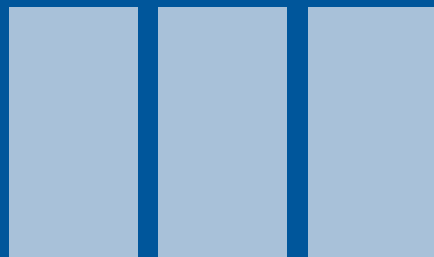


Jay Abraham's Money-Making Strategy Clusters

93

# Extraordinary Referral Systems



**Turning Customers and Clients Into  
A 24-Hour No-Cost Sales Force**

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## About Jay Abraham

The nation's highest-paid marketing consultant and business-growth strategist, Jay Abraham regularly works marketing miracles for his clients. During his nearly 30-year career, he has worked with over 10,000 individual businesses large, medium and small — from one-person operations to some of the world's largest corporations, including Weyerhaeuser, Coldwell Banker, Prudential-Bache, Dun & Bradstreet, Citibank and Sears Roebuck and Company — in 400 separate industries.

Jay Abraham specializes in successfully identifying and using a company's hidden, marketable assets to create windfall profits for his clients. While he maintains a number of select clients on a contingency basis, he also publishes a series of marketing reports, as well as conducts marketing and business-training seminars around the world.

# **INTRODUCTION: How to Use This Guidebook**

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WELCOME!

“Turning Customers and Clients Into A 24-Hour No-Cost Sales Force” complements and reiterates the information you will find on audios in the *93 Referral Systems* program.

Each component — audio and book — individually gives you a complete education in uncovering and benefiting from the remarkably varied referral opportunities now available to you. Whether you use this book alone or in combination with the audio, here are the details, the real step-by-step ways to take advantage of the powerhouse methods that have already created \$150 million in windfall profits for businesses around the world.

Now it’s time to put them to work for you.

“Turning Customers and Clients Into A 24-Hour No-Cost Sales Force” is made up of five parts:

**PART 1**, Why Do You Want Referrals?, keys you in to why referrals and productive, reliable referral systems are so vital to your business and your success.

**PART 2**, Establishing Where You Are ... And Where You Want To Be, contains two very important worksheets that will help you focus on the unique, specific needs and goals of your business.

**PART 3**, Finding Profitable Referrals, is made up of three eye-opening, step-by-step sections: Knowing Who Can Refer You To Prospects, Setting the Stage for Getting Referrals, and Helping Others Give Referrals to You. Each is chock full of ideas and specific steps and approaches to take as you look for top sources of referrals.

**PART 4**, Gathering Prospect Information, offers a detailed analysis of the demographics of all the prospects referred to you. It also includes a worksheet that you simply can’t be without, one that is ideal for gathering referral, prospect, and client information.

Finally, **PART 5**, 93 Referral Systems — The Transcripts, presents 93 separate, workable, potentially lucrative referral systems that are at this very moment bringing in millions of dollars of business to attendees of my seminars. In their own words, the men and women profiting from these systems become your non-stop source of referral-generating ideas.

“Turning Customers and Clients Into A 24-Hour No-Cost Sales Force” is about to change your business life forever. Get ready, get comfortable, and get going!

GOOD LUCK AND HAVE FUN!

*Part one*

**PART 1**

**WHY DO YOU WANT REFERRALS?**

*why?*

Why do you want referrals? Why do you want non-stop ways of creating steady streams of prospects and clients? Let me remind you of a few of the most important reasons.

- Referral customers are the most profitable, the most cost-efficient, and the most loyal and continual source of new business you'll ever access.
- Referral customers and clients are the most reliable, pay you the most money, negotiate price the least, buy the most often, and refer even more of the best people to you.
- And getting referrals is a nearly can't-miss, foolproof way to send your profits sky-rocketing upward and onward through the roof!

I'm not saying your business can — or even should — move to a 100% referral-generated enterprise. But, later on in this book, you're going to hear from a number of people who have done just that, who have benefited from it spectacularly, and who will tell you exactly what they did and how you can do it too.

What I am saying is that if the 93 separate businesses represented in this book can find powerful benefits from the systems I've presented to them, then you ought to be able to find at least one system among these 93 that will generate a 5%, 10%, 20% — or more — increase in customers, sales, and profits for you.

And, if you start using more than one referral system at the same time, your results could go off the chart! Could you live with that? How much would that be worth to you?

I'd like you to complete a few exercises before we proceed.

1) Review your current customer or client list. How many come through referrals from someone else? List those clients below.

2) Select three of those customers you attained through referrals. Below, for each of those customers, give details of how that referral came about. Who gave the referral? What did you do (if anything) to get it? What did you say? Were there any promises made? Be as specific as possible.

Client # 1

Client # 2

Client # 3

3) Describe the referral system(s) currently in place in your business. What are its (their) strengths? Its (their) weaknesses? How much time do you spend working to get referrals with this (these) system(s)? How successful is it (are they)?

# *Part two*

## **PART 2**

**ESTABLISHING WHERE YOU ARE...  
AND WHERE YOU WANT TO BE**

*where?*



# **Worksheet 1: An Overview of Your Business**

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The following is a very important exercise. Set aside time to seriously consider, not only the questions but, most especially, your answers. For some people, this will be the first time that they have ever thought about — really thought about — what it is that they want from their business. I urge you to take advantage of the opportunity.

Return to these questions as time passes, as your life and your business change. Keep current with what your needs are. Nothing is static. The moment you stand still is the moment the game is lost.

1) What are your business goals? (More money? More free time? More control? To be able to sell your business in five years? To be able to have the business run itself?) Be as specific as possible, and include a definite timeline if you can.

2) What do you sell? Don't just name your product. When someone does business with you, what all do they get? If you sell pencils for a living, I hope pencils are not all your customers can look forward to. Think about this. What do you have to offer in the marketplace? Your answer will probably include things you can't even see or touch or hold. Do your customers get excellent service? Can they expect you to anticipate their needs? Will they receive any sort of quality guarantees?

3) What do you really sell? Let me phrase it another way: What are your customers really buying? These may seem silly questions, ones already answered directly above. However, look at it from your customers' point of view. Are they coming to you for pencils? Or software if that's what your business provides? Or fitness equipment? Or real estate? What are your customers really looking for beyond pencils and software and equipment and real estate when they come to you? What expectations do they have? What needs do they want met? What questions do they need answered? What do you really sell?

4) Your answers to questions 2 and 3 are very likely different. That's okay. That's where most people you're going to read about in this book began too. How do you explain the difference in what you're selling and what they're buying? More importantly, how can you go about changing your approach to sales, to the way you think about your business in order to sell, not only your product or service — that pencil or treadmill or seaside condo — but to sell what your customers are really looking for, what they are really ready to buy? Are they looking for improved communication? Are they looking for better health? Are they looking for stress relief and a private space away from the rat race? Are you currently selling that? How can you begin to sell that very thing in the guise of a pencil or a rowing machine or a cottage on the Cape?

5) Who are your competitors? In your immediate geographic area? Regionally? Nationally? List not only your direct competitors — i.e., those businesses who do exactly the same thing as yours — but also your indirect competitors.

6) What things do your competitors do better than you? Don't worry; no one else will see this. Be honest. Be brutally honest. This is an important building block in creating your new referral systems — although it may not be apparent now.

7) When you meet prospects, how do you address the areas in which your competitors do better than you? Do you not mention them at all and hope that the client doesn't know of your competitors' advantages? Do you beat them to the punch and bring up your apparent weaknesses yourself? If your prospects bring up these areas first, how do you handle it? What do you say?

8) What things do you do better than your competitors? No need for me to elaborate on this question; I'm sure you're all set to tell me after I've forced you to expose your weaknesses.

9) How do you make your clients and prospects aware of your competitive advantage?

10) What are your thoughts about possibly working with your competitors to get new business? What is your initial reaction? Think about it for a while, and then answer this question again. Begin thinking about possible finder's fees and how it may work if a competitor sent a prospect to you — or if you sent one to that competitor.

11) What problems or concerns do you feel your business needs to face immediately? What are the issues you face each and every day? Cash flow? Back orders? Personnel issues? What are the questions do you feel need to be answered right now if your business is to survive and thrive the way you dream?

12) Upon reviewing your answers to the above questions, what are your new business goals? Has your new self-knowledge changed your point of view? Be as specific as possible, and include a definite timeline when you can. Do you feel the juices flowing? Are you ready to spring ahead? Are you ready to learn how to get a nearly endless stream of referrals streaming in?

Use the rest of this page to make notes and to record ideas you had while answering these 12 very important questions.

## **Worksheet 2: Your Ideal Prospect**

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It's fine to know what kind of business you have or want to have, but, if you don't know who you want to sell to, who it is best for your business to sell to, your best-laid plans will likely fall through. Use this worksheet to determine who your ideal prospect is or might be.

1) Describe your ideal prospect in as much detail as possible. If this were a perfect world — and we're not quite there yet, but you can dream! — who would you like to sell to? Who would be the ideal person, business or organization to utilize your product or service?

2) How close to the ideal are your current prospects and customers? If there are any differences between the ideal and the reality, please explain. And don't be discouraged if there is a gap! Like I said, it's not quite a perfect world yet!

3) What are your ideal prospect's wants, problems and needs?

4) How can you, your product, or your service solve these problems or meet these needs?

5) What might you do in the future to meet more of their needs? How can you make this message more clear to your prospects? What changes must you make?

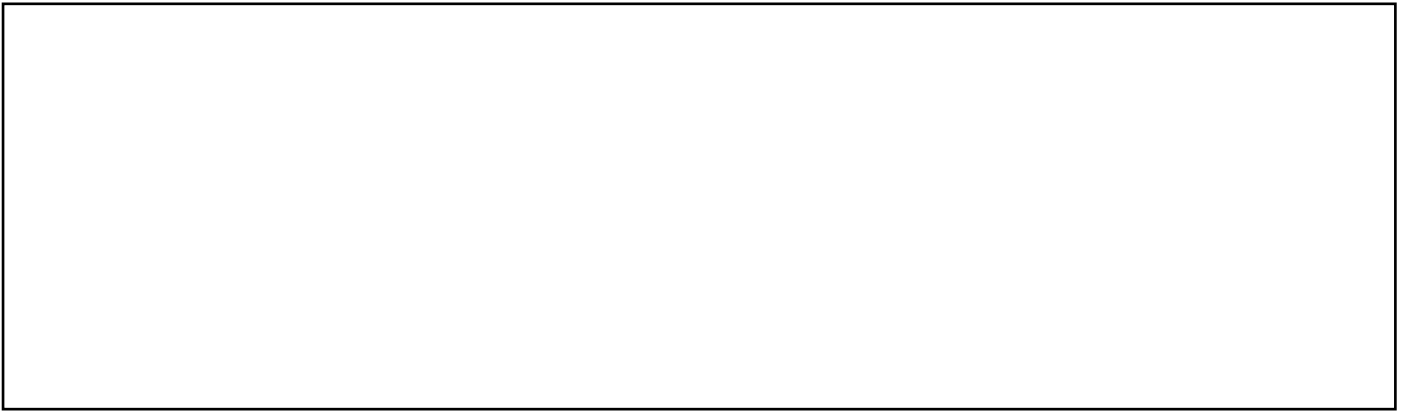
6) Name three things you can do immediately to begin instituting changes that will better solve prospect problems and meet prospect needs.

7) Name three things you can do in the medium-term and long-term to institute changes that will better solve prospect problems and meet prospect needs? What specific steps might you take to meet those needs?

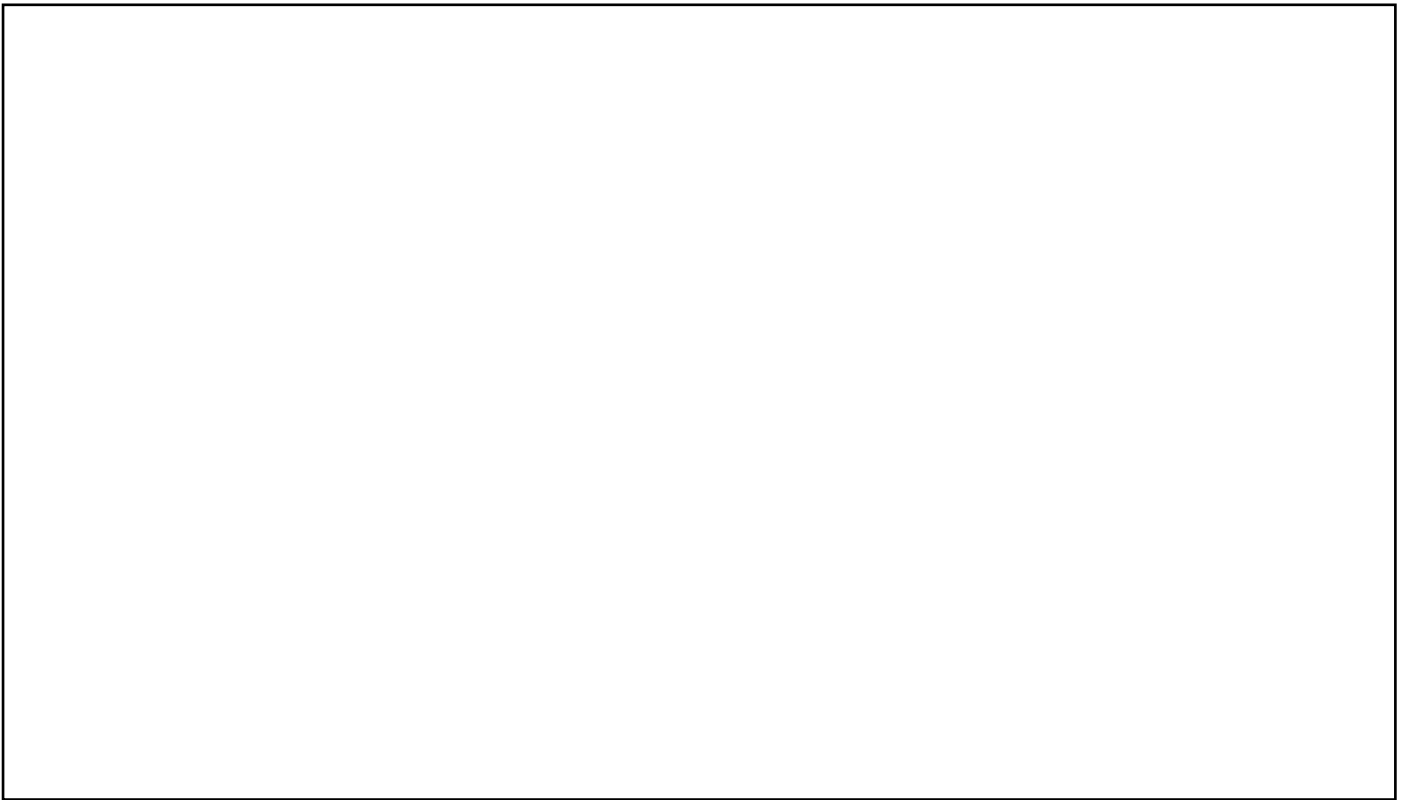
8) If you could sit across from your ideal prospect, what questions would you ask him or her?



9) If you could sit across your ideal prospect, what would you like to say to him or her?



10) If you could sit across from your ideal prospect, what are the very last things you'd want to hear? (Hint: These could be the most powerful things you could ever learn from him or her.)



*Part three*

**PART 3**

**FINDING PROFITABLE REFERRALS**

*finding!*

## **A. KNOWING WHO CAN REFER YOU TO PROSPECTS**

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The following are major categories of people you should immediately consider as fertile sources of referrals.

When reviewing the suggestions below, don't just focus on those men and women who currently fall into each category, also think of those who formerly were part of them (e.g., former vendors, ex-neighbors, etc.), but with whom you may not be directly in contact at this point. Any of them would appreciate that you cared enough to reestablish the relationship.

And don't forget to consider combinations of the following categories, for example, the former employees of current competitors. Your resources are nearly endless, if you'll just stop to think about it for a while.

### **Vendors -**

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Whether current or former, your vendors are an excellent source of referrals. They already know something about you and your business, about the way you work, about the kind of person you are and the kind of people you'd likely work best with. Vendors are in an ideal position to link up two of their customers in a mutually beneficial business relationship. It will pay off for them as well: both in customer good will and in the knowledge that, when their customers prosper, they prosper too.

### **Customers -**

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Conversely, you are a vendor too — to your customers. Think of all your customers, people who currently use your product or service or with whom you have worked in the past. These people are a gold mine of referrals waiting to be discovered. These are people who already know the kind of service or savings you provide, who know all you can do for a customer, and who know others who could benefit too. And don't forget to ask them about other contacts or prospects in their own office or organization. Why limit yourself to working with just one person in any given business? Are there other people there, perhaps in the next office or just down the hall, who could use your services too?

### **Employees and Colleagues -**

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Men and women who work for and with you are each at the heart of an ever-growing network of people who might need your business. Whom do they know? Professionally? Personally? Where have they been? What have they seen? Your assistant's wife's cousin's fiancée could very well turn out to be the biggest new account you land this year!

### **Competitors -**

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Tricky, perhaps, but also potentially very lucrative. But you must learn to view your competitors in a somewhat less aggressive way than maybe you do now. If your competitors are unable to fill a prospect's needs, might they recommend you to do the job. For a 15% or 20% finder's fee, of course. Why not? The remaining 80% or 85% you receive is unexpected "found"

profit anyway. However, you must be able to reciprocate. You must get to a place in which you feel comfortable sending prospects (those who don't quite fit your product or service) to your competitors. Again, why not? If you get a handsome finder's fee and generate good will all around? What deals and alliances can you make? It's a win-win-win situation for you, your competition, and the satisfied customer.

## **Friends, Neighbors, and Relatives -**

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Most of them have jobs. (Except maybe Uncle Fred.) And all of them have friends. (Well, Uncle Fred is the exception again.) Friends, neighbors, and relatives can be excellent sources of referrals. Pick their brains. They know the kind of person you are, and they want you to succeed. (Except Uncle Fred. Why not just cross him off your list?)

## **Current Prospects -**

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Even if you're still selling to them, even if you're still trying to bring them aboard, even if they're still unsure whether they'll give you their business, your current prospects can point you in the direction of other companies or people who also might be in need of your business. Don't make it a hard sell. Asking for referrals shouldn't be an obstacle to getting a new client or customer. In fact, it should just be routine. Bring up the subject. Show the prospect you care about doing your best for him or her and for others. While they are still prospects is an excellent time to begin educating customers to the fact that referrals are very important to you. You're going to ask for referrals when they're customers, so why not ask for them now? Who are the other businesses or professionals they trust? Either inside or outside your geographic area? Whom do they already do business with? In other words, who already has the customers you want? Go on, just ask them. Who knows, a prospect reluctant to make a buying decision may be very happy to give you a few leads to work on in hopes they will otherwise occupy you while they try to make up their mind. And, if they help you get other customers, why not consider giving them a preferred price?

## **Unconverted Former Prospects -**

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Just because someone decided to go elsewhere with their business doesn't mean you should wash your hands of them. It doesn't mean that they can't help you get business from someone else. Unconverted prospects are in an unique, useful position. They have been in your sales process, so they have a clear understanding of what it is you have to offer. But they also know which of their needs they did not believe or feel you could meet. With all that knowledge, they are well-placed to give you some excellent referrals, people and companies who could benefit from what you do best. And let them know that they, too, will benefit by giving you referrals. Gifts, prizes, and finder's fees are useful incentives to help them think of appropriate people. Never give up on an unconverted prospect!

## **Fellow Members of Churches, Associations, and Special-Interest Groups -**

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Here you will find like-minded men and women, who in many ways already share your views. Associations and special-interest groups (e.g., cigar clubs, travel groups, musical organizations, bird-watching societies, etc.) are great places to strike up social relationships that can turn into business contacts. Fellow church members are excellent resources too, because they know about a very important aspect of your personality already and are much more willing because of that to vouch for you to friends and associates.

## **Magazine/Newsletter Editors and Writers -**

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Get to know the editors and writers of magazines or newsletters with a readership likely to benefit from your services, and then ask them to recommend you to their subscribers. Can you and your business be featured in an article? Can you be used as an expert and quoted on some hot topic? Do you have a story idea? Do you spot an intriguing trend? Let them know — and they'll let others know about you. How can you get your name and that of your business before their readers?

## **Industry Leaders -**

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Who are the respected figures in your industry? Do they know about you and your business? Why not? Get their attention. Get to know them. Let them know you admire them, that you respect their opinion. Ask them for advice. And make sure they get to know what kind of person you are. If you're patterning yourself after them, they can't help but like you, can they? These men and women are the invaluable source to which others will turn when looking for services and businesses they can trust. How effective would it be if, when asked, this industry leader — a celebrity in his or her field, really — suggests you and your business?

## **B. SETTING THE STAGE FOR GETTING REFERRALS**

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Of course, you can't just barge up to your neighbor or vendor, prospect or fellow church member, stick out your hand, and say, "Give me the names of everyone you know" or "Tell everyone you know about me and my business." It just doesn't work that way. Nor would you want it to, if only because you don't want to have the names of everyone they know. You want the names of only those people they know who are close to the ideal-client profile you created earlier in this book.

What you must do is set the stage for getting referrals. You must thoroughly prepare yourself, your business, and the men and women who will ultimately give you referrals. You must lay the groundwork, build the foundation. And the following 25 tips will help you do just that.

- 1. Make sure** you have a good or valuable product or service. If you do, proceed. If you don't, improve that product or service before you do anything else about getting referrals.
- 2. Revere** what you do. Your job is an important part of your life. Give it the attention and the respect it deserves.
- 3. Position** yourself as different from your competitors. Review Worksheet 1, especially the section in which you discussed what you do better than your competitors. Do you offer guarantees? Do you have a progressive return policy or unusual customer service? Are you more time-sensitive than some of your competitors? Do you have lower prices?
- 4. Show** interest in the people from whom you will ask for referrals. And don't just pretend — be interested! There is nothing more fascinating than learning about other people and other industries. And there is nothing more flattering to people, nothing more likely to prove your interest, than your asking questions about them — and by truly listening to what they have to say in reply.
- 5. Educate** them. Tell them why your product or service is of better value. Be able to tell them clearly and concisely, using terms and facts they will readily understand.
- 6. Remind** them, if he or she is your customer, what buying from you has meant to them in the past and present — and what it will mean to them in the future.
- 7. Explain** that they owe it to their friends, relatives, and associates to refer them to you if they really care about them.
- 8. Assure** them that even if referrals do not buy from you, they will gain a valuable service from you anyway by you informing and education them on what they should look for, what they should avoid, what they should expect, and what they might overlook.
- 9. Promise** that you will be a professional and that the referrals will ultimately thank the person who referred them to you.

**10. Give** them reasons why they should give you referrals. Let them know that you get much or most of your business through referrals, and that because you do get referrals, you are able to invest your money and your time in providing a better product or service.

**11. Explain**, if they are customers, that the product or service you provide them is based on their giving you referrals and that it is a condition of doing business with you.

**12. Offer** to give them an incentive for referrals. If you are in a profession in which you cannot ethically or legally pay for referrals, do things to help grow their business, or donate money to their favorite charities, or pay them for the space they provide to display your brochures. In some cases, you will need to make sure that any compensation is not based on a per-referral, per-lead, per-buyer or additional-profit basis.

**13. Offer** to give the referrals a product or service for free, or at least at a discount, and tell them that this product or service is something that the person who referred them to you has bought them.

**14. Offer** to give the referrals a special incentive. These special incentives might be bonuses, money-back guarantees, additional services, a discount, or anything else that has perceived value to the referrals.

**15. Tell** the people from whom you are seeking the referral that you are looking to do business with the same kind of people they are.

**16. Ask** them to call or directly contact the referral.

**17. Do** something for the people from whom you want to get referrals — but do it in advance of asking for the referral, thus inducing the law of reciprocity. Send them a birthday card. Buy them a meal. Give them a referral. Give them a report or a book. Give them a compliment. But give them something of perceived value.

**18. Keep** in frequent contact with the people who have provided you with referrals in the past.

**19. Acknowledge** the people who have provided referrals who turn into customers. It needn't be elaborate. A thank-you note or flowers. But if you want to do something major, make it original. How about hiring a skywriter to spell out "thank you," or buying cable time to tell them of your appreciation?

**20. Get back** with the people who provided referrals and let them know what happened when you followed up on their leads.

**21. Ask** for referrals when people are most receptive. When they've just bought your product or service. When you've done something great for them. When you've gotten them a refund or a good sale, or gotten them off the hook for a large liability. Or when something special has happened in their life, such as a marriage, the birth of child, a promotion, a special honor, a transfer, or retirement.

**22. Send** them articles, books, and information about their special interests. This could be about golf, working out, health breakthroughs, sports, their profession, their hobbies, or other special interests.

**23. Assert** yourself. Don't be bashful. Ask for referrals. Ask, ask, ask.

**24. Ask** for advice as an introduction to requesting referrals. Ask them, "How can I grow my business?"

**25. Thank** them for referrals. You'd be amazed how many people forget this simple, decent response. But you probably wouldn't be surprised at how much damage not thanking them can do to a relationship.



## **C. HELPING OTHERS LOCATE REFERRALS FOR YOU**

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Often, when you ask others for referrals, you will get a quick response, “I don’t know anyone.” In most instances, this isn’t a “brush off.” Many people actually don’t think they know anyone worth your time or effort. We often fail to grasp just how many people we actually know.

It is your job to educate them. To help them see that, indeed, there may be many people who could benefit from your product or service. To give them ideas of where to look for men and women to refer to you.

There are two groups of people you need to remind them of. The first group includes the same categories of people you went through yourself in A) above. Review that section and those categories. Commit them to memory. Be able to prompt the people from whom you are asking for referrals, to remind them of all the people they might know in this group.

The second group includes people they might know because of an event. The following are categories you can use to jog their memories. And you can also use it yourself to discover if there might be even more men and women from whom you can solicit referrals.

### **Someone Who Comes In Their Office**

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Not necessarily a customer or client. Have them think of all the people who come and go each day in their place of business. Whom they chat with, say hello to, feel as if they know simply because they see so much of them.

### **Someone They Meet In Professional Circles**

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They belong to associations and groups you’re not privy to. Whom have they met? Whom do they know?

### **Someone Who Has Retired**

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Or who is planning to. This major life change may mean the retiree needs your product or service more now than ever. As an extra bonus, retirees are an excellent source of referrals. With their years have come insight and lots of lucrative, useful prospect information.

### **Someone Who Has Gotten Married**

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Priorities and needs change dramatically. The person’s new goals might very well include your product or service.

### **Someone Who Has Had A Child**

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Priorities and needs are never the same after the birth of a child. Can you step in and meet those needs? Short of changing diapers, that is.

## **Someone Who Has Gotten A Divorce or Is About To**

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Life changes open up all sorts of opportunities. You can be there to help out.

## **Someone Who Has Bought or Sold Something**

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A house, car, boat, computer, business, building, investment, whether bought or sold, comes with a lot of question marks and a lot of opportunities for you to explore.

## **Someone Who Wants to Buy or Sell Something**

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Show that person how your product or service can assist.

## **Someone Who Has Just Moved His or Her Residence or Business**

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Wouldn't you like to play Welcome Wagon, especially if it meant more business for you?

## **Someone Who Has Recently or Wants To Remodel A House**

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A huge sales opportunity.

## **Someone Experiencing The Empty-Nest Syndrome**

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Children leaving the house is a huge life change and prompts all sorts of reevaluation and purchasing.

## **Someone Who Has Had A Death In The Family**

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In such cases, certain realities must be faced, certain things simply must be done. Can you make the process any easier?

## **Here's one final tip:**

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If they still insist they don't know anyone to refer you to, sit down with them and go through their personal telephone book, page by page, or their Rolodex, card by card. Have them tell you about each person you find there. If you can get them to do this with you, the list of referrals will quickly begin to grow.

*Part four*

**PART 4**

**GATHERING PROSPECT INFORMATION**

*information.*

# **An Overview of The A-Z Prospect Tracking System**

The A-Z Prospect Tracking System presents 24 pieces of information you should know about each of your referrals, prospects, and customers. Some of the information is easy to get; some of it more difficult. You will gather the information over time.

This section consists of two parts, each a variation of the A-Z Prospect Tracking System. The first part is a brief overview and exploration of each of the 24 aspects of the tracking system; the second part is Worksheet 3, which will soon become a key document in your business.

The great thing about these 24 areas of information is that not only can they help you get a handle on the kind of people you'll potentially be dealing with, but, in many cases, they give you possible areas of commonality, points at which you can connect with your prospects that have nothing to do with business.

## **1. Name**

Simple enough, but do they have a nickname? A preferred name? Do they like being called Mr. So-and-So? Do they prefer Miss, Mrs. or Ms.? And make sure that whatever the name is, you know how to spell it right!

## **2. Company**

Straightforward, but, if you're dealing with a large corporation with a complex hierarchy, be as specific as possible about their department or division, etc.

## **3. Position**

Get the exact job title. Find out when they started in the position and whether they entered it from another organization or if they have moved up through the ranks. That gives you extra insight.

## **4. Address/Phone Number**

Easy enough. Be sure to get a business card. And ask for a fax number and email address while you're at it.

## **5. Referred by**

This is for referrals only. If this form is tracking a client, list the date on which they became your client. Maybe an appreciative note on the anniversary of establishing the relationship would be a nice touch.

## **6. Type of Business**

Be as specific as possible.

## **7. Age**

Discretion is advised here. Proceed with caution. At least try to get their birthday. A card on the big day will stand you in good stead.

## **8. Gender**

Sometimes you can't tell from a name, so this category isn't quite the no-brainer it might at first seem.

## **9. Ethnic Group/Nationality**

Again, be discreet. This information might help you in some cases to determine or at least understand priorities and opinions, likes and dislikes. Do you share an ethnicity with them? Have you visited the country or region their family is from?

## **10. Marital Status**

This just might give you added insight and another possible area of commonality. But, once again, use discretion.

## **11. Children**

Find out their names and ages, maybe their birthdays. Surprise your prospect with how much you care by asking, "So how was little Michelle's third birthday?"

## **12. Educational Background**

Do they have a degree? Are they working toward one? Are they sensitive about whatever level of education they have? Are they taking computer classes or certification classes? This is another area in which you can show you are interested in them and their progress.

## **13. Religion**

Let this information come to you. It will help you to know when they may be celebrating holidays significant to them or when they may not be in the office. In some cases, it will also clue you in on any possible dietary restrictions, valuable information for entertaining them.

## **14. Political Views**

This can be a very touchy subject. For the most part, don't get into a political discussion with your prospects. When they indicate a political opinion in the course of another conversation, record it here.

## **15. Hobbies**

This will tell you a lot about them and give you a clue to the kinds of books, articles, or gifts you can supply them with over the course of your relationship. Why not learn something about these areas yourself? It would please them to be able to have a meaningful conversation with you about a topic they care so much about.

## **16. Memberships in Associations and Groups**

While it is helpful to know about the professional organizations, the non-professional groups they give time to may be more interesting and more telling. Who are the people they work with?

### **17. Type of Automobile**

Would they be interested in the latest *Consumer Reports*? How about that article in the newspaper about insurance rates? Are they driving a particular car because they like the gas mileage or the prestige? What we drive and why we drive it says a lot about us.

### **18. Newspapers, Magazines Read**

A valuable glimpse into what interests them and on what level of sophistication you need to deal with them. This can also give you a hint of their political views.

### **19. Types of Investments**

Are they conservative or willing to take a risk? Would they like to hear about a hot new stock? Can you introduce them to your broker?

### **20. Physical/Mental Health**

Be careful here. Unless they come out and tell you, much of this information will have to be assumptions, but it will help you understand their moods, their concerns, their reactions. You can use it as a guide to how you should approach them. How you should entertain them. What you should avoid.

### **21. Smoker or Nonsmoker**

Use this information in both a practical way (“We’d like seats in the smoking section, please.”) and in more personal ways (“I saw these cigars and immediately thought of you.”).

### **22. Drinking Habits**

Helps you in terms of entertainment, stories you can share with them about yourself, and, in general, understanding them better as people. And maybe they’d like a complimentary subscription to that wine magazine?

### **23. Vacation Preferences**

Talking about leisure time is a great way to bond. Share some travel tips, hotels to avoid, beaches not to miss. Everyone loves it when a recommended restaurant turns out to be great.

### **24. Buying/Store Preferences**

Are they looking for bargains? Quality or a designer name? Shopping practices can give you great insight into the type of person you’re dealing with.

## **WORKSHEET 3: THE A - Z PROSPECT TRACKING SYSTEM**

Make multiple copies of this worksheet. If there is a way to transfer it into your day planner, do so. It would be great to always have it with you. Re-create it on your laptop or PC if you'd like this handy reference material computer-based.

Before prospect or client meetings, review what you need and want to. Fill in the information over time to complete a full portrait of your prospects and your customers. But please, please always be discreet.

1. Name \_\_\_\_\_
2. Company \_\_\_\_\_
3. Position \_\_\_\_\_
4. Address/Phone Number \_\_\_\_\_
5. Referred by \_\_\_\_\_
6. Type of Business \_\_\_\_\_
7. Age \_\_\_\_\_
8. Gender \_\_\_\_\_
9. Ethnic Group/Nationality \_\_\_\_\_
10. Marital Status \_\_\_\_\_
1. Children \_\_\_\_\_
12. Educational Background \_\_\_\_\_
13. Religion \_\_\_\_\_
14. Political Views \_\_\_\_\_
15. Hobbies \_\_\_\_\_
16. Memberships in Associations and Groups \_\_\_\_\_
17. Type of Automobile \_\_\_\_\_
18. Newspapers, Magazines Read \_\_\_\_\_

19. Types of Investments \_\_\_\_\_

20. Physical/Mental Health \_\_\_\_\_

21. Smoker or Non-Smoker \_\_\_\_\_

22. Drinking Habits \_\_\_\_\_

23. Vacation Preferences \_\_\_\_\_

24. Buying/Store Preferences \_\_\_\_\_



# *Part five*

## **PART 5**

### **93 REFERRALS SYSTEMS - THE TRANSCRIPTS**

*Summary.*

## **1. Video Services**

I've been going to some of my competitors for referrals. One particular company in Texas does basically exactly the same thing I do. We were doing a job, a shoot, up in our area, and the producer came back to us and said, "Do you know anybody down in Texas? I can't really afford to fly your crew down there to do this." So we went to the other company, and they paid us a percentage of their price.

There was another production company down in Orlando, Florida. We asked, "What shows are you dealing with?" And we found out that we were doing business with a lot of the same network shows. We were so far away, being 1,500 miles, that their customers weren't necessarily going to hire us, and our customers weren't necessarily going to hire them. So we were able to pick up the telephone and call their customer and say, "XYZ Production Company gave me your name." And basically we had an introduction to them.

A new thing I'm now starting to do is offer some of the people I have built relationships with my entire customer base. With the history, the pricing structures, everything I've done. Giving it to them with basically, "I won't step on your toes, but you give me back your customer base."

## **2. Hotel**

We have a very simple referral program. "For every nine people you send to us, we'll give you the presidential suite, valued at almost \$200. Plus dinner."

They talk to an editor of a magazine; they write up an international article. That triggers another sequence of events. Two, three other national magazines pick it up, write about you. That one referral, regardless of how much it cost you to give away that room, to give away that product, to give away that yearly subscription, for us easily translated into probably half a million dollars' worth of publicity.

## **3. Land Sales Company**

I was involved with the sales of Rexford Plantation and Indigo Run Plantation on Hilton Head Island in South Carolina. Both plantations were going to be released simultaneously. There was a pent-up demand, and I knew that all of the established brokers would probably get most of the sales.

The first person I took out and showed property to in Rexford Plantation selected a home site and gave me a check. I refused to take the check unless he filled out a form and gave me at least five referrals and signed a release allowing me to call them that night and tell them about his purchase in Rexford Plantation. In 120 days I sold 113 lots in Rexford and Indigo Run Plantation. Of that, 74 were referrals over the phone.

## **4. Precision Heating and Cooling**

I've started a duct-cleaning service. And I went to my competitors who also sell heating and air-conditioning equipment but who do not have duct-cleaning facility. And I gave them a covenant letter not to solicit or interfere with their customer base, but to have access into their customers base for the duct-cleaning service. And then, whoever sold my service to the customer got a direct percentage on whatever the gross sale of my duct-cleaning service cost. Probably 30% of the work I've done from September until now is a result of my competitors introducing my service to their customer base.

## **5. Video Service**

Somebody dragged me into a National Speakers Association meeting, which now turns out to be a major segment of my business that is 100% referral. Once I got into the association and started taking an active role and doing good work, now — out of this 3,500-member association — over 500 are active clients. If you do the math, it's exciting.

## **6. Walk-in Medical Center**

With the school, we would give tours to the kids, like the emergency room on career days. Then the schools starting sending all the kids who needed school physicals to us.

Then I took that concept and said, kids go to camp every summer. They need physicals. So we would mail and call the camps. And it was a service to them because they could tell them, "You can get a physical today. Just go right over here."

I built relationships with fire, rescue, and police departments. We would do educational programs. And if they had accidents — I remember one that had someone hurt badly and sent to the ER, and they had one who was just walking wounded with a cut — and they said we'll go over there.

We did workmen's comp. We gave cards to give out to all their employees. We gave them some discount for their own health care. They would come in a lot of the time and give us those cards.

## **7. Consultant**

I rely mainly 100% on referrals. I conducted several seminars for other consultants. I found journalists who understand our business well, and I asked some of my best clients to allow these journalists to interview them. The tape really gave me and my people real deep insight about our work from the customer's point of view. We then offered these tapes to potential clients. Listen to the tape and make up your own mind whether you think it's right for you and for us. And it's given us complete understanding and another position to the customer. Because he now asks us, "Well, does that mean that you have to decide whether you want me as a customer?" OK, it means we both have to agree. Not only you, we both.

## **8. Insurance and Benefits Consulting Group**

We serve a very narrow niche in the marketplace, people who are 55 to late 70s who have a net worth of \$3 million or more. And so you can't just say, "Who do you know?," because the services don't apply to a broad segment of the marketplace. So what we try to do is make it as easy as possible for the people to refer us to people they know who fit that demographic profile.

First of all, your referral source has to be one of those people. And secondly, we, for example, have a list of all the landowners in North Carolina that own more than a thousand acres of land. And if we're dealing with somebody who is in the real estate business, and it's grouped by county, we can take them through that list and they'll say, "Oh yeah, I know so-and-so. You can use my name." We'll take a DMV list and we will subsort that list prior to asking.

Another thing we'll do is, if I have a particular community that I'm targeting, I will first go to the key CPAs and attorneys in town and say, "I'm not asking you for a lead. I just want to know who are the key, wealthy people in this community." And then I'll go to my client base with a subsorted list and I'll say, "OK, bang, use MY name. Bang, use my name." That way, I have instantly subsorted the list for them so that they just check off the names.

## **9. Computer Software Company for Retailers**

We get about 35% of our leads from referrals and about 35% from direct mail. Our market size is about 7,500 clients. What we do is a direct mail piece to all of our prospects every other month. In the interim months we send a personalized letter to our clients, our key prospects — people who are in the queue, someplace between demonstration and proposal enclosed — and industry consultants. And we try to do a value-add with that, whether it be an educational piece or a premium.

One of the best things we did was to send Howard Sewell's book *Consumers for Life*. Howard is a Cadillac dealer from Dallas. We negotiated to buy 500 of them at about \$3.50. But we mailed them out on our direct marketing list, and we ended up with doing about \$200,000 worth of business off of that base list of referrals.

So the way we get referrals — I guess we actually give people bribes. I guess we give them education. We try to position ourselves as a value-added resource. And I guess also part of that is we teach all of our sales people to ask for referrals. I mean, I'm just amazed so many people don't ask. We ask people who elect to go with someone else for referrals, because they all know who all is looking. So we found just by having a systematic method of communicating with key consultants or clients — which in our case is every other month. By the way, we have a budget for that of \$5.00, on the average, over a year. Per person.

So that's \$30 per person times 500, or \$15,000, which is probably one of the best returns we get on our marketing dollar today

## **10. Photographer**

We have a three-step program with our high school seniors. I photograph about 300 seniors in an eight-week period every year. And when the kids call in to initially book, we educate them about the whole process, but we also recommend that they bring in their friends at the same time.

About half of them bring in someone else. And we photograph as many as seven, eight kids at a time, which makes it sort of a zoo in the studio, but each of the kids who comes in then gets a free 11 x 14 of the group shot. It takes nothing away from our individual sale, but those 11 x 14's normally list for \$94. We develop goodwill and get the kids in.

Second stage is when the photographs come back, we put in a gift certificate either for a friend of the family or a family portrait. And then after that, when the photographs come back and they're in their hands for a few days, I do write them a thank-you note. And you'd be surprised how many people call us back with thank-you's for the thank-you note.

## **11. Unknown**

We do business with institutional investors. So they're very hard to reach. How do you reach a CEO? How do you reach the top person? Very difficult for telemarketers to do that, direct mail, or anything else. So by going out to retired executives — former regulators, anyone who has contacts with the decision makers — we approach them, show them the contract they can sign. We pay them 10% of the gross production we do, because 90% of our business is now in nonregulated products where we're able to do that. We can't do it in the regulated products. They get excited. Now we've got referral people bringing us other referral people who are friends of theirs. About 20% of our business is from referrals, but it's growing rapidly. One customer will average \$250,000 a year. So, you know, 20% of our business now is about \$20 million a year.

## **12. Product Development and Marketing Company**

A source we discovered not too long ago was vendors. Vendors love to give a referral because that gets favor in their column, and they also generate more distribution for their product.

## **13. Consulting Firm for Executive Information Systems**

We create graphic systems for executives. If you want to visualize it, Boston Chicken has a map of the U.S. with all the locations of their stores, and they click on a location, and the statistics related to that location come up. Currently, in our industry, a large majority of the marketing dollars goes toward educating our audience, executives, about technology. Reducing the fear.

As a small start-up company, we really couldn't afford to educate our potential buyers, so we needed a way to, in a sense, let our industry educate our buyers to the point of sale and then strike. We needed some indicator of companies that were going to make the shift to executive automation. One was the software they were purchasing in-house. A large expense that software companies don't like is having a field sales force go and do one-day demos. So we partnered with the software vendors to go do the one-day demos in our geographic area. And, in return, we get the first crack at all the companies who are at the point of purchase.

The cost of educating, contacting, and closing a sale for a customer in our industry is typically \$3,000 to \$5,000 per customer. But now, we receive 10 qualified ready-to-buy leads per week, and our biggest problem right now is a marketing campaign to hire people. And so we reduce the cost of attaining a customer from \$3,000 to \$5,000, to approximately 30 cents in email messages that go from our sales force to their internal sales force.

## **14. Bargaining Business**

One of the things that I have used successfully — some of it Jay uses, and he may consider it sales — but it's offering two for the price of one. Or if you have a seminar, this applies to anything where there is a participation. If you have a seminar, and you're selling it for \$195, you say for three to four it's \$175 apiece. For five or more it's \$150 apiece. That way, you have the people who get the brochure going out and doing your selling for you. And really, that's a referral system on the front end.

## **15. Tape Resources**

We had a system of referrals that seemed to be working. And I did it rather unscientifically. Whenever somebody would call and say, "So-and-so told me about your business," I would send the referee a certificate good for 10% off. We have a certificate all printed up, and I would send it out. And it would say thanks for referring your friends and associates. But then, when I was listening to your tapes, you know, prior to coming here, I decided to get real scientific about it. I wanted to find out what it cost us to get a customer. We were figuring it must be about \$50 to bring in a new customer, and an average customer probably spends \$300 at a crack. And I don't know what the volumes are over the course of a year, but I was just looking at the \$50 figure and I was thinking that we could even instead of sending a certificate — which could be worth anywhere from \$50 to \$100; if they spend a thousand, it's worth a hundred — but we might just send them a \$50 bill in the mail every time they refer someone to us, because we're going to spend that \$50 anyway. And so we were looking at relatively scientific ways to pay people to do what they're already doing, but to really get them excited about it and send cold cash in the mail.

## **16. Industrial and Homeowner Rental Equipment**

We deal in large stuff. Skidloaders. Trenchers. Backhoes. After I had spent all my capital budget, one of our competitors decided to go out of business. It was a father's business, and the son had a first love for training military and police, and he wanted to set up a new company dealing with a new targeting system. So we bought some of their equipment.

I asked, "Can we send you and your family on a vacation to Disney World for your customer list?" So I got him a corporate American Express Card and told him he could spend \$5,500, and he gave us the list. Then I said, "I'll help you put together a new business plan if you'll help us implement this customer list. First, write a referral letter that we can send to all of them. Secondly, we'll follow up with our own packet. And third, we need your contacts and support. Since you really don't have anything for your general manager to do while I'm getting your other business funded, and I've got a real problem in terms of losing managers, can he work for me this summer while we're waiting to get you up and going for about 60% of what he was making before?" Now, he's working for us as a manager and helping us in the purchasing area and some marketing, as well. It's working.

## **17. Automobile Dealer**

The luxury-car business is a big referral business. We're about 60% new-car referral and about 30% used-car referral. Just to give you an idea, there's 180 Lexus dealers in the country, and we're about number 20. First, when we deliver a car to a customer, we ask them if it's all right if we send letters to their neighbors. We keep crisscross directories, and then we send what we call a beautification letter to the neighborhood and say, "If you noticed your neighbor got a new car. Here's where he got it. If you're interested, we'll be happy to come by and show it to you."

All of our salespeople are totally computerized and have a bank of maybe 100 different letters available. And we do about 300 to 400 letters a day, just normal business.

Second, for people who buy, we send a big white thank-you cup to the office. They walk around with this cup that has "thank you" on it, and on the other side it has our name. So people are always asking, "What is the cup?" And we get referrals that way.

Third, after about the third week, we call the office asking for referrals. By that time the cup and things have hit — so they're using those as instigators to pull referrals.

We get and exchange a lot of referrals from other automobile dealers. We say, "If you've got somebody who asks about a Lexus, send them to us. We're not going to bury your product. We won't say bad things about you. We will just explain the thing." The other salesman who refers them looks good because he sent them someplace where they've been well taken care of. Everybody's polite and everything is nice — so he looks good and we're happy.

And we do the same exchange with them. We will send somebody over to them, and it's very effective. We get a lot of people here. We find that most people that refer to us just want the people to be taken care of. I mean, we do have programs where we pay referral fees, money, and all types of things, but most of the people just want their people they refer to be taken care of. They want to be proud that they referred them to somebody that's going to take care of them.

We've done things like art shows for the community. We would bring in art galleries, hang three or four hundred pictures, keep them up, and invite the community in that had nothing to do with cars. We don't allow any selling at that time. What it does is exposes people who

are somewhat intimidated to come in and visit us. Or someone who's never been in to visit us. We get people we normally wouldn't see. And they come in and they enjoy the art. But then people start saying, "What an experience we had there. We should talk to them."

We do golf tournaments. We do hospice. We're a big hospice supporter. Things like that.

Follow-up is the key. Referral is generated from follow-up. We've had some people we've followed for three years before they buy a car. You know, I have one guy that I personally waited on, he came in at least 10, 15 times. I mean, we're real good friends now.

## **18. Apartment Complex**

Our industry typically asks residents to refer other potential residents to the apartment communities, and generally pay somewhere around \$100 to \$200 for that referral. We made a game out of it and gave everybody a little card and said, "For the first one, we'll give you \$100 and we'll go sequentially all the way up to \$900. If you refer nine people, and every time you refer somebody after the ninth, you will receive \$900 as a rent credit off of your month's rent." That's worked real effectively. And we expanded that and said, "We're going to offer you a lifetime referral fee so that if you live in one of our properties and then you move out — and assuming we didn't evict you — then we'll pay you a referral fee of \$150 for as long as you live." And that's worked also very, very well for us.

## **19. Consultant**

When the client is a large company, the client itself is a big market. Earlier this year, we made a conscious decision to start asking for referrals within the client organization. When someone came to us, we'd ask, "You know the work we do, and we've really helped you. Would you be willing to recommend us to that other person in your organization and to formalize that process?"

It's worked tremendously. What we've found is that, maybe the company has, let's say, a million-dollar consulting budget, and we're getting \$200,000 of it, but there's also these departmental budgets over which these people have discretion. And if you get through this referral system, you can tap into that departmental budget, which is a completely different source of revenue within the client than the main contract you may have with the total organization. So if you're inside a big organization like that, it's a really tight referral system. Very lucrative.

## **20. Audio Tape-Set Publisher**

On the back of all of our business-reply envelopes we have an area where we ask for referrals. It's something to the effect of "If there's anybody who you think would benefit from the types of programs we offer, give us their name and address and we'll send them a free catalog." We get thousands of referrals every year, a good portion of which turn into customers. They tend to be good customers.

## **21. Life Insurance Business**

I would have meetings with my clients for their birthdays. And I'd either take them out to breakfast or lunch. And in those meetings I'd sit down with them and ask them to tell me how they started their business. What makes it different? What are some of the things that are different about you? What makes it great?

I'd say, "Tell me one or two things I could do to really improve my business. Who would you call on if you were in my position? Do you know two, five, 10, a hundred people?" And they

start listing people. “Tell me about them. Tell me about them.” What happens is you end up with a referral system. And of course, you just keep going with that.

## **22. Optometrist**

I send very simple blank thank-you notes, which I handwrite, to patients who have referred me to other patients. If you have “Dr.” in front of your name, lay people are really not used to being acknowledged, much less thanked, by doctors for doing anything for them. And so, when you do it, it creates such a large impression on people.

## **23. Multi-Level Health Products**

I’m accredited by the state of California to give continuing education credits to nurses and, now, certified nursing assistants. A lot of nursing assistants were calling me because the people in Sacramento, from the main office, refer people to me.

I also have a tennis coach who is now referring me to other people, too. And we’ve worked out a contract so he’s getting a percentage.

## **24. Mortgage Banker**

I help attorneys close probate in about half the usual time by making loans to executors, administrators, and trustees or trusts. Referrals are more than 90% of my business. I consider the attorney my client, and I tell him or her so.

What I make very clear is that I have a selfish motive for doing a very good job. It’s because I want you to be so impressed that you’re going to go back to the attorney and tell him or her what a great job I did, because I not only want your business, but I want that attorney to refer me to that second, third and 10th deal. And now I’ve been doing it about 4½ years. I do a lot of other things to generate referrals, too. Even though I’m not an attorney, I belong to 12 bar associations, probate sections, and paralegal groups. And I do seminars.

## **25. Real Estate Agent**

Referral business is the biggest way to get clients. I try to educate them right from the first appointment how important referrals are to me. And I let them know that when they list their house, what typically happens is a sign goes on their house the next day. And they’re going to go to work and tell their co-workers that they’re selling their house, and they’re going to come home, and their neighbors are going to ask where they’re thinking of moving, and their friends are going to ask the same kind of questions. Ultimately, they’re going to run into other people thinking of buying or selling real estate.

So what we’ve done is we’ve been asking right from the first interview for referrals, and we ask all the way through the process, not just at the end of the sale. And we’re usually getting at least one referral from each one of our listings, because now they know how important it is. And we do give them something to thank them after the referral, which is good. We give them a 500-minute calling card, good to call anywhere in North America. We don’t tell them that until after the referral; then they get the gift. We kind of program them that they get something for every referral.



## **26. Holistic Herbal Medical Products**

My company is primarily mail order. I teach natural medicine through the mail, and I have a lot of students internationally. I'm also a private membership company, so that when you become a member with me, you get a little number. Well, what I did with referrals is I made up "thank-you bucks." And all my students have to do is take my brochures and put them in health food stores in their local town, put their member number on there, and, any time that comes in, I automatically send them "thank-you bucks."

## **27. Dance Studios and Instructional Dance Videos**

We did a referral program last year. We gave away free dance lessons or money to people who brought me customers.

## **28. Mail Packet for Engaged Couples**

I capture the names of engaged couples, and it's given to businesses. They pay a certain amount per month, and then they can put something in a packet that goes to an engaged couple. I ask not only for referrals but who not to be referred to. I know who or what types of businesses are interested. I've made a sheet, 8½x11, and I've listed all of the possible businesses that are applicable.

While I'm filling out the agreement — or even if they don't become involved with it — I ask, "Would you help me with this?" Because it's important who you're involved with in this program. So, it's just as important to know who not to go to as who you'd like me to go to. So what they do is, I just have a box, because if they have to think and write down names, I'd probably only get three or four.

I have categories like florists, jewelers, you know, different businesses, so they just check off boxes. And then a lot of times I have blanks at the end of categories that a lot of the time they fill out. People I haven't thought of I do this before I go into an area. I look in the phone books where the bridal registries are. Different things to get those names. And I also ask them, "Would you please cross off those businesses that you've heard something about."

## **29. Internet Publisher**

I started in business on the Internet in July of 1994, and in July of 1995, I had a little over 100,000 customers in 80 countries.

I wrote newspaper columns that, at the time, appeared in no newspapers. And it's very entertaining. What I do is retell what are generally called human-interest stories. I take stories out of the newspaper, I retell them, and I make some nasty comments on them. I encourage people to forward them by email to whoever they want. And every single piece of email I send out has a marketing message saying, "If you want to get this every week, here's how you do it."

Just recently a reporter from the *New York Times* ended up doing an entire article on me and my product. Twenty-six column inches in the *New York Times*! It was very nice.

But the question is, how do I get paid? Because I'm not using the traditional syndicate route, my first several clients were not in the United States. I used this international reach to expand locally from day one. So my first client was in Canada, my second client in Sweden. And they're translated. And they're paying me \$3,000 a year to run my stuff. And all I had to do was put their name and their email name on my distribution list.

### **30. Cooking Food for People With Allergies**

Basically, what I've been doing is cooking privately for people who cannot have any meat, wheat — which is regular flour — dairy, and very little sugar in their diets. They have an allergy, sensitivities to them. What I've been doing is creating products. Cooking all of their meals. Everything from their breakfast items, their snacks, all the way through to their dinner items, their rolls, and also dessert items. I've been taking that and creating products to put out in the stores, in the market, and mailing. And what has happened from these couple of clients I started with is I've gotten more clients by referral through them. People are calling me up saying, "I hear you have this. I'd like to buy."

### **31. Insurance and Investments**

We have a genuine insurance crisis in California that was fueled by the Northridge earthquake in January of 1994. In June of 1994, there was a moratorium placed on homeowner's insurance within the state. I am also a licensed insurance broker, and we created some markets for homeowner's insurance, and as a result we have people calling us from title companies, realtors, from counties all throughout the State of California.

I market a particular investment. We took the investment and we put it in graph form, and I hand those out to existing clients. And a client can see graphically where they started with this particular investment, and this particular investment has increased by 950% in the last 15 years. So, when they can see where they came in, it makes a significant difference. And we only started doing that about two months ago, and our sales are up 10 times what they were.

### **32. Commercial Real Estate**

The Society of Industrial and Office Realtors, about 1,400 elite, very accomplished, and high-reputation Realtors all over the country and now all over the world, exists strictly for referrals. And I get referrals from all over the country. I give them out, too. We have a referral fee format set up, as well.

### **33. Coaching Program**

A friend has a unique way of getting referrals. He really focuses on his client base and works only with 20 relationships. He just works on those core clients. He spends all the time with those 20 people, and he does such a good job for them, he becomes so valuable for them, that they automatically give him referrals. Take a look at all of your files and pick out the 20 people giving you the most business, and then go hire someone to look after the others who are giving you minimal business.

One thing I do that I think is valuable: I spend a lot of time with my core clients. And then I'll sit down with them and say, "Let's go over individually who are the people you can recommend to me." Then I have them personally call the people they put on that referral list. I get back to the people who gave those referrals so they know what happened in the process. If we get a sale or a new client from their referral, we send them a nice gift.

### **34. Recruiting Consultant**

I depend on having people to place and of course companies and people to place them at. So I started giving away names of people I trusted, I knew were good, to other recruiters who I knew also needed good people that I couldn't place right now, because you turn up an enormous number of names percentage-wise that you can't use. I place maybe 1% or less of the

names that I actually generate. So what ends up happening is I've started this reciprocal process where I was giving away stuff, and then when I got in a jam, I could call the same person back up again and say here's some more.

On the client side, when the contract was winding down, I would ask them, "Who would you like to see me work for?" which implies, "Who don't you want to see me work for?" which is namely their competition. So I would get all of these high-level referrals to new clients from existing clients because they didn't want me to work for their direct competition.

### **35. Antenna Company**

We built a \$40 million business that started with referrals. We wanted to sell the top 20 cellular phone companies in the country. Each one had about 100 locations. We tried going to the 20 buyers, and I got thrown out of about 20 offices. So what we did is we went into their markets. First call, competitors had no problem. Second call, maybe they had a few. By the third call, I had listed 10 things.

Every single branch of every single carrier wanted the same thing, so what we did is we went back, basically gave them what they asked for. Each one of them thought we custom-designed a product based on what they told us. And what we did is we'd go in and say, "Here, is this the product you described?" They would say, "Absolutely!"

They were so thrilled that they wanted to help us. When we asked them if there were any other markets where they might know somebody that might give me an opportunity to get my foot in the door, they'd give a list of names. And when we'd go there, they had already called, because in their mind, we were marketing the product they "invented."

### **36. Training Company**

I've heard people say how important referrals are. The statistic is that one referral is worth 15 phone calls. And what we teach is that most people agree on the value of referrals, but they have an unfounded or founded fear of rejection for asking for them or what they do with them when they get them.

First, you've already got reciprocity by getting value to your customer. That allows you to go back and ask for something in return. So you go to those customers and ask, "Did I provide value for you?" If they say yes, say, "Here's what I would ask in return. Give me the five names of like-minded, similar customers."

When you call that person, you say, "So-and-so asked me to give you a call, and I hear you're very talented at X." And then you can say, "Is that true or is that just a rumor?" That gets them to laugh.

You introduce yourself last. Because if you introduce yourself first, then they're going to want to know what this is all about and they feel sold. So add value, get the referral by giving more than he expects to receive, then find out what they like about the referral, and then follow through with a phone call.

### **37. Painting Contractor**

A customer asked me to strip all the paint off her house. I said, "I can't really do it with any estimate. We'll do it by the hour." And I gave her a very low rate. And I said, "I think it will take four or five days." On the ninth day I said, "I don't want to make any more money from you." And she almost cried. I said, "I just want you to pay this particular worker by the hour."

And we came to a fee that was two dollars more per hour than he was earning. So she said, “You’re going to get a lot of referrals.”

### **38. Health Club**

Eighty percent of my business is based on referral. When I join up a member and I sit them down, the first thing I do is tour them around and sell them on service and results. I say, “There are two things I ask of you. First thing is that you come consistently to the club and use it. And the second thing that I ask of you is that when you have friends, make sure you refer those friends over to me so I can take care of them.”

After I get the results, the key thing that I ask from them is, “Can you write me a letter of recommendation? Can you take five minutes of your time — since I’ve taken my time to make sure you get your results?” Out of a hundred people, 50 people will do it.

### **39. Mortgage Business**

The referral system is 100% of our business right now. I am in the top 1% in my industry in the country.

When I sat down I transferred my knowledge to them. I shared with them. I made a point to tell them that I expected to get referrals from them if my performance is what I told them what it was. And so it was very important to us that we did deliver the service that we promised them. After nine years I noticed that I was only getting the transactions other people in town couldn’t figure out how to put together. And the first time through we’d go ahead and put the deal together for them. Then it would be three or four months before we heard from them again.

So I informed them that we’re not going to be able to do business together, because the quality of leads they were giving us was not fair to those other people that we were doing business with. I had explained to them that there are a lot of judgment calls that go into making loans to people, and the relationships that I have with underwriters and judgment calls that I have with our staff as to how we put together those packages play a very important role. And if we were to start submitting these tougher deals, then the quality and the respect we would receive from them would go downhill.

So I would explain it to them that we’re more than happy to assist them get through the transaction because we are probably one of the few people in town that could get them into that home and to let them know what our value was. From that time forward, the growth of the company has just been tremendous.

### **40. Fitness Club**

Our clients are our friends. We really pamper those people who come to see us. We give to each one of our new members — and many times we get requests from our older members as well — invitations, two invitations, to invite a friend of theirs to come to the club with them. This is very effective for us because we rely 100% on referrals.

### **41. Stockbroker**

Clients are hesitant to give you referrals, because they fear that you might not do a good job for a friend of theirs. Or they may lose a lot of money even though you’ve made money for them.

Once or twice a year, I go from A to Z to every single one of my clients, and say to them, “Almost my entire day is spent managing your money and taking care of your investments and keeping track of what’s going on with everything you own, and then disseminating that information to you. I don’t really spend a lot of time bringing in new customers. By referring someone that you really feel would benefit from my service to me, I will have more time to spend doing what I do, which is servicing your money.”

So, I would ask, “Who do you think would be in the league that you are in, or higher, that would benefit from the type of service that we do?” And people would just start giving me a list.

The quality was phenomenal and the closing ratio was extremely high. But the guy that just started reading names out of a Rolodex, a lot of times you did not convert maybe more than one out of the 10. But the guy that gave one or two, I would close a higher percentage of them. The average commission per client per year, worst case, is about \$3,500 per person take home.

## **42. Complementary Medicine Practice**

I’m a medical doctor, and it was essentially 100% referrals through word of mouth. Patient to patient, family member to family member. We took information on what we did and brought it out to the media, to the politicians, to the legal system. We then were essentially invited into the system by the physicians.

And now I get referrals from the president of the Canadian Medical Association, very high-level physicians with very, very tough cases. At first they were test cases to see if we could produce, and now, we’ve got so many cases that it’s impossible for me to see these patients on my own. We have a waiting list that’s well over a year.

## **43. Dentist**

We wait for the compliment before we do any type of asking for referrals, because if we do it any other way, it’s pushy. And so, we have our referrals in holders at every work area and every room on the counter at arm’s length on both sides.

And when the patient says, “Gosh, that didn’t hurt at all,” we say, “That was very nice. Thank you for the compliment.” And we reach and we get a card. And we put it in the patient’s hand and we just clasp the hand, and we say, “You know, we do no advertising. It’s only through word of mouth that we get real nice patients like you. If you have a relative, friend, or co-worker that you’d like to refer to this office, it would be real nice.”

## **44. Legal Service Business**

We have high-volume consumer bankruptcy offices. We’re seeking to sell our system to other attorneys elsewhere. Most of you know what a Chapter 13 trustee is. Basically, a person pays their debts out of a Chapter 13 bankruptcy, to some extent anyway, and they pay a person called the trustee, who distributes the money. Well, that trustee works with attorneys and creditors. He’s basically a conduit between the two, and the attorney, of course, represents the debtor on the debtor’s side.

We have contacted trustees in other cities to refer us — to give us names of attorneys who they believe in that they can trust, that they have rapport with. Then what we do is contact that attorney and say, “You have been referred to us.” We write them a Jay Abraham-style letter, a very long and voluminous, extraordinary, adjective-filled letter — Jay Abraham style —

to the attorney. And we already have three in the process. And I've written three letters. So, those are potentially probably half-a-million to one million-dollar deals.

Each of them.

## **45. Furniture Store**

We have a multifaceted store in which we sell retail refinishing. We don't ask for referrals, but that is our backlog of work. It's just referrals. People just come to us because we delight each and every customer. I have four guys working in the back, and we have approximately six weeks' worth of work for them. And I don't advertise at all when we refinish.

We do send out questionnaires and we ask, "Would you recommend us to a friend?" Whether we sell a new piece of furniture or refinishing, we really believe — from the guys putting their hands on the work, to getting it in to the customer's hand — our purpose is to absolutely delight them. Whether I lose money on a job or not, it goes out the door right or it doesn't go out the door.

## **46. Chiropractor**

Most of my practice is referral. I haven't treated a patient in four years myself who hasn't been directly referred to me. I have associates who treat the ones we get from other things, but what we have found is that you can have many, many satisfied patients who don't refer.

We have what we call regiment reaction. We have something that we say specifically, or a topic that we cover specifically for the first 15 times we see the patient. And it just takes them through a whole bunch of things, and it's basically education.

And you modify it to the patient and the situation. But the beginning of it is built towards building your confidence. The second phase of it is geared more towards educating them. And then the third phase is more specifically asking them for the referrals. Because by then they have confidence in you. They know what it is you do.

We have a game we play with our staff called "Gotcha" game. I have patients who are begging you to ask them for referrals, and they don't even know it. For instance, they may say, "Boy, you're busy today." Normally a doctor kind of downplays it. He doesn't want to look too busy. Well, my line immediately is, "Yeah, I am. You know, I've got lots of great patients just like you, and they're constantly sending in their friends and their family. Who are you thinking about sending in?"

They say, well, "Yeah, I've been talking to my neighbor." Or, "I've been talking to so-and-so." Or they'll ask a question, "Well, do you treat headaches?" But they always have someone, because we've raised in their mind the idea that we really appreciate referrals. That our patients get a lot of attention for referring. And they want recognition. They want attention. They don't just want to be helped on a health basis.

You have to be extremely consistent. You've got to never stop looking for a chance to ask, or what I call plant a referral seed.

You've got to be so excited about what you do that the patient also feels that excitement. That it's a natural occurrence to want to ask them to send other people in. You've got to be so excited that you couldn't possibly feel bad about asking them for a referral. In fact, they should feel great about referring people to you. But if they don't feel that from you, they're not going to do it.

## **47. Management Training Seminars**

I get names and addresses, and then I call people and ask how they're using the materials. And I'll make a comment like, "Well, I don't suppose your senior management would be interested in any of this." And they'll say, "Oh, no, they really would." And then they start selling me on the referral.

## **48. Trainer for an Advertising Agency**

I train Realtors on how to do personal marketing. What I discover is, at the end of my presentation — which is in essence a sales presentation — they are excited about what I do. When I look at them and I say, "Guess what? I'm still in the area. I'd still love to visit some more people. Who do you know that would really enjoy this presentation?" I make them look good to their peer group, because they're able to say, "You've got to hear this." Usually, I get between two or three referrals out of each person.

If I get a person who is that excited about what I do, they feed me into other people. I pick up the phone and say, "I talked to so-and-so. They told me to call you. They were really impressed. Let me tell you what I'm here doing. I'd love to do the same for you."

## **49. Unknown**

What I've noticed in my practice is that a lot of the results that I've produced come out of where I'm standing and the direction of the conversation that gets generated from that position. At times, when the practice was down, what I noticed was that if I was speaking from a position of need — really, coming from a past event — no matter what I said, no matter what I communicated, came out really unclear, with very little result. When I'm speaking for the possibility of something greater in the future, and talking to them about what can be generated for their families, what's possible for who they know, and it's something that has yet to happen, the results that get produced are much greater.

## **50. European Skin Care Business**

We basically placed ads and said, "Free facials, limited number." And since it's empty anyway, when you start, you just give away free and it results in \$75. For every 10 people who come for a free facial, a finite number will go forward. And what that total is the average person coming for free is worth \$75.

Fifty percent of the people who come buy at least a hundred dollars' worth of product. And if you buy a program — which is six facials, with a 33% drop in price — we give you four referral cards. We put your name on the back, and they're for your friends. And if your friends come in, for every friend that comes in, you get a free facial if they buy a program. And we also do that with all the women who work in the department stores who sell skin care and cosmetics. And when the cards come back through, we track back to who had gotten it and we notify them. And anybody that sends in a referral, they get a nice note saying thank you for the referral. And if they sell a program they get a different version of the note saying they did buy a program and you have a credit toward a facial.

## **51. Heating and Air-Conditioning Replacement Business**

We step them through a process that's very orchestrated, very scripted. We show them referral letters, and we explain to them exactly what we're going to do for them with their heating and air-conditioning system. As they're looking at these referral letters, we say to them, "Now isn't

that the type of letter you'd be willing to write if all of the things that we were saying were absolutely true?" And, of course, they answer yes.

At the end of the presentation after we close the sale — and we've used a lot of assumptive techniques as we close that sale — the last thing we do is we hand them a business card after we've closed the sale and say thank you. "Now," we say, "I have a surprise for you. Your business has been referred to us by such-and-such, and you get \$50 off of the price that you've already negotiated and that you thought was a good price. And further, if you get to do this with one of your friends, we'll be paying you \$50 for the referral and also giving the same \$50 to your friend."

## **52. Unknown**

When I do get referrals — which are the majority of my sales — I call them personally and thank them. I offer 10% off to any of their clients who are referred to us.

## **53. Shooting Range**

We give our customers business cards with, printed on the back, "free range time." And they can put their initials, and we encourage them to give three or four at a time, because people like to come with their friends or their family.

And in addition, we let our members bring 24 guests a year at no charge. Of the 24, probably one-third end up becoming members. And those who don't buy memberships, they'll just pay as they go, and we make more money on that, anyway.

One of my members called me up and asked this liberal, anti-gun, left-wing radio commentator to come and shoot with him on Saturday. And he wanted to know could we reserve a lane for them. Now, I do a business report for this radio station every month, which I don't get paid for. But I don't pay for the air time, and it puts my name and the name of my company in front of the public every month for free.

So I'm known and my business is known. So this very liberal radio personality mentioned it on the radio today that he's going to go out tomorrow, and he's really going to find out what guns are all about. So the members and the customers really do excellent PR for us.

## **54. Financial Planner**

I explain to people upfront the first time I meet them that part of our fee is that I need to get five introductions from them. And I explain to them why it is that I need five, because out of the five, two people will probably so no thank you. One person will probably already be working with somebody, which leaves two people for me to sit and speak with, which is what I really need from each person, because out of two, I'll get at least one, or in most cases two.

But the second part, as I explained to them, is that the vast majority of the people in my business spend a majority of the time cold-calling people. So once I get in front of you, the pressure is on. You know, "You've got to buy something," or "I've got to sell you expensive products or higher fees," or what have you. And because I spend probably less than 10% of my time doing that."

Only 10% of my time is spent on the phone trying to get appointments. Because of the success that I have calling people who have been referred to me, probably about 65% or 70% of my business comes from referrals, a vast majority of it. But then they understand the reason, the rationale. The additional time I save that I'm not doing the marketing or the cold calls I can spend doing the research and the planning and things.



## **55. Bar Code Company**

We have two referral programs. One of them we call Happy Letters. These are endorsement-type letters. And we blatantly pay our sales reps \$10 for each one they can get.

“I’d like to have a referral letter. I’d like to have you write down how to use our product” — and they do. I’ve been very successful at just asking. And we take extracts from those and put them into collateral sheets by market segment so that we can send out a piece of paper to an industry.

And our second referral program is for our resellers. We have a very complex product to produce and a very long lead cycle to close a sale, sometimes six to 18 months. And most resellers, if they get into something they don’t want to handle all the way through the process, they’ll just turn it over to us, and we’ll give them 4% of the revenue for the first year.

## **56. Plastic Surgeon**

We send out letters quarterly to our old patients, and in there we describe a case history, someone who’s interested in a type of surgery, what they’ve had and how they felt about it. And then we enclose a certificate for them to give a friend with a free consult to come in and see me about a cosmetic procedure.

## **57. Life Insurance, Annuities, and Mutual Funds**

Most of the life insurance and annuities I sell have, as an investment feature, mutual funds. I get probably 60% to 70% of my business as repeat business because I’ve been in the business about 30 years. And I got a lot of referrals from my present clients primarily because I’ve helped them make money. It’s not hard to get people to give you recommendations when you’ve helped them make money themselves. Any time I make a sale, I ask for a referral. But not just for anybody. I ask for the referral I want — that might be the fellow down the street who is his competitor. And I usually ask the direct questions like, “Do you have a brother?” Or if you’re in the plumbing business, for instance, “Who is your biggest competition?” But I never ask the vague question for a referral. I always ask a question that a man has to have an answer to. And then usually I ask him, you know, to do some follow-up, either make a phone call or to write a note.

## **58. Sales Rep for AT&T**

I use referrals 100% of the time. I have two referral systems I use in order to get business, and I don’t have to do a lot of cold calling. The first one — externally, I do a referral system where I’m a member of the Chamber of Commerce in my area. And, because I’m really involved in the Chamber of Commerce and people know that I have successfully helped other members of the Chamber of Commerce, they automatically give me referrals. About four times a week I get a referral from the Chamber of Commerce. I have about a 75% closing ratio.

And then my internal referral system is within my sales organization. I have built a certain niche of expertise. I handle certain customers who are with resellers. Like a customer, a reseller named Syntex. I have a certain expertise in selling against Syntex, including implementation that’s less than 20 minutes. And because all of the other sales reps had heard my success with Syntex, they are willing to split the commission just to have me come out and do a call with them in order to have implementation go so quickly. I usually do about seven to eight calls and normally close seven to eight.

Another thing I do is network with the other AT&T sales reps who sell data and hardware equipment. And they'll call me for referrals. So I've been around for a while.

## **59. Unknown**

We have several different businesses that we ask for referrals. It's probably one of the easiest methods of sales we have. We offer premium incentives to the individuals who give us referrals. We're very aggressive in asking for them and training our sales people to ask for referrals. About 80% of our business comes from referrals.

## **60. Carpet Cleaning**

For years, we had our technicians trying for referrals as soon as the customer starts to ooh and ash over how well we're cleaning their carpets. They pass them a strip of three postcards to address and fill in and sign to send off. I've made one change. My sales staff is now alerting the customer that we will be asking for this when they see how good a job we do. I get a 20% return on this. At \$20 a person per year, times 500 people a year, that makes a big difference.

## **61. Festival Promoter**

When we do our follow-up calls after a festival, we have our telemarketers request a referral from each participant. The best telemarketer can usually do about 75 out of 100. The worst one will get 50.

About 30% of our business is referral generated. Each client can earn between \$3,000 and \$30,000, so the income is not inconsequential.

## **62. Positive-Thinking Seminars**

I give weekend seminars and people can reattend if they pay \$50, which is an advantage over all other ones, because usually they have to pay the whole price again. And if they refer somebody new, then it's free for them. And also I have 10% value that I give them if they bring new customers without being asked. And it's been going very well. I moved my business from \$125,000 a year to double in a single year.

## **63. Unknown**

I get referrals from car-dealership salesmen. Without compensation. What they achieve by doing this referral is give the customer a lower price, and give a favor to the customer. Does that make sense? I don't make as much profit through this referral, but I get a referral which I never would have seen.

## **64. Seminars**

We have a very low-key but very profitable referral system. At our seminars we have a hand-out sheet in the folder, and we offer a free one-year subscription to the network-marketing seminar. We'll say, "If you have anyone in your organization who wasn't here today, and you'd like them to get a one-year subscription..." For each hundred people, we probably get 60% who turn in at the seminar with at least one name. Usually five, 10, 20. We get another 10% who will send us hundreds, and sometimes thousands of names after the seminar. We convert 30% to 40% of those people.

## **65. Seminars**

There are a number of different ways that we've done this over the years. We have something we call the "gold sheet" that we use at the end of a seminar. In a large group like this, we would ask each of you to suggest people who would be able to come to us and we could help them. We find in one-on-one sessions that more often we get a larger list.

I was in an elevator the other day, and I had a 10-second window of opportunity to pick up a client. He just looked like he should be a client, and he happened to be an environmental attorney. And we met just this past week. Not only can I help his clients, but he wants me to talk to his managing partner, as well as his marketing director. So I think all of us need to look at everybody as being a potential referral source.

## **66. Customer Appreciation Gifts (helium balloons)**

My business is all about generating referrals. I realized that referrals were leverage because I could close twice as many of them as a normal cold lead.

I started having balloon packages delivered to my customers where they worked after they bought their new car. The balloon didn't have advertising, but they're sitting at work with a balloon floating overhead. Everybody thinks it's their birthday, asks about it. They would start bragging about their new car and what a nice person I was for sending it.

And within nine months my business from repeat referral customers increased about 58%. Now we work with about 800 companies around the country delivering balloons.

## **67. Personal Injury Claim Settlements**

Typically, we deal with an insurance company's claim office. And our referrals will usually be within that same office. If we're doing business with an adjuster, we will ask for a referral to somebody else within that company or that particular office. And that is usually immediate because it will be somebody who's sitting over here. Not only does it work, but you get the endorsement of the person you're working with immediately. So you've got the referral and the endorsement.

## **68. Workshops and Seminars**

I ask people for referral letters before I do a talk. A customer could say to his or her friend, his or her colleague, "This person is good. He did a good job for me, and I as a customer will benefit by sharing the association." And that's become our full compensation. I do the very best job I can of making my old customer look good. They appreciate it, and now I get people calling me out of the blue with referrals. That's the compensation that works for me.

## **69. Orthodontist**

Our referrals come from general dentists. And instead of us going to visit them, taking them a basket of muffins or whatever, now we invite them to our office for what we call a Lunch and Learn.

We have every office (about 25 dental offices) usually about every six months. So a couple of times a year they all come. They come with their entire staff. We always provide a professional courtesy for the doctor's family and for his staff, but the interesting thing was we never told them. So now that we have them coming to our office for lunches, we give them a tour of our office. We show them what we do there. And during that lunch it's our opportunity to share

with them all these things that we can do for them and, as partners, with them, to be a team for their patients in orthodontic care. And the results have been incredible.

It's very seldom that an office comes and, as a result of their being there, we don't at least start one of their children or their assistant's child. Or their hygienist. Or one of their assistant's starting treatment. And so our feeling is if we start their staff and their children and their families in treatment, then they're going to tell their patients that's who I go to. We give them preferential rates.

Where we started eight years ago was that our practice — we were producing about \$300,000 a year. We had 27 employees at that time. And today we have 10 employees, and we had our first million-dollar year this past year.

## **70. Marketing for Cosmetic Surgeons**

One of the things I've done — especially in the field of hair transplants, which is one of my specialties — is send a letter out to the client base, offering free transplants. You pay by the transplant. You pay the graft. Say, "If you would bring in a friend, I'll give you 30 free grafts. No charge."

It's worked very well. Out of 600 pieces of mail, we got 100 new clients. The 600 pieces cost pennies, because they're all computer generated. Each client is worth, over the long term, \$30,000.

We look at referrals in two ways. One is our client base, and the other is professional referral hair salons. We can't pay them any commission, but we can buy advertising. We can pay them a monthly rate. We can't split the cash, but we can pay them a rate to advertise. Basically what I did was start my own organization, and paid the salons to keep my — as a rental fee — to keep my brochures there. It has worked very well. Most of our upper-level clients — especially in the entertainment field — came through that venture.

I rented space from the hair salons, and that rent could go up and down, depending on the viability of the advertising medium.

## **71. Mortgage Business**

On our quality-control letter that we send out asking them to grade us on how well we did or didn't do, there's a place for three names, referrals. A couple other things we do is send out a letter once a month to all of our old clients. Talking, educating them about something that's going on in the mortgage business. I call them approximately once a quarter to see what's happening, if they have any needs, and, again, trying to give them some value for the phone call. Not just to call them up and bug them.

And probably the simplest and most effective way is when I get done taking their loan application — after everyone has shaken hands and is getting ready to leave — I'll say something to the effect of, "By the way, who else do you think might be in need of my services?" And it's real simple but it's very, very effective.

I would say right now probably 70% or more of the business we get is referral. And it's better business, too, because it's what we would call warm call. The referrals say good things about us. People aren't going into the situation blind. Plus, referrals cost next to nothing.

## **72. Photographer**

Over the years we built a wedding business that did thousands of weddings by using two referral systems. The brides would come in; we would tell them they could get a couple hun-

dred-dollar wall portrait for \$20 if they sent us two more couples who hired us to do their weddings. Now, most of the couples would take a year or so to do this. So a year later they would not want a photograph of their wedding. They would want a new one, and they would buy copies of that for their parents. They would buy frames, etc., so we would actually make more on the referral gift than it costs.

The other referral that came from that was to have every bride and groom bring us a list of the names of everyone in their wedding party. All the girls, all the guys. And we would send them — each one of them — a thank-you letter saying thank you for helping us that day, for putting up with us and being there early. And to say thank you, we would like to give you a portrait of your family.

### **73. Business Centers (instant offices)**

I decided that it wasn't really the distribution — owning the distribution — that was important. It was having the ability to find the client or the prospect, and then create the distribution around that. So, in addition to the centers we own, about a year ago I formed what we call Alliance Business Center Network, which is essentially a group of people in our industry I used to think of as competitors that have come together. We just closed a deal out in Europe, where we added over 50 locations throughout Europe.

We have 150 locations all over the world right now of people like us in our industry, and we're getting them to focus on who the key decision makers are in the organizations that they are doing business with, because we realize that a lot of the companies that are going into centers are going into centers all over the country in multiple locations. And if we can identify multiple-office users through people who are already predisposed to using our product, it's very powerful if we can try to control that account.

So what we've done in essence is gotten all of these people that used to view each other as competition all operating under our trademark and referring business and identifying who the key decision makers are in the various organizations they are doing business with. And then we've got a centralized national marketing department that contacts these accounts, contacts the key decision makers, and tries to explore a little deeper on a national basis what their needs might be, because often the local operator doesn't think beyond just their center and they haven't even identified the opportunity. They don't even realize that this company might be in 30 other locations all over the country.

First of all, we're making a lot of money on it. People are paying us a monthly fee just to be a part of the network because there are other benefits besides referrals that we've built. We are also getting paid fees for bringing the sale back to a center — any individual center. So it's basically funded an entire national marketing program and allowed me to build a brand name and get a great distribution on my trademark risk free and without any real investment.

### **74. Executive Recruiter**

I specialize in placing engineering and marketing talent with our client companies all over the country. I handle companies up to maybe a thousand people. I like to work directly with the decision makers who are actually doing the hiring. Our business is based entirely on the referral system. I am always asking people, "Whom do you know who would be qualified for this opportunity?"

There are two sides to my business. I'm talking to managers making the hiring decisions, and I'm talking to candidates whom I hope to place with my client companies. So I have two sides to every sale, if you will, that I'm working on. Every placement. The two principles that are

really fundamental to my being successful is that, first of all, people want to be helpful. They want to give you referrals. It makes them feel good. Everybody wants to be helpful.

The second principle is that you don't have to only get referrals from people whom you know who are happy with your services, because you can say, "John, whom do you know whom I should be talking to, who can point me in the right direction?"

And then John will point you to Bob, and you can say, "Bob, I'm calling you because John referred me to you. This is the purpose of my call. Whom do you know?" This is shortcutting the whole phone call. But, "Whom do you know that would be qualified for this opportunity?" And you ask that of just anybody.

## **75. Physical Therapy**

It's called a "care enough to share" program. Say somebody comes in and they have a back problem, and I've worked with them for a few days and they're feeling better, and I say, "Oh, Mrs. Jones, your back is doing much better now. Do you have any friends or relatives who also have a back problem, or neck problem, arm problem, or leg problem? We have a screening program here. We can give you a little card, and they can come in within the next couple of weeks, and I'll give them a 15-minute screening, and it won't cost them anything." Often, of course, almost everybody knows somebody with a neck or back problem.

If I do it, say, five times a day, two or three people will take cards and one or two will come in. And of those one or two — by conversion rate when they come in — we get about 30% of them.

## **76. Public Relations Firm**

We've been built almost exclusively on referrals. Most of our client base is conservative, political and Republican-type organizations. And all of our account reps came from the political community. So what we developed early on with our initial clients was a very trusting relationship. Our account reps have a very high passion for the work they do. It's the same passion that our clients have. They're both heavily involved in these political issues. Because of this passion that the employees have for the client's work, we've gotten a tremendous amount of referrals. And they haven't hesitated to talk to other organizations about us because they know we go the extra mile. A retainer client can be worth \$50,000 a year to us.

## **77. Professional Speaker**

Most of my business is referrals. When I do any kind of program — be it a keynote or a seminar — I always stop right before the end and have them fill out an evaluation form for the meeting planner. The key part is at the bottom of the form. There is a space for the name and address block, phone number. There is a place they can check off saying, "Yes, I'm interested in having Jerry come speak to my organization. Please send me a pack of materials." Under that it says, "Here is somebody else you can contact." And a place for them to fill out that person's name and address, phone number.

So we follow up on the phone after finding out what their needs are in, finding out what they really meant in checking the box. We will then ask them if there are any other associations they belong to. Any other organizations, any other people.

If a meeting planner can't meet my full fee, I'll ask if they will agree to send a letter out to all the other state associations or whatever if I do it for a lower fee.

## **78. Land Sales Company**

We sell affordable land in Arizona or in Colorado to the people in Hawaii.

But we did find that we wanted to encourage our sales people to get referrals. And what we came up with was an idea where, at the time of purchase, we would tell the client, "If you are like most of our clients, you probably want your friends and relatives to find out about this opportunity, because most of our clients want their friends and relatives to end up owning property close to them. Would you agree?" And of course, they say yes. At that point we say, "We have a special program we'd like to make available to you. If you give us the names of 10 such people, 10 referrals, we will give you a discount of X number of dollars right now." And we found that 99% of the people take advantage of the program and they give us 10 referrals right there. Possibly about 30% to 40% of our business then comes from those referrals.

All it takes is the actual following up, which some of the salesmen are excellent at, and some are not.

"Your friend or associate Mr. So-and-So asked us to call you. This is regarding an opportunity to own affordable property. It will only take a few minutes to explain, and Mr. So-and-So felt that it was a great opportunity and he wanted you to be aware of it."

We meet with 30% to 40% of the people that we follow up on. Some will say that it's not a good time, and, unfortunately, a lot of those people are not dealt with as they should be.

What we've picked up from being here is that if we had a series of letters that we could give to the salespeople so that they could just immediately start corresponding with those other people, a lot of them also could be converted to sales.

## **79. Mortgage Company**

Probably 60% to 70% of my business comes via referral from about five to six different sources. My two primary sources are real estate agents and previous borrowers I've worked with. A lot of my real estate agents call and pass on a lead to me to have me either pre-qualify or pre-approve them. And then nothing would ever happen with that borrower. The agent would never find them a house.

A lot of them didn't really want to work with that particular buyer. I asked if I could continue to keep in communication with that client. I'll find an agent who does want to work with them. "I'll get you a 20% referral fee." And then I get the buyer as a client. It worked.

I contacted a lot of the listing agents that I worked with, knowing that they get calls on all their houses. They don't like to work with buyers, but they're always getting buyers calling, a lot of times without agents. I said, "Well, why don't you give me those clients? I will get them pre-approved. I will refer them to an agent who does work with buyers. And I'll get you a 20% referral fee."

I expect to see probably somewhere between a 30% to 45% increase, minimum, in my business this year from that plan.

## **80. Association**

One thing that was very successful in getting referrals was a discount off our annual convention. If we get a referral, the person who sent us the referral will get a gift. And the gift is \$25 to any charity they chose.

We had a membership base of about 1,200. The membership dues were about \$275 to \$300. We would generate between 40 to 50 leads and convert those into between 30 and 35 memberships.

## **81. Vacuum Cleaner Sales**

We sell a \$1,200 machine, and our business depends totally on referrals. We do about \$7 million a year. But our best customer, we've found, comes from customers. We require eight names to close a deal called a "first call special." As far as qualifying the leads, we have a contract that we ask for certain qualifications. We ask for the customer to be 21 to 65, married, with a full-time job, and homeowners. We have what we call a 14-day special on the referral program. If they'll call their friends, ask them to look for us, and introduce us, we'll give them a gift that has a retail value of \$200.

After we've shown the four presentations, whether anybody buys or not, we also superqualify them by using a letter program. It's "A-H," so the dealers can remember what is it they're asking. "A" for people with allergies. "B" for people with better housekeeper, picky housekeepers. "C" for people with small children. "D" for people with pets, dogs. "E" for people who buy everything. "F" for people who their vacuum just broke last week. And "G" for grandparents, older people who can show during the day. And the "H" for people who work odd hours who we can show during the day. We also have another vacuum program. If they'll clear four names within 48 hours, we give them a separate gift, which we've found that the quicker they do it, the better chance we have. Our business is based on the more we recruit, the more we sell. We have a second gift if they buy and come into our open house, check out the opportunity.

## **82. Photographer**

We've implemented a service referral system in our business. There's about five different steps to completion of the delivery of a finished photograph, finished portrait. In the box with the finished portraits we include a "How did we do?" kind of business reply for them to either tell us we did great or tell us we didn't do great. On the back of that, we also ask if there are any other friends or relatives who would also be interested in having a portrait made. And if so, could they put their names on there — names and addresses — so we would send them a certificate good for a \$90 photography session in their name? And we get the two names of the referrals and the name of the referee, and enter those into a computer, which prints out a very nice personalized letter. The database will also print out a very nice-looking certificate saying "Good for a complimentary session." It's dated for "90 days from today." So whatever today is, it automatically adds 90 days to it. The teaser on the envelope — if Suzie Cream Cheese gave us the name of Bill Smith, we'll say, at the bottom of the envelope it will say, "Bill, a gift for you enclosed from Suzie Cream Cheese." So it gets opened every single time.

## **83. Chiropractor**

The first day I see a patient, after I've gone through the consultation exam, I explain to them, "We don't accept everybody as a patient, but if we do accept you as a patient we expect you to refer other patients to us, too, if we're able to help you. Is that fair enough?" OK, and then the next day I give a report of findings, and I go over everything with them. And I give them a little pamphlet to take with them, and then also I give them my business card with my home phone number, so if they have any problems they call me. So this way, they've got my business card with them all the time.



If they haven't referred anybody lately, I'll just say, "Are you mad at me?" And they'll say, "No, why?"

"Well, I was just wondering, because you haven't referred any patients to me lately. Haven't we helped you?" And then on down the road maybe I'll say to them, "Well, do you have any friends with problems over the years? Anybody in your family have any health problems?" And they'll say yeah, OK, or if they don't, I just leave it at that. But if they do, I'll say, "What seems to be the problem?" They tell me and I'll say, "OK. Give me their name and address and their telephone and I'll send them some material." Of course, I don't mention who told me about the condition because that's patient-privilege information. And we probably run about 25% to 30% referrals, and I want to increase that now, too. Also, if they say they have some friends or relatives who need some care, I'll give them a free coupon.

## **84. Hearing Aid Dispenser**

When I sell a hearing aid, I tell them they can get all their money back if they refer four other people. The referrals have always run a fairly high rate, 25%, 30%, but now they're running 50%, 60%.

## **85. Network Marketing Company**

We recruit and train people to set up their own businesses — affiliated with a multinational company. Network marketing is a vilified industry, it really takes a paradigm shift for many people to start thinking of a company within that industry as different from what their concept of Amway, or any other company that they've heard of is, and their own ideas about it. So, the way I approach many people is just to specifically say, "This probably isn't for you, but who do you know who might be looking for another career? Who might be dissatisfied in their job? Who might be looking for some part-time income along the way?"

It's a multistep process, and what ends up happening, once people really see what the company is all about, preconceptions drop away and they see what a tremendous opportunity it is.

## **86. Consultant**

I help small businesses improve their profits through a number of various techniques. One of the ways I get my future business and keep it going is through referral technique, but every client I get, I analyze their contacts and their sphere of influence. For example, I'll look at a company, and if I've done a good job for them and they are selling to other businesses, I immediately say to them, "Listen, I just helped you with your business; we can help all your customers who also happen to be businesses. What's that going to do for you? So why don't we set up a marketing program where you endorse me to all of your clients?" That generates a huge amount of business for me. Likewise, if they don't service other businesses, I sit there and look at them, "Well, what about all your vendors? What about all your suppliers? They're all businesses." And I demonstrate to them the benefit it will have on their business by even benefiting and doing good things for their suppliers and vendors, because it all adds to the relationship and the profitability and the effectiveness of their business.

## **87 Equity Financing to Probate Estates and Trusts**

About 70% comes from secondary referral sources. On almost all of my printed material that goes out, I ask, "Is it all right for me to refer business to you?" That gets them thinking this guy's looking after their interests.

I offer a certificate to attorneys that says, “I’ll offer a one-hour consultation, and I’ll review up to three of your cases.” One of the things that I’ve learned in surveys is that about 80% of the probate attorneys do between one and 20 probates per year, which is a surprisingly small number. So after I’ve pretty well exhausted the number of cases that will fit the conditions of which I tend to like to loan, what I try to do is to push them or to see if there are other attorneys who have similar types of clients. I recently learned that by asking the right question and me shutting up and listening, I can hear some pretty good things.

## **88. Investment Capital for Real Estate**

The majority of homes that we buy are not financed through bank financing. They’re financed through investors. We offer the investors a real good deal. They usually get an 11% or 12% return on their money. And that’s backed 100% by real estate. But when you’re asking somebody to loan \$50,000 to \$100,000, even if it’s backed 100%, they tend to be a little hesitant, especially if they don’t know the company that well. So we find referrals by far are our biggest source of new investors. So what we’ve set up is, for any investor who has got money loaned to us, we give them a 1% finder’s fee for their first year of that money that’s loaned. So if somebody loans us \$100,000 and they brought that new investor in, they get \$1,000 upfront. And what we’ve found is — well, we have one lady that came in and invested with us and she was really happy with what we were doing. Next thing you know, seven of her family members were also investing with us. She was helping them out because it was a good investment, and she was also helping herself out because of the referral fee we gave her.

## **89. Sales Training**

About 75% of my business currently is repeat and referral business. It’s a very strong part of what I do. What I have done as a matter of practice during my training is find out a lot about the clients who are in the training and seek out leads I can give to them. So throughout the program I’ll say to somebody, “You know, I’ve thought of somebody who might like to do business with you. Would you like that name?” And then I’ll generally be seeding the audience with leads throughout the training. So they’re pretty receptive to the possibility of giving me leads. And I’d certainly recommend that.

Also, at the end of each half day — just before noon — and then also at the end of the day, I’ll do an evaluation to see how I’m doing and get some feedback from the group. And some of the questions would be, “What are the three best ideas that you’ve heard since you sat down here today?” And if it’s at noon, I’ll say, “What are the best ideas you heard this morning?” Then I’ll also ask them to announce to the group what is one action item that they plan to take action on — so it’s not just a theory, but it gets used in their day-to-day work. I also ask them to announce to the group how they’re going to benefit personally. So they’re really having to search through some of the things that we talked about and focus on how they’re going to apply it.

Then I ask them to rank the value of the program on a scale of 1 to 6. It’s a little different than 1 to 10, so they have to think a little bit more about it. And then, one of the questions on the evaluation is, “If you were to recommend this program to someone else, what specifically would you say about it?” And I give them some space to write. And then, at the bottom of the page there’s a spot for them to write down three names. And I just ask the group if they could think of three people or more, and ask them to put down the names and phone numbers of those people. And I promise to call them before I call the individual, and would it be OK to use their name? The reason I say I’d like to call you is, one of the things I teach in the pro-

gram is that it doesn't do much good to call on somebody if they're not expecting your call. And I would much rather that they say to somebody, "You know, I went to this program the other day. It was really great. I recommend it and I've given your name." So, it's real clear upfront that there's no surprise telephone call coming, no pressure. And then, as a gift to people who give me the referrals, I give them a two-cassette audio album "22 Proven Ways to Double Your Sales." So there's a gift attached to it, as well. And the referrals keep rolling in.

## **90. Financial Planner**

I think one of the things that we miss a little bit is that you don't necessarily just have to get referrals directly from your current clients, but you can get them indirectly from those clients, also. We specialize in the retirement field, retirement planning, 401(k)s, and profit-sharing plans. And it kind of hit us in the face after reading some of your materials that some of the companies we work for — we deal with about 40 different companies that represent thousands of employees — can now be our clients. And we had never marketed to them before. We're in the process now of setting up mailers and newsletters and everything else to go out to these people. But what happened was, in the course of doing a great job for those employers, we got several employees coming to us saying, "Can you help us, too? If you're doing business with our boss, you wouldn't be there unless you were really good, so we want you to do it for us, too." So indirectly, it's a reflection from us, based on their boss. So now we are basically going after those. It's just incredible. For everybody else in here, I mean the photographers or whatever, how about all the employees of the people you do business with — if they're businesspeople, or where they work?

## **91. Reading Genius Training Program**

As soon as I tell them what I do, they meet it with a tremendous amount of skepticism, reservation, and withdrawal. And I charge a very high price for it, as well. At the end of my seminar I say, "How many people here could see applications of getting the genius state into other areas of their life?," and everybody raises their hand. Then I say, "How would you like a free seminar on how to apply it to any area of your life?," and everyone raises their hand. So I say, "All right, next Tuesday night I'll give you a free seminar on how to do that, and I'll let you bring a friend." And the room basically doubles or triples in size.

## **92. Transpersonal Hypnotherapy Institute**

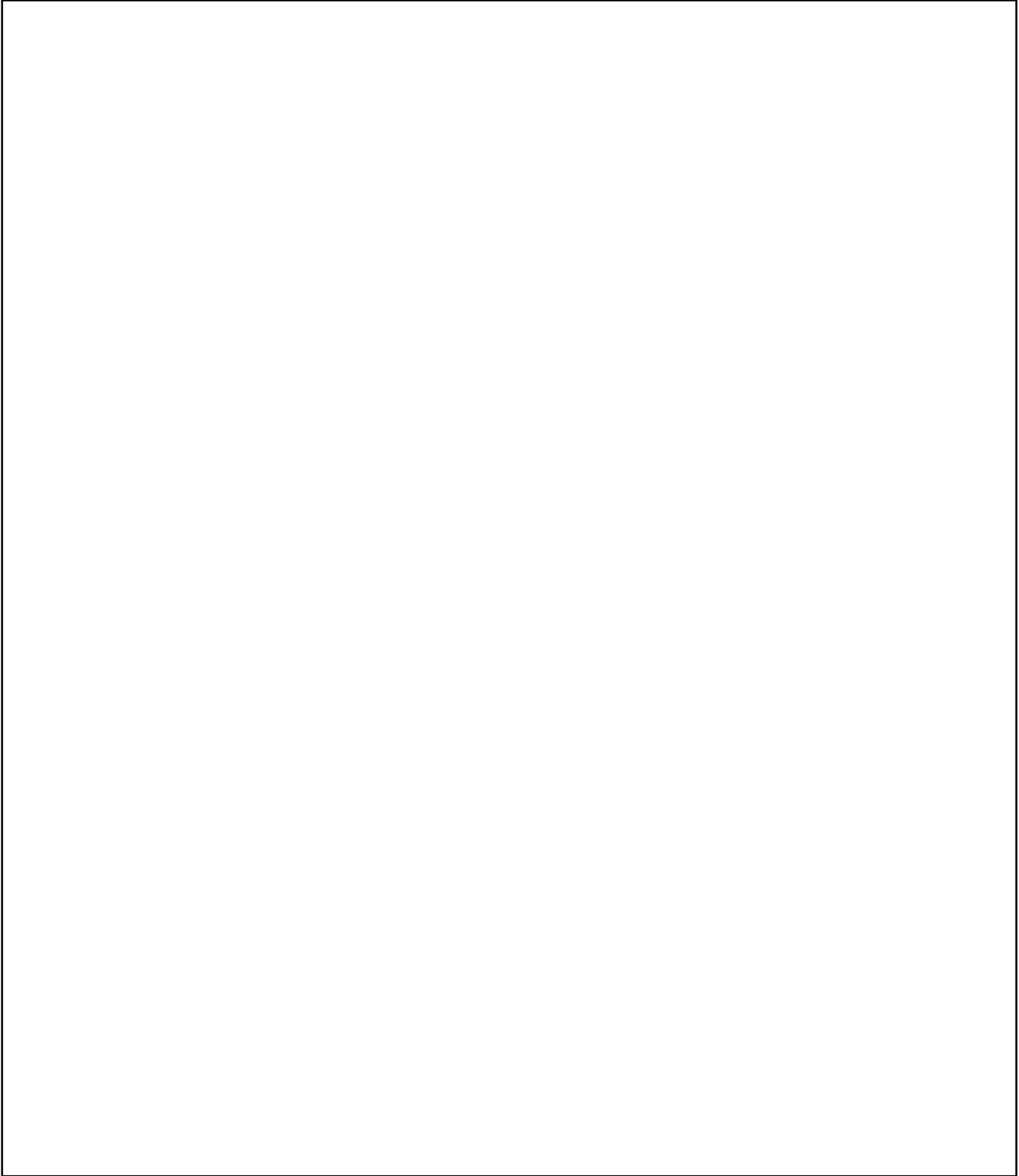
We give trainings in certifications in LLP and hypnosis and personal transformation seminars in Sedona, Hawaii, and Boulder. We found our referral rate going way up. What we normally did was just pass out a form and said, "You get a \$100 referral for every person you refer to the training." Referrals went way up.

The best way of doing a referral is to really follow through in the moment. We had at one of our programs a guy who does, at the end of the session, he has banks of phones in the back, and he makes everybody — that's the conformation and he does it for their own good, so they'll be committed publicly — he makes them call four people. And three-quarters of his business emanates from that. It's aggressive and it's a paradigm-shifting approach, but you might even try that. That's good thinking.

## **93. Dentist**

Anytime I referred someone to my dentist, he sent me a written thank-you note and a lottery ticket. And I will never forget that. Every patient that was referred, you'd end up with a lottery ticket in your mail.

# **Notes**

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## Notes

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