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INTERVIEW SERIES

**How To Start Generating
New Consulting Clients Using
These Proven Referral Systems**

*Michael Senoff Interviews Bill Bodrie
On The Power Of Referral Systems*

 Michael Senoff's
HardToFind Seminars.com

Dear Student,

I'm Michael Senoff, founder and CEO of HardToFindSeminars.com.

For the last five years, I've interviewed the world's best business and marketing minds.

And along the way, I've created a successful home-based publishing business all from my two-car garage.

When my first child was born, he was very sick, and it was then that I knew I had to have a business that I could operate from home.

Now, my challenge is to build the world's largest free resource for online, downloadable audio business interviews.

I knew that I needed a site that contained strategies, solutions, and inside information to help you operate more efficiently

I've learned a lot in the last five years, and today I'm going to show you the skills that you need to survive.

It is my mission, to assist those that are very busy with their careers

And to really make my site different from every other audio content site on the web, I have decided to give you access to this information in a downloadable format.

Now, let's get going.

Michael Senoff

Michael Senoff

Founder & CEO: www.hardtofindseminars.com

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How To Start Generating A Flood of New Consulting Clients Using These Proven Referral Systems That You Can Start Today.

Here's a fantastic interview with a referral expert. It's with Bill Brodie. Bill had taught internationally at some of the most recognized international business schools in the world. In this two part recording we are going to be talking about how you can use referrals to grow your consulting practice. You'll learn specific techniques that get referrals fast and how to keep them coming in day after day and month after month. You'll discover one referral strategy to quickly create a predictable stream of clients for your consulting practice without face-to-face asking. Now you can get all the referrals you can handle without the pain and humiliation of begging. Learn how to get better quality referrals that are more hungry to do business with you. Learn how giving away gifts to get others to send clients your way. Learn how to get customers to lend you their Rolodex for the day so you can tap their network of vendors and best customers. Enjoy control over the amount of referrals you get with one system in at the end of part two of this recording. Isn't that what you want for your consulting practice? Each part is 25 minutes.

Bill Bodri is an expert in marketing, creativity, innovation and peak human performance with wide international experience in a variety of fields. He holds a Masters degree in Engineering and a MBA from Cornell University, and a Masters degree in clinical nutritional. His background, before becoming a private consultant, includes positions as a management consultant for Booz Allen and Hamilton, engineer for Eastman Kodak and IBM, investment strategist for Citibank Asia, director of research for various Wall Street firms, and direct investment specialist for Hong Kong and China. Now living and working between New York, Hong Kong and Shanghai on a variety of exciting projects, he has written a number of management, marketing and mind training books including Kuan Tzu's Supreme Secrets for the Global CEO, How to Write a Million Dollar USP (www.USPnichemarketing.com), The Claude Hopkins Rare Advertising Manual and Study Guide (www.ClaudeHopkinsAdvertising.com), Socrates and the Enlightenment Path, Twenty-Five Doors to Meditation, and a variety of health, peak performance, business efficiency and mental training ebooks that can be found at www.meditationexpert.com. He can be contacted at 718-539-2811.

Bill: You may not recommend somebody when you're too busy. Let's say you had a direct mail list of prospects who just never converted. You can offer those to your competitors, and your competitors can swap theirs with yours, or the competitor can write a letter saying, "Look, we've tried to do business with you for years. So, look, if you don't want to do business with us, the least you can do is why don't you try Competitor X."

Michael: That's a great idea.

MUSIC

Hi, this is Michael Senoff with www.HardtoFindSeminars.com I've got another exciting interview with Bill Bodri. Bill has taught internationally at some of the recognized schools in the world. In this two-part recording, we're going to be talking about how you can use referrals to grow your consulting practice. You'll learn specific techniques that get referrals fast and how to keep them coming in day after day, month after month. You'll discover one referral strategy to quickly great a predictable stream of clients for your consulting practice without face-to-face asking. Now, you can get all the referrals you can handle without the pay and humiliation of begging for them. Learn how to get better quality referrals in this recording from people who are hungry to do business with you. Learn how to give away gifts to get others to send clients your way. Learn how to get customers to lend you their Rolodex for a day so you can tap their network of vendors and best customers. It's time for you to enjoy the control over the amount of referrals you get with one system we talk about at the end of part two of this recording. Isn't that what you want, referrals, people come your way wanting you to do consulting for them without you going out there cold? Each part of this recording is 25 minutes. Let's get going. Enjoy!

Michael: Bill, you shared a referral and networking system here with me, and it was particularly interesting to me for my consulting practice and for my HMA consultants because a lot of HMA consultants and a lot of people considering getting into the consulting business fear that they're going to have to pound the streets or do cold calling all the time to build their consulting practice. Now, that may be true for a lot of sales people and a lot of consultants, but can using referrals and networks eliminate all that, what Dan Kennedy calls, "grunt work", or is it just a pipe dream.

Bill: Oh sure, you can eliminate it, but you focused exactly on the big issue is there's what you do to first get started as a marketing consultant, and then what you do to continue. So, what you might do at the very beginning is very,

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very different than what you might be doing later. Of course, there's going to be a lot of overlap.

For instance, before we get into referrals, let's talk about some of the ways that these guys can pick up clients. One of the ways is, of course, they give some public seminars. They have to find a center of influence, and maybe it's even a library or whatever, and they give some public seminars. Depending on whether they're a good speaker or not or if that's the forte, a lot of people pick up clients that way. Or it's also a rehearsal practice for them to be able to start being able to spell out very clearly and cleanly and eloquently what they're going to do for a client anyway. So, that's one particular thing that often people do.

Another thing is if you've already niched or decided on a niche and you've put up a website and you've started to write a lot of articles for instance on that particular niche whether you're a landscaping marketer or you're a marketing expert for doctors or chiropractors or whatever, you're already going to have people start calling you especially if you have a product that you have for sale, and that will start bringing in leads.

So, there are all these multiple ways that you can sort of kick start it and get this whole thing started, but the best way, and Mike you know this. You sell an awful lot of programs, and I've bought many from you over the years. You know that the best customers are the ones that come from other people. They come from referrals, and I've referred quite a few people to you because it works. You get great service and the same thing is going to happen for somebody who's a marketing consultant. So, your clients are not going to necessarily recommend you to their competitors, but they might recommend you to their friends who are in related fields or unrelated fields to help them increase their business as well. Referral systems are the best way to basically turn that whole force of people liking you, you've done a good deal of work for them and they appreciate it – turning those clients and customer into a 24 hour, no-call sales force of motivated ambassadors because you've done a really good job.

Michael: Okay, I've heard that a referral customer is worth 15 phone calls.

Bill: When you have a friend that recommends you to someone else, those people will listen to their friends and they are more acceptable. "Oh, my friend Charlie says you're a good guy, so let me give you a try." People are skeptical, and when all of a sudden you have somebody who opens the door for you, those people are so much easier to work with. They're more profitable. They're more cost efficient. They're actually more loyal, reliable. They're easier to deal with. They're easier to negotiate with.

Michael: After we go through some of these ideas and some of these specific systems that a consultants once he gets started can realistically have a consulting practice based on nothing but referrals.

Bill: Oh, sure, and you can actually make it part of the business that you will not take them on as a client unless they give you a referral. You can actually built that into part of the business. A perfect example is Patty Lund who is a very famous dentist in Australia where he will not accept a new client into his practice unless they promise him two other clients of equal worth. When he says equal worth, he says, "Somebody who just like you personality wise. Somebody I would love to deal with." So, people don't just recommend ordinary people. They just recommend people who are high quality people who he enjoys dealing with.

As soon as you get good at what you're doing in the marketing field, it gets easier and easier and easier to do this because you get a reputation, and then you become in demand. Then, you can sort of make demands on your clients.

Michael: What was Walt Disney's philosophy on referrals?

Bill: Walt Disney said if you want referrals, do what you do so well that others can not resist telling others about you, and that's the basis of referrals. You just do such a darn good job that everybody is basically saying, "Hey." They're talking about you. So, you get word of mouth advertising. You get all sorts of benefits because you did such a good job that everybody's talking about you.

Michael: Do you think most people hate asking for them?

Bill: Sure, everybody hates asking for referrals. We feel, gosh, we're imposing. We're sleazy. We're embarrassed. We're nervous – all sorts of things like that. That's why what you really want to do is you want to set up and automatic robot like referral generation system where you get all the high-quality referrals you want with and without asking, and still you could preserve your pride and dignity in the process. You have to have a systemized referral process. Basically what you do is when you set up a system, you're saving yourself time, energy and money. Those are letters of "system". Safe is the "S." Y is Your, Self, Time, Energy, and Money.

So, when you set up a system, that's exactly what you do. You put it on automatic. You optimize it. You leave it alone. You tweak it every now and then, but that's really, really how you're going to free up your time, and you're going to free yourself from hurting your pride and your dignity in going out asking people for referrals.

So, when you set up a systemized referral system and you actually follow it, it's the same thing. There's going to be a steady state, a set of averages that are going to apply to your system. You're not going to know them until you get it going. Once you get it going, you should always measure what's happening, and when you measure what's happening, you can keep track of it, and then you tinker here and there to get that law of averages working for you a little better to go from a two percent response to a three percent response to five to even a ten percent response based on what you're offering in your referral system to people, how you word, and what you're doing with it.

Michael: What are some of the things that we can do to increase the number of referrals, pre-requisites?

Bill: Well, the first thing you've got to have is you need a quality product or service. There's a lot of people out there, they just want more business, more business, and what they're offering is pretty lousy service or shoddy goods to begin with. So, in your deepest mind, you know where you are, if you're an A grade, B grade, or C grade product. You can get along with a C grade product, but you know if you really, really want to accelerate your business, try to turn your C grade product to a B grade product to an A grade product. Make sure it's great. Make sure it's of wonderful quality to be referred. Otherwise, people aren't going to want to refer. So, don't worry about improving your image. Improve your substance.

You have to be so excited about your product because you know it's excellent. So, the first thing you've got to do is offer excellence, and then the second thing you need is you need a lot of courage to commit to the strategy long term.

Mike, you and I know there's a lot of people that buy a lot of these courses, and they buy books. They buy from me, when I was doing investments, they would buy expensive computer systems. They would never turn them on, commit to them and follow them, and that's the key. Basically, you have to design a long term strategy and commit to. It's like training for the Olympics. You've got to do the training everyday even though it's boring, but it just sort of builds like compound interest.

Another thing you need is you need to develop your communication skills because the way you say what you have to say in your referral system is if you say it one way or another, that's going to impact your results. In general, you basically need to love your client because you want to offer them the best. If you respect and revere them and you love them, you want to give you them what you have to offer. There's no qualms or quarrels about asking for referrals because you're trying to do that for as many people as possible.

So, then that brings us to rising. You just basically have to ask for a referral, ask, ask, ask. Don't be shy, be proactive. What are they going to do? They're not going to stop coming to you because you asked. Some will say no. Some won't say anything. Most people, if they're not going to do anything, they'll just nothing. But, there will come a time in their life when somebody is talking about your services or the need for services like what you offer in a conversation, and bam, they'll remember that you asked them, and they will pop your name in, and that's how it works. You really have to ask.

It's not a matter for all these businesses when you're a doctor or a lawyer or an accountant. Everybody out there thinks, "Gosh, I'm a professional. I don't want to market." You have to market. You have to get over the fact that you have to be marketing because that's just the way the world is.

Michael: Tell me about Joe Girard's Rule of 52.

Bill: Well, Joe Girard, and he's a very famous car salesman, and he's famous for writing the book, "How to Sell Anything to Anybody". Joe Girard has two rules. Some people say you have a fear and influence which is about 250 people. Some people say that's the number of people at a wedding. Some people say you have about 150 people at a wedding. Other people talk about the rule of 52 where if each customer has the potential to refer you to 50 other customers in your business, and they say that's because the average number of attendees at a wedding equals funerals of 52. I've heard so many different numbers for that, I don't really know.

But frankly, what it is basically, go to a wedding and see how many people are there or go to a funeral or how many people you know. Dan Kennedy once asked business executives to go through their trade directories for the number of people that they knew on a first name basis, and he counted up 37. Who cares if it's 52, 1600, but everybody knows a certain number of people, and how you increase your referrals is you go and you contact those people because those are the people that you have the most persuasive influence with. Those are people who value your opinion, who will give you the time of day because they know you.

Remember, referrals are all based on the rules of whether you do good service for somebody or you do bad service. In general, the numbers show that customers usually tell positive experiences to four other people, and they tell negative experiences to eleven others or some proportion like that. So, you have to make sure the experience that you offer is positive, and those type of numbers come out sort of on a passive basis with people just talking about life in general.

But, when you ask people to refer, those four other people that are told positive experiences, that can increase to eight or ten or even more. Why? Because you set up a referral system to actively improve on that number.

Michael: Let's go over some moments of truth is what you call it that create referrals and customers for a long time.

Bill: When a customer complains for instance, the moment they complain, that opens up a space let's say a moment, an opportunity space where you can make them a customer for life based on what you do.

Michael: Give me an example.

Bill: Well, let's say somebody complains. For example, I'm in the ebook business, and somebody complains to me. They order an ebook, and they didn't know it was a download or something went wrong. What I can do is at that moment, I have a lot of different ways I can intercede, and one of them is sometimes I just flip people off another ebook, an extra ebook they didn't pay for. And, sometimes they are so thankful, they end up telling three or four friends. It brings more people to the website, more customers, and as a result I've increased my business. So, they're happy. Of course, I've solved their problem, but now they're sort of a referral for life or a customer for life.

Michael: Right, it's what you did with the problem that was more impressive than the actual problem itself.

Bill: Exactly. It's how I acted at that moment of truth, and people say there's seven moments of truth that you have to watch in a business or if you have staff. You have to make sure they handle these seven situations impeccably.

One is when a customer complains, when a customer places a second order, when a customer thanks you. For instance, when a customer thanks you, that's the best time to say, "You know, I need referrals." The moment a customer's been through a hard time because one of your foul ups, what are you going to do? The moment a customer needs a favor from you. The moment you see your customer in public. There are some people that are afraid to talk to their customers in public. It's how you treat them. Then, the moment your customer brings in a referral, what do you do? Sort of like Pavlov's dog, what do you do to make them do that behavior over and over again? How do you reward them so you're going to see that again and again and again? That's why lots of people gift that customer, if legally you can because there's some industries where you're not allowed to do that.

Michael: Okay, just so my consultants would know, what industries do you really have to watch out for?

Bill: Those industries themselves will know. There are some certain things that you're not allowed to do in the mortgage industry, and there's certain industries where you're not allowed to have payments or commissions from referrals that happened in the medical field. Those professionals themselves know all that.

Michael: Okay, six customer service questions to improve your business – what does this have to do with referrals?

Bill: Well, what you want to do is when you're trying to increase your business, you have to improve your business. If you improve your business besides marketing your business, you're going to increase your business. The more you improve it, the more referrals you're going to get. It's all based on the idea of customer service. Great customer service is going to bring a great customer experience as Walt Disney said is the best type of referral strategy out there.

So, basically, what you want to do is whenever you're trying to increase your business, first you have to try to improve it, and there's six questions you can ask. You can ask people, "Well, why did you buy our product or service in the first place?" Sometimes you're getting at your USP when you do that. You can ask, "How do you feel about the performance or the work we've done?" "What are you most satisfied, thrilled, or happy with?" So, you can more of. Make sure you don't lose that part of your business. There's a lot of people that cut that part of the business out because of cost savings, and they don't realize that that's part of the whole experience. For instance, color napkins at a certain restaurant just add to the overall thrill of kids coming there, and you cut that out to save two cents per napkin or what have you, and all of a sudden it's a totally different experience.

"What would you have us do differently next time?" That is the best way to improve your business. Another thing you ask is, "If there's one other thing you'd like us to change, what would that be?" And, "What can we do to service you better in the future?" These all are just in general. The six questions I teach people for how to get information, intelligent information on how you can increase your business by improving your business. Once you fix what's broken, or once you improve what's working, then it becomes more magnetizing to customers, then all of a sudden you're going to get more referrals and you're just going to get more business. You're going to have more content for marketing in general.

Michael: Let's get into some strategies. Can we talk about some referral strategies?

Bill: Sure, there's three main referral strategies. You have to understand that number one incentives work. "If you do this, you're going to get a free dinner at the best restaurant in town." Incentives work. Or, "You will get a gift of flowers" or something like that. It might come unexpectedly, but when they come one after another, incentives work. It might be monetarily or just recognition, but those are incentives.

Endorsements work. When you can get other people to endorse you, to write a letter saying, "Hey, this guy is great", to write a testimonial, to give names to you and give you permission to go contact those names, endorsements work. The fact that you have somebody who is a center of influence, a buddy or a pal saying, "Hey, this is good." That has credibility, and people want credibility. They don't want to be dealing with a scamster, and if a buddy says, "This passes muster", then that really works.

Michael: Okay, so who do we go to either to use incentives or endorsements or ask? Who do we go to?

Bill: Three types of people - you can go to your past customers, past client. You go to centers of influence. For instance, you might want to go to a mayor of a town or head of the Rotary Club, or whatever is relevant to whatever you're doing, basically, JV partners.

Michael: Let's go to strategy. It's called the Six Question Strategy.

Bill: Well, I usually say you can ask people the six questions of customer service like we went over. You condense those answers into a few sentences, and ask your customers if you can share their comments with others. You write that in a letter for them. You have them sign it for you on their stationary, and then bingo, you have a testimonial or an endorsement.

So, if you've done some service for somebody and you've gone through those six questions. You'll write them down. They're going to help you improve your business. You turn it into a letter. Make it a positive letter. Write it up for them. Have them sign it, and you can put it in a folder or you can put it on your website, but a lot of people, they carry it around in a folder, and they let people take a look at this. That's an endorsement.

Michael: That's pretty good. So, I can go to past customers and say, "Look, I want to ask you some questions about your experience with doing business with me." Go through those six questions that we did, write them down and ask permission if I can share them with others.

Bill: Sure, and you don't have to go through all six. You just ask them what's relevant. The whole idea is the six are to give the dimensions of all the types

of things you can ask, and then what you do is you basically ask. You say, “Hey, Mr. Jones, would you be willing to help you serve you better in the future? Because I spend so much time on your account doing this, I don’t have time to spend on getting new clients.” When you say that, that shocks people. That’s the life blood of a business. So, “Would you be willing to send this endorsement letter to your friends who could use my product or service and would be receptive to doing it?”

Michael: That’s nice. I like that.

Bill: So, that’s a good strategy. I often use this with accountants.

Michael: All right, what’s another referral strategy?

Bill: Okay, well, another referral strategy is you offer to give the referral person’s client your service at a discount or free saying that the referral person has purchased it for them. So, for instance, let’s pretend we’re designing a referral system for an accountant himself. What you can do is you can say the following, and when I do a lot of work I do it in Hong Kong, and the accountant there are restricted from advertising, but he’s allowed to send out a letter to his clients saying, “You know this last year, I’ve done a lot of work with you, and I helped you improve your tax and told you about all the new laws. I spend so much time that I really haven’t had a lot of time to do the marketing that is necessary, and at the same time I want to thank you for your business, and rather than send flowers or candy or what have you, I said what can I send you as a gift of appreciation that could really help you out and last into the future? So, I thought, what I will do is why don’t I let you – because you have a lot of people that you want to help who are in the same situation – why don’t I let you send them to me for one hour of free tax advice. And, that way you’ll be helping all of the people that you know for free to look over all their things for free. I don’t really care if they become clients or whatever, but I can do this for you.”

Michael: Yeah, but you now you’re going to get business out of it.

Bill: Oh, yeah, he’ll get business out of it, but he can go around and he can write a letter and he can say, “Look, you’ve done so much for me this year.” The client’s of the accountant who he sends the letter to, they can go out and say, “You know you’ve done a lot for me. I bought a certain of number of hours from this guy, and I want you to use one of these hours because he’s so darn good.” And, you can make an arrangement with this guy where you can actually purchase the hours or you can have some sort of remuneration. It’s all legitimate, and all of a sudden, people look at it and go, “Wow, let me go use the hour.” Everybody benefits.

Michael: Yeah, it all comes down to the cost of acquiring a customer. You could open up your mouth and ask and get it for basically free in a little letter, or you can pay for advertising.

Bill: Absolutely. I mean, I know people who have written books, and I know one accountant, a CPA who worked with lots of millionaires. He wrote a book and he spent \$50,000 on the advertising of the book to get one or two new clients because he was only working on the million dollar client market. It was worth while for him to do that, but if you can do it a cheaper way, you do it a cheaper way.

Michael: Let's talk about this strategy number three – upfront condition of doing business with you.

Bill: All right, well, it's very simply that. You tell people you expect them to refer you. You let them know upfront as a condition of business you need more clients, but you want people just like them. You don't want them to be referring people who you wouldn't want to be friends with.

Michael: You don't want to let them off the hook, and them just say, "Sure, no problem, and they just send you anyone's name."

Bill: Absolutely because you know why? If you say, "Just like them", and you do that, it elevates the whole process. Then, they're a little bit competitive out this. "Wow, who can I?" And, Patty Lund had a waiting list of one or two years because he's made it so hard to become one of his clients. I don't know if he's any better than anybody else, but he's certainly done a good enough marketing job to really make it so that it appears that he is the dentist that you want to go to.

Michael: Yeah, there's that appearance of scarcity.

Bill: Absolutely, and when you're doing this, making it an upfront condition of doing business, you have to give people the reasons why you need referrals.

Michael: All right, what's a good reason?

Bill: Well, you just basically have to tell them, "In order to do business with us, because we don't spend any time on our prospecting or marketing. Since we're spending all that time taking care of your needs, we need the referrals from you. That's why." And, when they send them to you, you have to thank them. You have to acknowledge them something. "Because if you do that, we'll send you a gift." If you don't acknowledge them, some people will still send you more because they think you're the best person on Earth since sliced bread or whatever, but others will say, "Gosh, I sent him one and he didn't

even thank me.” Then, they’ll never send you another. That’s the way people are. So, try to thank them.

A lot of people what they’ll do is they’ll send a gift for this one, and a different gift for another one, and a different gift for another one. Mike, those gifts work.

Michael: Absolutely. I do a lot of business with Omaha Steaks, and if I got a good referral or if someone referred me as a thank you, I’d overnight them some Omaha Steaks. Have you ever had their stuff?

Bill: That’s a great story because I just did that for the first time last month. I sent Omaha Steaks to two people who had sent me business, but nobody had ever done it before, and they will send me a new deal sometime in the future whether it’s one year or five years from now simply because I had done that and thanked them. Even though it never turned into anything.

Michael: You blow them away. When they get a cooler with dry ice and Omaha Steaks, I mean, believe me when they’re cooking them for their family and their wife, they will not forget you. It’s very powerful.

Bill: Oh, absolutely. I got excited emails. I got excited telephone calls. They were excited. So, it’s something that I’m going to do more and more of. Like I said, Mike, I did it just suggesting to me, “Hey, how about this joint venture deal or whatever?” And, nothing ever happened from it. They know that, but I thanked them anyway.

Michael: That’s nice. This is an interesting strategy I’ve heard of, take a referral center out to lunch.

Bill: Well, what you have to do is there are always well-connected individuals in any field that have the credibility or authority for that field. There’s a number of people, and you’re going to know this if you get into the niche marketing. Or, if for instance, you are marketing consultant for a city, you’ll learn the ins and outs after a while of that particular city. I can’t tell you who they are. It might be for a profession or it might be a city because you’re geographically located and you’re not really specializing.

But, what you can do is you can eventually rate this people and all this stuff – Diamond guy or Platinum or Gold or Silver guy. Maybe this guy can definitely help me or 50/50 or maybe or no. Do you know what I mean? You can rank them in this level? What you do is the following. You call them or you send them a letter. You ask them to meet with you in person for 15 minutes, and you say the following, you say, “Look, I value your opinion. I trust you to tell me the truth. I’d like your advice, counsel and help.” And, you

explain what you're doing or your goals. You've got to be passionate, and be sincere that you're looking for advice because it's not like you're trying to use these guys. You are looking for advice.

You say who you're looking for and how you want help, and ask where you should be going or what they think what you should be doing next or who you should be looking for. They'll tell you. Everybody wants to help, and if they don't want to meet with you, you go to somebody else that will help. Eventually, you will always find somebody that they say over in Asia you have karma with who's going to help you. They'll be a rainmaker for you.

But, the big thing is you find somebody who's a center of influence and you say, "What would you do if you were me? How would you handle this? Who should I talk to? Where should I go next?" And, once you ask that, they will often – you are going to find the people who are the most successful, most willing to help you like this. But, once again, you've got to be sincere and you've got to be humble about it, because we only want to help people we like.

Michael: I'm just sitting here thinking one way if I didn't have any clients and I just started calling cold on business, instead of calling cold asking if they need help in their business, this would probably be a better approach, just say, "My name's Michael Senoff, I know you're in the bicycle business. I value your opinion. I trust you to tell me the truth. I'd like your advice and counsel and help." This would be a better strategy to do direct calling just asking these business owners for advice. You could just tell them the truth that you're a marketing consultant. You're new working in this territory. Could you help me out and give me some advice of anyone you know who may need help in growing their business without spending money on advertising. I think that would work better than actually trying to prospect to that person personally.

Bill: And, there's a couple of other things you can do. You can mix some of these strategies together. You can go to the local print shop or local newspaper, and say, "Look, I'm a marketing strategist." Okay, and you say, "Let me do some work for you guys for free." If you do a good job, then you can say, "You know what, how about I give a free seminar to your best customers." So, you see, you picked up a center of influence, and if you did a good job for them, they will go out of their way now since you did it for them for free, they're honor bound to say, "Yeah, I'll recommend you because you increased my business 50 percent." Then, you have this seminar for these guys, and you have all of a sudden the endorsement from these guys. And all of a sudden, you can teach them how to do their ads better or whatever better. That's one way of doing it.

It just takes moxy. It just takes the guts and the willpower to do it. If you don't promote yourself, nobody's going to promote you for you.

Michael: You just step into years and years of that person building their business, and you step and just get a golden referral and it's incredible. Incredibly powerful.

Bill: Sure, so what you have to do is you have to think strategically. Go after some people like this, not everybody, but actually pick a few centers of influence and actually go after them and try to make them clients, even if it's for free. Because people are always honor bound to do something for you, and if you do a good job for these guys, they'll talk you up, and that will bring you business.

Michael: Here's another strategy and it has to do with promising them something. Can you talk about that?

Bill: Well, you go to a successful person, and what they have in common is that desire to help others grown and succeed? Then, you go to them and you ask them who's going to be open to the ideas and wants to improve their business. Now, they're going to be hesitant to tell you anything, but what you have to do is you promise them that you're going to be professional. You're going to treat the referrals with respect, and that you're going to offer them something of value even if they don't buy from you. You promise you're going to give the referral something of value or significance by educating them on what they should look for or avoid or expect in that field, and you promise you will not ask them to buy anything from you. And you will only ask them for a few minutes of their time.

No one wants to refer anybody who's going to be a pest and ask them to buy because their credibility is gone, but if you say, "I'm going to teach you how to do this in ten minutes or half an hour." That's really a good referral. They'll open their doors and they'll say, "Okay, go to this guy and teach him how to do it." But, you have to promise when you're asking for these referrals that you will tell them how to improve, or optimize or maximize, however you want to word it, their situation, or you will take no more of their time.

What you do is you ask for three names, and if you can a little bit about each of these people. When you're asking for referrals, Mike, just don't ask people for like, "Who do you know?" Try to go through because people – when you ask people-

Michael: They blank out.

Bill: Yeah, they blank out. You and I both will blank out. Sometimes people will ask me my phone number, and over the years I can remember only three times

where I blanked out. I don't know why. But, what you do is you ask people about people they can refer to who are from specific groups. "Who do you work with?" "Who's in your club?" "Who do you play golf with?" "Who's on the chamber of commerce?" Lead them through a list of names. Then, they'll be able to think of people.

Michael: That's good strategy, and then just has a list in front of you or a sheet.

Bill: Absolutely. Some people, what they'll do is actually bring names of like say real estate, what they'll do is bring names of all the big investors in town who have bought big parcels of land, and they'll go and they'll say, "From this list, who do you know?" And, they'll just check off all the names.

Mike, after you have names whether it works out or not, thank your client for the referrals, send them something of appreciation. Acknowledge them because that takes the pain off having down that because people are always worried that they did the wrong thing. They worry they're giving somebody else bother or other than they're motivated by helping. So, send them a gift, a coupon, maybe lunch golf outing, even if it's just a thank you card because you want to acknowledge them. You want to make it fun for them to refer to you again.

Michael: Let's do another strategy. Get other businesses to send people to you.

Bill: Well, this is very simple. What you do is on a piece of paper draw a line down the middle of the paper. Now, list all the types of businesses that provide complimentary products and services on the left side of the paper. So, for instance, let's say you're a nutritionist. What you would do is like say on the left hand side of this you would have all the businesses that provide complimentary products and services like a health club, sporting apparel store, or weight loss clinic – things like that. And, on the right hand side, you would list the names of all the businesses in your area under each of those categories. So, now you know all the people you should be contacting because it's a lot of easier to go after a marketing list or referral list when you actually have names in front of you. You can cross them off, rather than it being rather vague.

Jay Abraham always tells the store about how he had to sell chemicals in his early days, and his sales manager would go to a yellow pages and he'd rip out a bunch of names and say, "Here are the people you're going to contact this week." And, it did wonders because you have to have solid names.

Anyway, what you want to do is you want to think now. You want to say, "All right, I'm a nutritionist, what can I offer these people for sending me customers in return?" Then you go out and propose to those people, "Hey, look, if you refer people to me, I will give these folks this or that or what not,

or I'll even give you Healthclub X, Y, or Z, ten percent of our fee or what have you."

So, in other words, you get these businesses to send people to you based on you offering something, maybe it's money or whatever or just such a great deal for the members of the Healthclub, or the Sporting Apparel Store or the Weight Loss Center, that it's even more appealing to join the healthclub or what have you because they get this service.

Michael: I've heard another strategy which is incredibly powerful. It's just like if you and I go for the whole day or for the whole week, we called our entire list and just endorsed each other or referred.

Bill: Cross endorsement, sure.

Michael: It's cross endorsement.

Bill: Yes. You'd use it, for instance, it's down in the Internet marketing field where you might have a list of 5,000 names and I might have a list of 5,000 names, and what I'll do is I'll send out an email that says, "This guy's really good. Take a look." You'll do the same thing, and it's done all the time.

Michael: Very powerful.

Bill: Very powerful, but once again, you don't want to recommend somebody who services aren't really top notch because you'll hurt your own reputation.

Michael: Right, the general referral method. What is that?

Bill: Well, the general referral method that we've been talking about is very simple. It's you've got to number one have excellent product or service. You've got to position your product as being different than others, which is your Unique Selling Proposition, so they have a reason to refer you other than others.

So, you have to number one educate people as to why your product is superior, and explain to them why they should refer to others rather than competitors due to the better value you offer. You have to give them the reason why. So, also give them the reason why you need referrals, not just why they should be pointing others to you, but why you need the referrals, why others should use some of their own energy to tell people about you. You have to tell people that you expect them to refer, post it or make it a condition of the business.

And, in order to get people, you've got to jostle people to move because people have a tendency to be lethargic. They don't want to move. So, you

have to remind them how you served them and helped them in the past, what's it meant to them, what it will mean to them in the future, and explain that they owe it to their friends and associates to refer if they care about them because this is a way to help them with their business.

Then, also the last thing is offer incentives – thank you for referrals, but be careful of giving referral fees. Incentives, they can help you build your business. You can donate money to their favorite charity, give special services or you can provide a testimonial or a referral for them in turn. You've got to be careful about the field of incentives. I'm only talking about a gift, but those are for certain types of businesses. There are other types of businesses where you really, really have to be careful about that. They'll know.

The idea is to offer thank you or acknowledgements because that keeps this chain, this domino chain working.

Michael: Is timing important?

Bill: Oh, everything. When you ask for a referral, you ask for referrals when you're done servicing them or they have some "Ah" great moment. I went to a chiropractor a couple of weeks ago, and he fixed my back. It's like, "Wow, it's great." And boom, he just shot in, "You know, I'm glad you like. Do you know we grow because of people like you? Do you have anybody else that needs it?" Refer.

Michael: Let's move on. Give me some other ideas of who we can ask for referrals.

Bill: Very simple, ask your vendors, your customers, your employees, your colleagues, your competitors. Okay, you can go to your competitors and say, "Look, for a finders fee, a 20 percent finders fee, why not recommend somebody when you're too busy." Let's say you had a direct mail list of prospects who just weren't – they never converted. You can offer those to your competitors, and your competitors can swap theirs with yours, or your competitor can write a letter saying, "Look, we've tried to do business with you for years. Now, look, if you don't want to do business with us, the least you can do is – it's my job to help you out, why don't you try Competitor X."

Michael: That's a great idea.

Bill: And, then you do the same. You know what? You often pick up business that way. They get a 20 percent finder's fee. Everybody benefits.

Michael: That's a great idea.

Bill: Yeah, you can also ask industry leaders, centers of influence, magazine, newsletter editors because a lot of this is based on building relationships. Mike, this is all not just sort of automatic. It's all a matter of personality. Service – are you really servicing them? Do you care about them? People can tell this, and it's about really helping people. If you can help them, you're business will grow. So, there's a lot to it about this aspect of caring, the strategy of preeminence.

Unfortunately, this has a flip side. For instance, you can be a doctor with the best practice because you have the best bedside manner and you really care, but you could be a lousy doctor. But, I tell you that's what really, really matters sometimes in the marketing is you have a really good bedside manner, or really good marketing. The best business doesn't always win, but what I'm saying is make it the best possible. Get yourself to tip top excellence, and then don't be worried about. You're doing the best you can, and go out and try to build your business.

Michael: Okay, I see a little script here – following-up.

Bill: Okay, let's say you've got a name from somebody. You have a name, let's say Mr. Jones referred somebody. Well, what do you say to that person on the phone? You say, "Well, I talked to Mr. Jones," and you introduce the referrer and then you basically say, "He said I should call you." And, when you do this, now you're elevated to consultant position rather than somebody who's begging for business. Say, "I promised Mr. Jones I'd call." You promised him that you'd call so you're doing him a favor. So, now you're a consultant.

Michael: That's right. Okay, I like that.

Bill: When you're doing that, a lot of people don't want to do this, Mike, but you just have to do it. I always tell people you've got to use mental tricks to keep you going. It's like cold calling on sales. Let's pretend you're a salesman and you'd sell maybe \$500, and you close three percent of the people – three out of 100. So, let's see, a hundred calls, that's three percent conversion at \$500 would be \$1,500. So that would mean each call is worth \$15. So, when somebody says, "No, thanks." You just say to yourself, "Well, I just made \$15."

Michael: Right, you just average it out.

Bill: Yeah, you just say, "Oh, I just made \$15." Even though he said no thanks, because you know what it's going to be. You just keep plugging away at it. That's a mental trick that will keep you going and using an automated system versus improving the system. Of course, you try to improve that three percent to four to five percent. You try to get the amount of money that you make up

from \$500 to \$600 to \$700, but you also need mental tricks as do salesman to keep you going.

Michael: Right, I like that. Here's some more sample referral ideas. Let's go over a few more of these.

Bill: Oh gosh, we could go over 50 or 100 or 200 of these, but what you do is – for instance, you can ask your competitors in other locations, in other cities to refer to you and you do likewise. Or, as I said, you can give a covenant letter to a local competitor who sells the same product to solicit their customer base for your service.

Michael: What's a covenant letter?

Bill: Well, a covenant letter is just basically what you're going to do and not do and promise them an X percent commission. So, like you're doing refrigeration. They're doing refrigeration, and you solicit their customer base which might be cleaning refrigeration equipment, but you're not going to sell refrigerators to them. Do you see what I mean? They sell refrigerators, but you might be a cleaning service to them. So, a covenant letter would be you would be agreeing to do this or that.

You can ask vendors to refer. You can swap with somebody or pay them for their customer list.

Michael: Just buy the list outright.

Bill: Yeah, you've done that a lot of times I know. You just basically buy the list outright, or what a lot of people do is they go – a lot of people don't realize this, but if you go to a business that is going bankrupt and you buy their customer list.

Michael: And, you can at the same time ask them as a condition you buy the list but you ask them for a referral too at the same time or a letter to those people.

Bill: Absolutely, and also what you try to do is you try to take over their telephone number.

Michael: Yeah, that's good.

Bill: So, there's all these little things you do. Most people don't realize them, but there's hundreds of little things like that. They're all relevant to particular situations so, you can't go and use all of them. But, another referral strategy is you can interview your customers on tape and send it to prospects and tell them to make up their mind whether it's right for them.

Michael: That's good.

Bill: That's done by a lot of marketing consultants in the restaurant field do that. You can lead people through a list of names you have. "Do you know him? Can I use your name?" You just don't ask for leads. You say, "Do you know him?" You ask them about their life, and you say, "Well, tell me one or two things that I could do that's going to improve my business." People love it when you recognize their birthday because a lot of people out there, nobody recognizes it.

Michael: That's right.

Bill: You can focus on core clients and do such a good job for them that like Walt Disney says, they automatically give you referrals, and then every now and then you can sit down with them and say, "Let's go over individually who are people you can recommend to me." And, once again they'll give you people just like them. Core clients will give you people just like them.

How do you establish a formal networking group?

Michael: How?

Bill: Okay, well basically what you want is you want a limit of one person per each type of business – let's say a real estate guy, an accountant, a lawyer, a doctor, a pizza owner, a dry cleaner, et cetera – because you don't want any competition in your group, and you're always going to pass on three types of leads for business – general leads or feel free to use my names leads and don't use my name leads. What you do is you're going to have a weekly morning meeting in the morning for breakfast because otherwise people just don't have the time. You know what? What you're going to have is every week you're going to have it or every two weeks, and it's going to have two parts to this meeting. There's going to be a pre-networking phase for socializing. It might be five minutes. It might be ten minutes, and then there's a formal networking phase were people formally stand up, give their 15 second elevator speech commercial – their personal USP, and they formally and verbally state the leads given you and they thank everybody else for those leads.

There's no immediate results, but eventually it starts paying off, and if you have a business where one referral can be a \$200,000 or \$300,000 or \$400,000 deal, it is worthwhile to get into these groups because six months later you finally get one, and it was one that wouldn't have come anyway. Then, all of a sudden you have \$600,000 worth of business.

Michael: What are some of the referral networks that the consultants could look up and get into?

Bill: There's Lead Tip International is one that you mentioned. There's Business Network International. There's another one which I haven't investigated too much called RYZE. That's an information networking group. I've heard a lot of good information about that, but I haven't gone into in depth.

I think the best thing you do is you set up one yourself in your own city, or in your own industry. For instance, I'm in some mastermind, brain-storming groups that I've set up with two or three other people and they're always getting bigger, and we just share the latest methods or whatever for our own business, and a lot of times, we're all doing the same thing. But, someone finds one tiny thing that can catapult the results, shares it, and we don't mind we're all in the same field because there's enough money for everybody, and it makes it fun this way because people are sort of competitive, not in a "I want to make more money from you" but "let me find something that you don't know then share it, and then ha ha ha, I knew it and you didn't." It makes it fun. Business is a game. You can't take all this stuff seriously. It's about helping other. It's service oriented, but also it's got to be fun.

Michael: What's the Bob Berg's Ten Questions? Who is Bob Berg?

Bill: All right. If you are going to educate yourself on referrals outside of this particular little interview that we're having, Bob Berg has a book called "Endless Referrals" and I don't know if it's ten dollars or fifteen dollars. The number one thing is I would buy that book.

Michael: Go on Amazon.

Bill: Go on Amazon.

Michael: So, Bob Berg's got some questions that he asks for generating referrals?

Bill: Yeah, sure. He's in a networking situation. You're doing chit chat all the time. It's like, "What do you say at a party?" There's a couple of questions that you normally ask, and Bob says, "Look, you ask people, 'How'd you get started in your business?' and you show interest in them." Well what do you enjoy about your profession? What separates you and your company from the competition? That's the USP. And, what advice would you give somebody just starting in the business that's getting up the learning curve, and what one thing would you do with your business if you knew that you couldn't fail? What significant changes have you seen take place in your profession over the years? What do you see as a coming trend? What's the strangest or funniest incident you've experienced in your business? What ways have you found to

be most effective for promoting your business? What one sentence would you like people to use in describing the way you do business?

You see, just get them to talking. You're talking. You're bonding with them. You're creating rapport. You're getting their USP. So, you're learning why are they different, and you're learning how and who you should be referring them to. All this goes into your little metal computer and then now you know who you should refer to.

Michael: What's the Plan of Four?

Bill: Well, you have referral systems. You have all these systems, and basically, Mike, it comes down to schedule of discipline hard-work. Do things on schedule. I came upon this Plan of Four where if you want to be successful, what you should do is write four notes a day for customers saying, "Thank You." Make four telephone calls a day, four personal contacts a day. Try to make four sales a day. Always keep pushing. You don't just ignore it, and business will grow.

If you do four notes saying thank you for referrals or for customers who are already customers, who didn't expect anything, wow, that brightens their day, and then they start referring.

Four telephone calls a day, "Hey, I'm really concerned. Is everything going okay?" Wow, they start talking about you to others. Four personal contacts a day, four sales a day. A Plan of Four – all you need is four a day.

Michael: How about a customer reactivation campaign?

Bill: One of the quickest ways when a marketing consultant comes into a new business to increase sales is very, very simple. Number one is they try to reactivate old customers, and number two in what they do is they increase the amount of communication how frequently they communicate with the list so to speak.

So, with a customer reactivation campaign, a lot of times, people aren't buying because you just haven't shown interest in them. Usually, a certain percentage have moved away. Some have developed other preferences. Some have left for competitive reasons, and some are now dissatisfied with that other vendor or product, or maybe they were dissatisfied with you, but now they're dissatisfied with them. Seventy percent quit because you've showed indifference towards them.

If you all of a sudden you have a reactivation campaign, you send them a letter, because you were smart enough to collect their address, personalized

and you say, “Hey, look, we haven’t seen you. Come on in. I’ll give you a free cup of tea, and let me know what you’re doing. You don’t have to buy anything.” Or whatever is relative. You’ve got to make the situation specific – whatever is relative to that particular business. You would be surprised. A lot of people can get response rates of 30 percent – 35 percent, even 40 percent, not expecting too much more, don’t expect 50 percent, of old customers coming back to them.

Once again, it’s just a matter of doing the work. Now, when you’re starting out, of course, you can’t do this, but what you can do is you can use this as one of the strategies where if you’re trying to be a marketing consultant, you ask people, “Well, do you have a customer list?” And, they say, “Yeah” “Do you have a list of people that haven’t come in?” They say, “Yeah” You say, “Well, here’s what we’re going to do. We’re going to mail these guys.” Whether it’s a postcard or an email, and all of a sudden you make a special deal or offer. You can get a lot of these guys back.

Michael: Look, we’ve covered a lot of stuff, but before we go, what would you tell these HMA marketing consultants? What’s the first thing they should do as far as starting their referral program?

Bill: Well, you know, you’re not going to have referrals until you start having customers. So, what do I would start with step one, is I would say – I would really try to see if there’s some type of niche and I would start writing something or preparing for a niche. I would really, really come up with a set of articles for that niche. I would put up a website for that niche, start talking about that niche so that I become known as an expert.

The reason I’m saying start from a niche from day one is because you’re going to make a lot more money a lot quicker if you start niching, and say, “I’m going to be the niche marketer for landscapers.” Or “I’m going to be a marketer for chiropractors” or whatever. You’re going to have a lot more fun. What I would do is I would build my expertise and I would start doing all the publicity type things you can normally do for that.

Then once I have some material, I would do it the easy way. I would send out a direct mail list. I would send out letters asking them, “Do you want to buy my products?” or this and that, and then just go from one to the other.

It’s hard to say what is the one best way because it’s specific for each industry, each city, but what I would do is I would tell them, “Try to think about becoming a niche marketing consultant.” The job is going to be an awful lot easier.

Michael: That makes sense. All right. This is great. I really appreciate it.