	180,150
Year 3	180	162,000	31,500	25,000	218,680

Source: Author's illustration (2026), based on internal financial projections

Average revenue per completed case differs by product type, with buy-to-let cases generating higher income due to increased complexity, while remortgage cases generate slightly lower income but occur at higher volumes. First-time buyer cases provide stable and predictable revenue during early business growth.

Following chart demonstrate the initial start-up costs include legal setup, branding, technology subscriptions, equipment, and early-stage marketing. Table 8 summarises projected start-up expenditure.

Table 7: Estimated Start-Up Costs (Year 0 – Pre-Launch) for sense

Cost Category	Estimated Cost (£)
Company formation & FCA-related fees	£250
Branding & Logo Development	£400
Website Development	£1,000

CRM Setup & Licensing	£350
Laptop & Office Equipment	£1,200
Professional Indemnity Insurance	£600
Initial Marketing	£800
Total Estimated Start-Up Cost	£4,600

Source: Author's illustration (2026), based on internal financial projections

Sense Mortgage and Residential planning to operate from March 2026 and targeting at least 5 cases initially. Revenue per month will increase based on the volume of the cases. Predicted case number in each service area are as follows:

Table 8: Monthly predicted revenue figure

Month	FTB Cases	BTL Cases	Remortgage Cases	Total Cases	Revenue (£)
Mar-26	2	1	2	5	£4,500
Apr-26	3	1	2	6	£5,400
May-26	3	2	3	8	£7,300
Jun-26	4	2	4	10	£9,000
Jul-26	5	2	4	11	£9,900
Aug-26	5	3	4	12	£11,000
Sep-26	6	3	5	14	£12,700
Oct-26	6	3	5	14	£12,700
Nov-26	7	3	6	16	£14,400
Dec-26	7	4	6	17	£15,500
Jan-27	8	4	7	19	£17,200
Feb-27	8	4	7	19	£17,200
Total	64	32	55	151	136800

Source: Author's illustration (2026), based on internal financial projections

Above the monthly revenue projections are derived by multiplying the number of completed cases per product by the corresponding revenue per case. These calculations are shown in the supporting Excel model, which details revenue generation from March 2026 to February 2027. This approach ensures transparency and avoids reliance on generic averages.

7.4 Cost Structure and Variable Costs

The business operates with a relatively low-cost structure, typical of professional service firms. Costs are divided into variable (direct) costs and fixed operating costs.

Variable costs are incurred only when a case is completed and include network revenue share, compliance processing, CRM usage, and administrative support. These costs are applied consistently on a per-case basis across all product types and are calculated monthly in the Excel model. Applying variable costs per completed case ensures that the cost structure remains flexible and scalable as business volumes change. An estimated variable cost of £250 are selected for each case for Sense Mortgage and Residential.

Following chart shows detail information of cost of sale each month for a financial year. Calculation is accompanying Excel cash flow model (Appendix)

Table 9: Monthly cost of sale for Sense

Month	FTB Cases	BTL Cases	Remortgage Cases	Total cost of sales (£) per month	Average cost of sales per day*
Mar-26	£500	£250	£500	£1,250	£41.67
Apr-26	£750	£250	£500	£1,500	£50.00
May-26	£750	£500	£750	£2,000	£66.67
Jun-26	£1,000	£500	£1,000	£2,500	£83.33
Jul-26	£1,250	£500	£1,000	£2,750	£91.67
Aug-26	£1,250	£750	£1,000	£3,000	£100.00
Sep-26	£1,500	£750	£1,250	£3,500	£116.67

Oct-26	£1,500	£750	£1,250	£3,500	£116.67
Nov-26	£1,750	£750	£1,500	£4,000	£133.33
Dec-26	£1,750	£1,000	£1,500	£4,250	£141.67
Jan-27	£2,000	£1,000	£1,750	£4,750	£158.33
Feb-27	£2,000	£1,000	£1,750	£4,750	£158.33

Source: Author's illustration (2026), based on internal financial projections

Fixed costs, including software subscriptions, professional indemnity insurance, regulatory fees, and marketing overheads, are treated separately and do not form part of cost of sales. This distinction ensures that gross profit calculations reflect standard financial practice for service-based businesses. Breakdown of Fixed cost are allocated in following section at operating expenses.

Monthly cash flow forecasting plays a critical role in managing financial risk during the early stages of operation. Unlike annual projections, monthly forecasts allow for closer monitoring of liquidity, particularly in periods where income timing may be affected by lender processing delays or seasonal demand fluctuations. This is especially relevant for mortgage advisory firms, where revenue is typically received upon case completion rather than at the point of enquiry.

Effective cash flow management supports timely payment of operational expenses and reduces reliance on external financing. According to Deloitte (2023), small financial services firms that adopt detailed cash flow monitoring are better equipped to manage short-term volatility and maintain business continuity. The monthly cash flow model used in this report therefore enhances transparency and strengthens the credibility of the financial plan.

7.5 Operating Expenses

Operating expenses reflect ongoing monthly and annual costs required to run the business.

Table 10: Operating Expense Forecast (Annual)

Expense Type	Annual Cost (£)
CRM Subscription	£720
Cloud Storage & Software	£360
Network Fees (Openwork)	£2,400
Professional Indemnity Insurance	£600
Marketing & Advertising	£3,000
Office/Remote Work Costs	£1,200
Phone & Communications	£360
Miscellaneous	£600
Total Annual OPEX	£9,240

Source: Author's illustration (2026), based on internal projections.

This pricing approach is competitive in the UK advisory market and complies with FCA transparency requirements (FCA, 2023).

7.6 Revenue Forecast

The revenue forecast for Sense Mortgage and Residential is based on projected mortgage completion volumes across a three-year period, reflecting a phased growth strategy consistent with the firm's market positioning and operational capacity. In Year

1, the business is forecast to complete 120 mortgage cases, generating total revenue of £138,120. This initial level reflects a cautious market entry, allowing the firm to establish brand presence, build referral networks, and ensure service quality. Revenue is primarily derived from lender procurement fees, supplemented by broker fees where applicable and additional income from protection and general insurance (GI) products. As the business gains traction, mortgage completions are projected to increase to 150 in Year 2 and 180 in Year 3, driven by repeat clients, remortgaging cycles, and improved conversion rates.

Table 11: Forecasted revenue for Sense Mortgage and Residential (Years 1–3)

Year	Mortgage Completions	Revenue from Mortgages (£)	Broker Fees (£)	Protection/GI (£)	Total Revenue (£)
Year 1	120	108,000	18,000	12,000	138,120
Year 2	150	135,000	26,250	18,750	180,150
Year 3	180	162,000	31,500	25,000	218,680

Source: Author's illustration (2026), based on internal projections.

Growth in total revenue from £138,120 in Year 1 to £180,150 in Year 2 and £218,680 in Year 3 reflects both increased case volumes and a gradual uplift in ancillary income streams. While mortgage advice remains the core revenue driver, broker fees and protection/GI income contribute an increasing proportion of total revenue over time. This diversification reduces reliance on a single income source and enhances financial resilience. The projected revenue growth aligns with market trends identified in earlier chapters, particularly sustained remortgaging activity and continued demand for professional advice. Overall, the revenue forecast demonstrates that Sense Mortgage and Residential can achieve steady, sustainable growth without reliance on aggressive volume targets or optimistic assumptions.

7.7 Gross profit/margin analysis:

Gross profit is calculated as total revenue less total variable costs. Using product-level revenue and cost assumptions, Sense Mortgage and Residential achieves strong gross profit per case across all three product categories. Gross margins vary by product type but remain consistently high, reflecting the advisory nature of the business where direct delivery costs are relatively low.

Gross margin is calculated using the following method:

$$\text{Gross Margin (\%)} = (\text{Revenue} - \text{Variable Costs}) \div \text{Revenue}$$

Table 12: Gross Profit analysis for Sense Mortgage and Residential :

Product / Service name	FTB Cases	BTL Cases	Remortgage
Sale price (per case)	£900.00	£1,100.00	£800
Cost price (per case)	£250.00	£250.00	£250
Gross Profit (per case)	£650.00	£850.00	£550
Gross Margin (per case)	72%	77%	69%

This calculation is applied consistently across monthly and annual projections within the Excel model. The resulting gross margins indicate that the business retains a substantial proportion of revenue to cover fixed costs and generate operating profit. These margins are in line with industry expectations for mortgage advisory firms and support the commercial viability of the business.

Quarterly Cash Flow Forecast (Year 1)

A detailed 12-month monthly cash flow forecast has been prepared, covering the period from March 2026 to February 2027. The forecast reflects a phased market entry, with gradual increases in completed cases as brand awareness, referral activity, and operational efficiency improve over time.

Table 13: Quarterly cash flow forecast

Simplified Year 1 Cash Flow Forecast

Month	Revenue (£)	Expenses (£)	Net Cash Flow (£)
Q1	6,000	2,310	3,690
Q2	12,000	2,310	9,690
Q3	18,000	2,310	15,690
Q4	36,000	2,310	33,690
Year 1 Total	72,000	9,240	62,760

Monthly cash inflows are calculated based on completed cases by product type, while monthly cash outflows include variable costs and fixed operating expenses. This structure allows for clear visibility of cash performance on a month-by-month basis. The forecast demonstrates that, despite modest initial volumes, the business generates positive operating cash flow as case numbers increase.

The use of a monthly model provides a more accurate reflection of early-stage financial performance than quarterly projections and aligns with the lecturer's requirement for detailed cash flow analysis.

7.8 Break-Even Analysis

Break-even analysis assesses the level of activity required for Sense Mortgage and Residential to cover its fixed operating costs. Based on the contribution generated per completed case and the annual fixed cost base, the business reaches break-even at approximately 10–11 completed cases per year.

This calculation is supported by a break-even chart and detailed workings in the Excel model. The analysis confirms that the business requires a relatively low level of activity to become financially viable, reducing overall financial risk during the start-up phase.

Although the break-even threshold is expressed annually for calculation purposes, this equates to fewer than one completed case per month, highlighting the low fixed-cost structure of the business.

Break-even analysis helps determine when revenue will cover total expenses.

Break-Even Formula:

Break-even point = Fixed Costs / (Average Revenue per Case – Variable Cost per Case)

Assumptions & calculations

Average total revenue per case: £1,150

Variable cost per case (admin, network fees share): £250

Annual fixed cost: £9,240

Contribution per case = £1,150 – £250 = £900

Break-even = £9,240 / £900 ≈ 10.2 cases

✓ Break-even point: 10–11 completed cases per year

This is easily achievable within the first few months of operation. The following section provides further detail on the break-even calculation for Sense Mortgage and Residential.

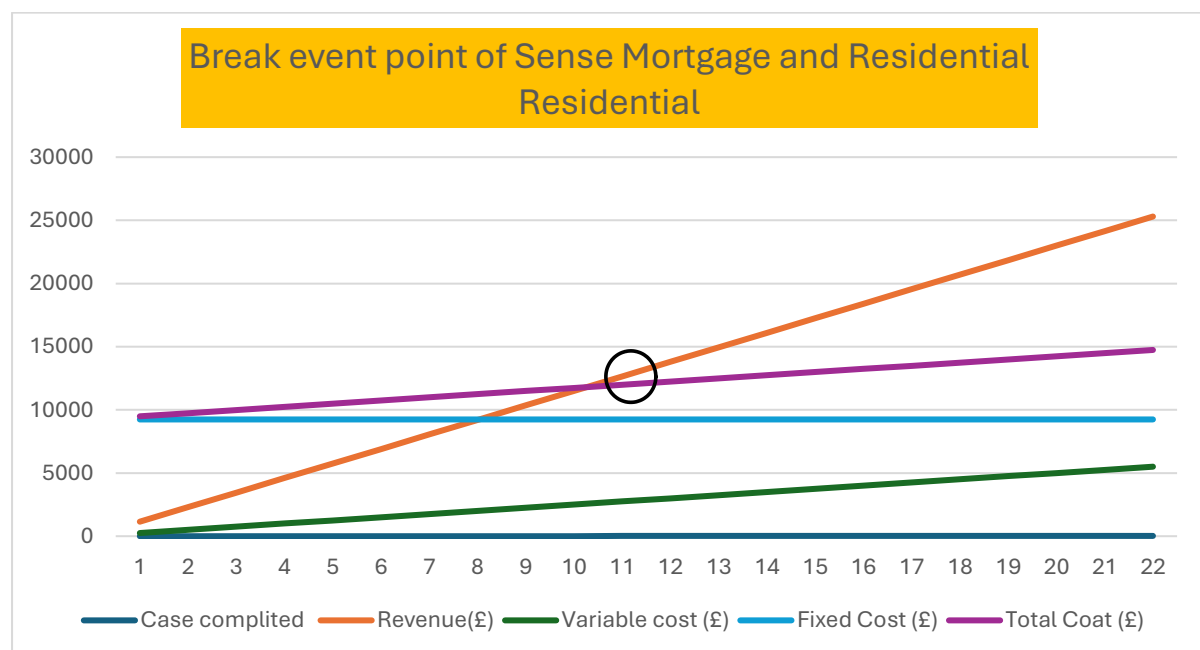


Figure 10: Break event analysis

Source: Author's illustration (2026), based on internal projections.

This chart illustrates the break-even analysis for Sense Mortgage and Residential. The chart shows that the business reaches break-even at approximately 10–11 completed mortgage cases per year, where total revenue equals total costs. This aligns with the financial assumptions presented in this chapter and confirms the viability of the business model.

7.9 Financial Risks

The financial plan must consider threats that could impact revenue or increase operational costs:

1. Market volatility

Changes in interest rates may reduce borrower demand (UK Finance, 2024).

2. Regulatory changes

New FCA rules may lead to higher compliance costs (FCA, 2023).

3. Time lag in payments

Income delays between application and completion may create short-term cash pressure.

4. Economic conditions

Recessions or housing market slowdowns may reduce case volumes.

Mitigation strategies include maintaining a cash buffer, diversifying income streams through protection sales, and targeting remortgage markets, which remain stable even during economic downturns.

The financial projections indicate financial sustainability and growth capacity of the company. Sense Mortgage and Residential can operate sustainably without external funding. The combination of strong gross margins, controlled fixed costs, and scalable

variable costs enables the business to adapt to changes in demand while maintaining positive cash flow.

As monthly case volumes increase, additional surplus cash can be reinvested into marketing, technology, and staffing, supporting gradual expansion. The flexible cost structure ensures that growth does not disproportionately increase financial risk.

This strategy aligns with industry insights showing that firms with diversified revenue sources and strong digital infrastructure achieve higher resilience and long-term profitability (PwC, 2023).

7.10 Summary

This chapter has presented a detailed financial plan for Sense Mortgage and Residential, incorporating revenue forecasts, cost structures, monthly cash flow projections, and break-even analysis. The financial model is based on conservative assumptions aligned with market research, operational capacity, and industry benchmarks. Strong gross margins and a low break-even threshold indicate that the business can achieve financial sustainability at modest case volumes.

The use of a monthly cash flow model enhances financial control and supports proactive management of liquidity risk. Overall, the financial analysis confirms that Sense Mortgage and Residential is financially viable and well positioned to support sustainable growth within a regulated and competitive market environment.

Detailed financial calculations are provided in Appendix B.

Chapter 8: Risk Analysis and Mitigation

8.1 Introduction

This chapter identifies and evaluates the key risks facing Sense Mortgage and Residential and outlines mitigation strategies to manage potential operational, financial, regulatory, and strategic challenges. Given the highly regulated nature of the UK mortgage advisory sector, effective risk management is essential to ensure business continuity, regulatory compliance, and sustainable growth. The analysis demonstrates that identified risks are manageable and proportionate to the scale of the proposed business.

8.2 Regulatory and Compliance Risk

Regulatory risk represents one of the most significant challenges for mortgage advisory firms. Sense Mortgage and Residential operates within a framework governed by the Financial Conduct Authority (FCA), including the Mortgage Conduct of Business (MCOB) rules, Consumer Duty, and data protection legislation. Failure to comply with regulatory standards could result in financial penalties, reputational damage, or restrictions on business activity (FCA, 2023).

This risk is mitigated through the firm's Appointed Representative (AR) relationship with its principal network, which provides compliance oversight, regulatory guidance, and structured monitoring. Internal controls, adviser competence requirements, and ongoing training further reduce the likelihood of non-compliance. By embedding compliance into daily operations, the business ensures that regulatory risk remains controlled and proportionate.

8.3 Market and Competitive Risk

The UK mortgage market is highly competitive, with pressure from national brokerage firms, digital-only platforms, and comparison websites. Increased competition may limit customer acquisition or exert downward pressure on fees (UK Finance, 2024). Economic uncertainty and fluctuations in interest rates may also reduce transaction volumes, particularly during periods of reduced consumer confidence.

Sense Mortgage and Residential mitigates these risks through its hybrid advisory model, which differentiates the business on service quality rather than price alone. By targeting first-time buyers, remortgaging clients, and buy-to-let investors who value personalised advice, the firm reduces direct competition with volume-driven platforms. Market research conducted in Chapter 3 indicates sustained demand for adviser-led services despite market volatility, supporting the resilience of the proposed model.

8.4 Operational Risk

Operational risks include system failures, data breaches, workflow inefficiencies, and service delays caused by capacity constraints. As a digitally enabled business, Sense Mortgage and Residential relies on technology for case management, communication, and record-keeping. Any disruption to these systems could impact service delivery and customer satisfaction.

Mitigation measures include the use of secure cloud-based systems, regular data backups, and adherence to UK GDPR requirements for data protection (ICO, 2023). Standardised workflows and clearly defined processes reduce the likelihood of operational errors, while scalability planning ensures that operational capacity remains aligned with demand. These measures support business continuity and service reliability.

8.5 Financial Risk

Financial risks include lower-than-expected revenue, cost overruns, and cash flow pressures during early-stage operations. These risks are particularly relevant for new businesses entering competitive markets. Increases in marketing costs or delays in case completion could impact short-term liquidity.

Financial risk is mitigated through conservative revenue assumptions, low fixed-cost structures, and a gradual growth strategy, as outlined in Chapter 7. The break-even analysis demonstrates that the business can achieve sustainability with relatively modest case volumes. Diversification of income streams, including ancillary protection income offered on a suitability-led basis, further enhances financial resilience.

8.6 Human Resource Risk

Human resource risks include adviser capacity constraints, skills shortages, and reliance on key individuals during the early stages of operation. Over-reliance on a small team may increase vulnerability to workload pressures or absence-related disruption.

These risks are mitigated through phased recruitment, access to network support resources, and the use of outsourced administrative functions where appropriate. Ongoing training and competence frameworks ensure that staff remain qualified and adaptable to regulatory and market changes. Flexible working practices further support workforce sustainability and retention (CIPD, 2023).

8.7 Strategic and Reputational Risk

Reputational risk is particularly significant in financial services, where trust is a critical factor in customer decision-making. Poor service delivery, mis-selling, or failure to meet customer expectations could negatively affect brand perception and referral activity.

Sense Mortgage and Residential mitigates reputational risk by prioritising ethical conduct, transparent communication, and customer outcomes in line with Consumer Duty principles (FCA, 2023). Consistent service standards, quality assurance processes, and client feedback mechanisms support early identification and resolution of issues. Building long-term relationships rather than short-term sales further strengthens reputational resilience.

8.8 Summary

This chapter has identified the principal risks associated with establishing and operating Sense Mortgage and Residential and has demonstrated that these risks are manageable through appropriate mitigation strategies. Regulatory, market, operational, financial, and human resource risks are addressed through conservative planning, strong compliance integration, and a scalable operating model. Overall, the risk analysis confirms that Sense Mortgage and Residential is well positioned to manage uncertainty and operate sustainably within the UK mortgage advisory market.

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Appendices

The appendices provide supporting evidence for key elements of the report, including professional development undertaken by the author and detailed financial calculations supporting the financial plan. Each appendix is referenced in the main body of the report where relevant.

Appendix A1: Creating Flowcharts for Beginners (LinkedIn Learning)

- Course provider: LinkedIn Learning
- Course title: Creating Flowcharts for Beginners
- Completed by: Kaniz Chowdhury
- Completion date: 25 November 2025
- Key skills developed: Process mapping, workflow visualisation, operational clarity

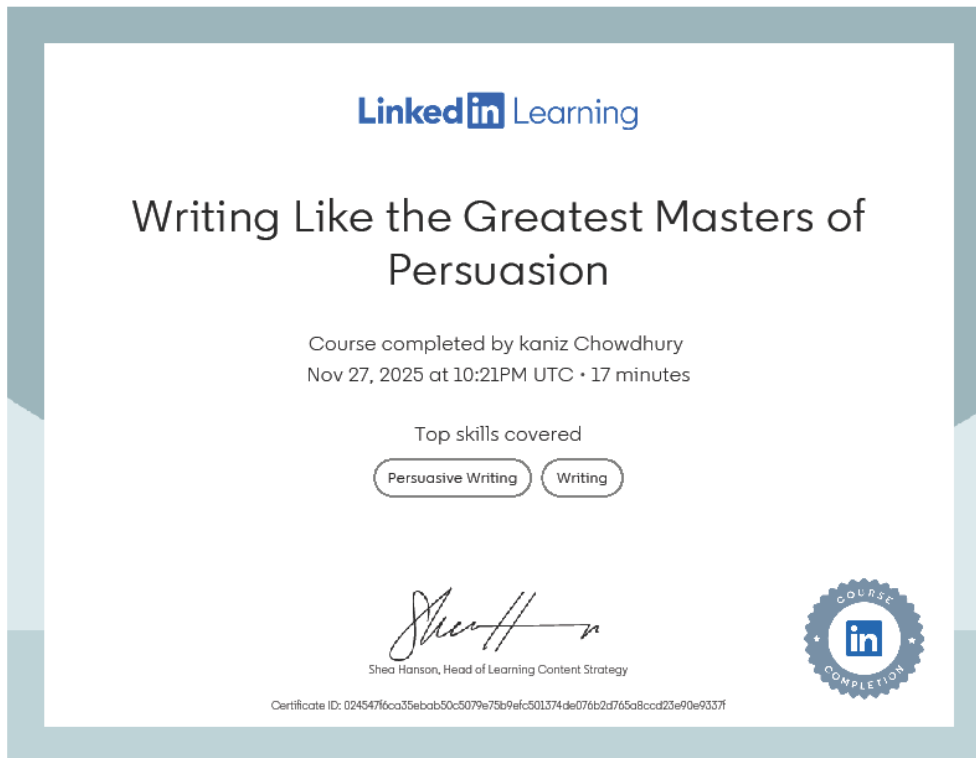
This course supported the development of clear operational workflows and process visualisations referenced within the operational planning sections of this report.



Appendix A2: Writing Like the Greatest Masters of Persuasion (LinkedIn Learning)

- Course provider: LinkedIn Learning
- Course title: Writing Like the Greatest Masters of Persuasion
- Completed by: Kaniz Chowdhury
- Completion date: 27 November 2025
- Key skills developed: Persuasive writing, professional communication, clarity of expression

This course supported the development of structured, clear, and persuasive written communication applied throughout the business proposal.



Appendix A3: Independent Learning Resource – Break-Even Analysis

To support understanding of financial modelling and break-even analysis, the author undertook independent learning using an online tutorial. This resource supported the practical application of break-even calculations presented in Chapter 7.

Resource type: Online video tutorial

Topic: Break-even analysis calculation

Platform: YouTube

Purpose: Conceptual understanding of break-even analysis and contribution margin

Link: [Break-even analysis in Excel with a chart / cost-volume-profit analysis by Chris Menard](#)

Appendix A4: Independent Learning Resource – Flowchart Design

To support the development of clear operational workflows and process visualisation used within the operational planning sections of this report, the author undertook independent learning through an online tutorial focused on flowchart design.

Resource type: Online video tutorial

Topic: Flowchart design and process mapping

Platform: YouTube

Purpose: Understanding process visualisation for operational workflows

Link: [How to Create Flowchart in Microsoft Word](#)

Appendix B: Financial Projections and Cash Flow Model

This appendix provides detailed financial calculations supporting the revenue forecasts, cost assumptions, monthly cash flow projections, and break-even analysis presented in Chapter 7. The tables below replicate the author's Excel model to evidence the financial assumptions used within the report.

Appendix B1: Monthly Cash Flow Forecast (Year 1)

Table B1: Monthly Cash Flow Forecast – Year 1

Month	FTB Cases	BTL Cases	Remortgage Cases	Total sales value (£) per month	Average sales value per day*
Mar-26	£1,800	£1,100	£1,600	£4,500	£150.00
Apr-26	£2,700	£1,100	£1,600	£5,400	£180.00
May-26	£2,700	£2,200	£2,400	£7,300	£243.33
Jun-26	£3,600	£2,200	£3,200	£9,000	£300.00
Jul-26	£4,500	£2,200	£3,200	£9,900	£330.00
Aug-26	£4,500	£3,300	£3,200	£11,000	£366.67
Sep-26	£5,400	£3,300	£4,000	£12,700	£423.33
Oct-26	£5,400	£3,300	£4,000	£12,700	£423.33
Nov-26	£6,300	£3,300	£4,800	£14,400	£480.00
Dec-26	£6,300	£4,400	£4,800	£15,500	£516.67
Jan-27	£7,200	£4,400	£5,600	£17,200	£573.33
Feb-27	£7,200	£4,400	£5,600	£17,200	£573.33

Source: Author's own financial model (2026).

Appendix B2: Revenue Breakdown by Product Type

Table B2: Revenue Breakdown by Product Type

Month	FTB Cases	BTL Cases	Remortgage Cases	Total cost of sales (£) per month	Average cost of sales per day*
Mar-26	£500	£250	£500	£1,250	£41.67
Apr-26	£750	£250	£500	£1,500	£50.00
May-26	£750	£500	£750	£2,000	£66.67
Jun-26	£1,000	£500	£1,000	£2,500	£83.33
Jul-26	£1,250	£500	£1,000	£2,750	£91.67
Aug-26	£1,250	£750	£1,000	£3,000	£100.00
Sep-26	£1,500	£750	£1,250	£3,500	£116.67
Oct-26	£1,500	£750	£1,250	£3,500	£116.67
Nov-26	£1,750	£750	£1,500	£4,000	£133.33
Dec-26	£1,750	£1,000	£1,500	£4,250	£141.67
Jan-27	£2,000	£1,000	£1,750	£4,750	£158.33
Feb-27	£2,000	£1,000	£1,750	£4,750	£158.33

Source: Author's own financial model (2026)

Appendix B3: Variable and Fixed Cost Breakdown

Table B3: Variable and Fixed Cost Structure

Month	FTB Cases	BTL Cases	Remortgage Cases	Total Cases	Revenue (£)	Variable Costs (£)	Net Cash Flow (£)
Mar-26	2	1	2	5	£4,500	£1,250	£3,250
Apr-26	3	1	2	6	£5,400	£1,500	£3,900
May-26	3	2	3	8	£7,300	£2,000	£5,300
Jun-26	4	2	4	10	£9,000	£2,500	£6,500
Jul-26	5	2	4	11	£9,900	£2,750	£7,150
Aug-26	5	3	4	12	£11,000	£3,000	£8,000

Sep-26	6	3	5	14	£12,700	£3,500	£9,200
Oct-26	6	3	5	14	£12,700	£3,500	£9,200
Nov-26	7	3	6	16	£14,400	£4,000	£10,400
Dec-26	7	4	6	17	£15,500	£4,250	£11,250
Jan-27	8	4	7	19	£17,200	£4,750	£12,450
Feb-27	8	4	7	19	£17,200	£4,750	£12,450
Total	64	32	55	151	136800	£37,750	99050

Source: Author's own financial model (2026).

Some financial models and illustrations were developed during 2025 and refined in 2026 as part of the iterative project process. Also, the full Excel financial model has been uploaded to the University cloud storage and shared with the supervisor for review.