



## TECHSPOSE

**Keith Luedeman**

*President & CEO, goodmortgage.com*

- 1. Congratulations on being named NCTA's [Tech Exec of the Year!](#) In your [acceptance remarks](#), you seemed seriously stunned to win. What were your initial reactions when you found out that you were the Tech Exec of the Year?**

I found out a couple of days after the voting, and I was humbled because it's a tremendous honor. There is such a thriving technology community in North Carolina. I was actually somewhat surprised to find out I had been nominated because goodmortgage.com has been nominated for several NCTA awards over the years and we've never won. So to even be nominated was a tremendous honor.

We've had a pretty good year for awards. We were just named to the [top 25 savvy mortgage lenders](#) for the second year and we were a finalist for online lender of the year nationally. Last year we were named the [best mid-sized company](#) to work for in Charlotte.

- 2. Why is goodmortgage.com a good place to work?**

We have a conscious focus on keeping employees energized and happy because happy and engaged employees take care of their customers better. When we built our new facility, we kept the Gen-X'ers in mind and told our architects that we wanted to make this a fun place to work. A basketball court. Full gym. Showers. Game room with ping pong. Beer-30 is once a month, on Fridays, with a beer cart going around the office about 3:30. These little things keep the energy up.

- 3. Did the MC at the NCTA 21 Awards get your name right?**

Yes, Carolyn [*Saacke, of the NY Stock Exchange*] got it right. Pronunciation of "Luedeman" [*LOO-duh-mun*] usually falls into two categories: LOO-der-man, with an "r" in the South, and LOOD-man elsewhere. Lots of people spell it with an extra "n" on the end because it's German, but my grandfather dropped that second "n."

- 4. You have a 9-week-old daughter, Ella Rose. Congratulations to you and your wife, Gigi. What might you advise Ella Rose about incorporating new, unseen technologies into her life?**

Embrace it! When you look at technology, we can't prepare our children for the specific technology, but we can teach them to be prepared for change. Be prepared and embrace change because who knows what's in sight? Look at Groupon. Look at the way people buy things now versus 10 years ago. I will tell Ella Rose to embrace the change and be ready for whatever life tosses at her.



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**5. In your lifetime, which new technologies have had the greatest impact on you?**

Having a cell phone. I remember the days when you had a car phone that was physically attached to your car. I remember bag phones, brick phones.

Back then I'd have to take a PC on trips and now I can get emails on phone and iPad. If I need to get something from my desktop, I can remote into my PC from the tablet. Now, wherever I am, I can get other people the information that they need faster.

**6. Do you make distinctions between personal and professional technologies?**

Those lines blur. If you're home checking your email, are you doing work or are you making your work day easier? It comes down to a discipline to draw the line between your work and home life. When you're home, make a note about something you have to do at work, but be at home with your family. And vice versa. Although, for me, this has changed with a 9-week-old. And it will continue to change.

One of the things IBM did was send me to the Dale Carnegie course where I learned to put things into different compartments. That's been very important to me as an entrepreneur, CEO, husband, and now a father. I work 45 hours on a light week, 60-plus hours during a crunch time.

**7. Would it have surprised your high school friends that you majored in math and computer science at Clemson?**

I think that would've been fully expected by my high school friends. In high school, I liked math and science and I played tennis. There and in college, I had my athletic friends and my geeky friends. I've leveraged that throughout my career. There's a skill there – being able to communicate with technology people and with business people. They don't always speak the same language, so, if you can communicate with both constituencies, you're much more effective.

When I got into Clemson, I didn't know what I wanted to be, but I knew I wanted to take math, advanced bio, computer science. The only major that met all my requirements was math. My dad was a professor at Clemson and it worked out great when I found out he could be my advisor. I had his faculty parking pass and a key to his office, so there was no waiting in line for computer terminals, which could be a problem back then. Plus, I had 2 younger sisters who thought it was neat to do their older brother's laundry. So I'd drop my laundry off at my dad's office and pick it up 2 days later.



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### **8. So your high school friends weren't surprised, but what about today? What might surprise your business colleagues who only know you within the confines of an office?**

It depends on who you talk to. Even though my office isn't in the corner, I'm the scary guy in the corner, especially further down in the organization. I hear that, when they get to know me, they're surprised that I'm a fun guy. I like scuba diving. I was in the Army National Guard. People might be surprised at how much of a geek I was in early high school. Big, black, horn-rimmed glasses and long hair. I got contacts my sophomore year in high and got my hair cut; otherwise, I'd probably still be single.

### **9. Which books or ideas have changed your life?**

Two books come to mind: 1) Ayn Rand's [Atlas Shrugged](#). What I really liked about it was being true to your own ideals. Being original and being true to yourself. A second would be a Dale Carnegie book – [How to Stop Worrying and Start Living](#) – that taught me to compartmentalize.

### **10. What was your first job at IBM?**

I was a systems engineer. IBM wanted me to be a sales rep and but I was too scared to be a sales guy right out of the gate. Later, I had mentors and learned from others who sold successfully.

The training at IBM was unparalleled. My first year was filled with intensive training. The first thing you did in class was to take a test to show that you'd prepared at home; if you failed, you went home – maybe for good. You went off to 3-4 classes with this level of pressure the first year at IBM. The continued employee development there, especially at a young age, was impressive. I was sent to a 2-week banking course with professors from Harvard and Wharton, with really high-level discussions. What other company gives you that opportunity?

### **11. What were the key differences in working for a global giant like IBM and building a company like goodmortgage.com from scratch?**

Fortunately, I was ignorant about some differences, but I'd had some preparation. I had an IBM opportunity in late 80s to start up the IBM service group, which is now a major portion of IBM's business. At the time, IBM culture was all hardware and we had to convince the customers that service was worth paying for. Within 2 years, we had a \$33 million services business, so I thought, hey, this is pretty easy.

So in my 20s, I left IBM to do the same for a smaller company and it was a rude awakening. That's when I realized the resources we had at IBM. Later, I got some



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M&A experience, then I decided to try it for myself. Going from 3 people to 30 or from 30-300, you realize that each stage of growth is different. It's a great learning experience.

### **12. And how did you come up with the name, goodmortgage.com?**

Our corporate name is [Barrons Mortgage Group](#). In 1999, we sat down with a pad and paper and brained-stormed, then, once we found out what was available, the list got a lot shorter.

goodmortgage.com is our internet name. It's high touch, lots of information, mortgage calculators. We wanted to take the mystery out of the mortgage process, thus, "good mortgage." We also have We-Refinance.com and LoanByMouse.com, but goodmortgage.com has been so successful that it became the company name.

### **13. What was your motivation for starting goodmortgage.com?**

My job right before starting goodmortgage.com, was with Avnet, an IBM distributor. I traveled so much that I had 3 homes around the country, and, many mornings, I woke up wondering where I was. It was a crazy lifestyle. At one point I thought, if I'm going to work this hard, I might as well be doing it for myself.

I knew I wanted to start an Internet business and researched which kinds of businesses would develop on the Internet over the next few years. We looked at several things and the statistics on mortgages indicated there would be major growth. Knock on wood, it's worked fine for us so far.

### **14. What about Charlotte-based LendingTree? Are you direct competitors?**

Yes and no. LendingTree is more of a marketplace, where we're a mortgage banker. We'd be one of those bankers competing for you on LendingTree. They're a lead source; we're a provider of money.

### **15. What's been the most fun on your goodmortgage.com journey from 1999 to today?**

Watching the employees as they've grown and developed in their careers. Some have been with me almost 10 years now.



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### **16. What was the scariest thing about starting goodmortgage.com?**

There wasn't an awful lot of fear at that time. Maybe it was adrenaline and caffeine that kept my 2 partners and me so focused that we didn't think about it. Once we were past the initial survival stage, we spent time each month thinking about the worst possible things that could happen. We had contingency plans - for our lenders going out of business, for loan programs going away, for funding sources drying up. So we had a playbook for what to do if some of these things happened. As a leader, you have to be a little paranoid. At the same time, you've got to be the cheerleader and see things half full and be figuring out how to fill up the glass. But you can't be cheerleader blindly.

### **17. To take a page from Jeff Gitomer, what are 2.5 things NCTA members should know about goodmortgage.com?**

One, we're a mortgage lender. We're a [mortgage bank](#) with technology throughout our DNA, not a lead site.

Two, we're focused on keeping our lenders happy and we have an obsessive focus on our customers.

Two-point-five, we're 100% self-funded. Never had loans or outside investment. We've proved it can be done. Walking around in 1999 and 2000 at local networking events, the first question we got was, "Who are you funded by?" We said we didn't need funding and that ended lots of conversations. In 2000 and 2001, we gave the same answer and it made people think we were geniuses. We could build it and take it slow because we knew Internet lending would be a slow-to-adopt approach for the consumer.

### **18. I cannot imagine what it's been like working in the mortgage industry during the past 4 years. So tell us, what *has* it been like?**

It has felt surreal from time to time. It's not often you're in an industry that's the headline news on NBC every day. On the radio and the TV. When you're at dinner parties and with friends. We were in the epicenter of what was happening in our economy and the marketplace. And not just for a week or two, but for months and months.

Some of our employees enjoyed that; others were frightened. So we had ongoing meetings with our employees. Mortgage lending never really dried up, so we spent a lot of time educating them so they could educate our customers.

One company, [The Implode-O-Meter](#), almost daily listed mortgage companies that imploded. We never made that list.



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### **19. What's it like today in your industry?**

The pendulum has swung too far in how tight money is, but the mortgage industry is much safer than 2-3 years ago. That's good from the investor's viewpoint but not so much from the consumer's perspective. Some things are happening to help homebuyers who are [underwater](#). It makes a lot of sense for homeowners have been paying more, to give them the benefit of a lower payment.

### **20. As goodmortgage.com's leader, what's been the most important skill you needed to keep the company upright in the gales of this recent recession?**

I think it's the healthy paranoia that I talked about earlier. I'm constantly seeking out people I can learn from, and I find that's a common trait in good leaders. Planning for "what happens if this happens?" and having contingency plans means you're more likely to be able to execute quickly.

### **21. Which aspects of your job energize you?**

Knowing that everyone in our organization is focused on taking care of the customers. This is one of the largest purchases for most of our customers, and I love knowing they're satisfied, almost as much as I enjoy watching the employees grow. We survey all our customers and we have a 93% recommendation rate. That puts us up there with the JD Power and Associates winners.

Running a business is like raising a child; it requires constant attention, 24-7. Then it makes messes on its own that you have to clean up. Then, awhile later, it can walk away on its own and you hope that it makes good decisions. Seeing the people around me make the right decisions gives me a sense of pride.

### **22. What leaves you deflated at the end of the day?**

Why some people don't get it. When people aren't energized. When they've been presented with great opportunities to succeed and they don't take those opportunities. I wonder what I could have done differently to help them succeed. Nearly 80 people work for us today and we have some 15 hires lined up to start in the next 45 days. I know our employees and wonder how I can help their managers to help them be more motivated.



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### **23. How has goodmortgage.com used technology innovatively to set itself apart in your industry?**

We use the Internet for our customer-facing needs and there's no secret there. We use technology to make sure we provide a ton of information for our customers. Behind the scenes there's even more technology - we're totally paperless, with electronic signatures, PDFs, notifications that our customers and realtors get as the loans proceed.

With 9 terabytes of data, we focus on the analytics. As an example, let's say that a couple bought their house awhile back and their kids are probably going to college and maybe they're ready to move. We use analytics to be able to reach out to those people at the right time. That's part of the secret sauce.

### **24. What do you predict as the most exciting technologies in the mortgage world during the next decade?**

A couple of things will be great for us, both related to having more human touch with our customers. First, once cameras become ubiquitous, we'll be able to see our customers more, and vice versa, as we walk them through the process. With all the financial data we collect from customers, the mortgage industry is very invasive into our customers lives, and we'd like more touch and face-to-face.

Second, customers will be able to reach out to us and know when we're present. They'll be able to look at a loan officer or staff profile so we'll be able to extend information to them to provide a more human touch. Right now, our system allows me to know if Joe's at his desk, in a meeting, or on the phone. The customers may have a similar capability in the future. With the right technology, our people will be able to have mobility and work remote after hours so our customers could reach us right away if necessary.

### **25. Talk about goodmortgage.com's involvement in NCTA. Why have you invested in this organization?**

With my background in technology and with our company's focus on technology, I'm in favor of anything that supports technology. The NCTA members are the who's who of technology in North Carolina. We're seeing great, great strides for NCTA to become a state-wide organization, not just in Raleigh. Charlotte didn't feel that seriously involved with NCTA before, but I'm seeing a ground swell here. A couple of years ago Peak 10's Dave Jones led NCTA. Next year, Ken Chinchar of TW Telecom is head of the board. At the [NCTA 21 Awards](#) last month, I think 5-6 awards were for Charlotte companies.



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