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INTERVIEW SERIES

More Keys to Better Referral Marketing

Michael Senoff Interviews Referral Expert

 Michael Senoff's
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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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More Keys to Better Referral Marketing

Referrals are one of the most powerful tools for growing your business. They're cheaper than advertising and work a lot better. And without referrals, you're pretty much just making cold calls. So in this interview you'll meet a Referral Marketing Pro who's going to show you the best ways to use referrals for your business – including how to get more referrals, how to set up a referral system and how to use referrals more efficiently.

You'll Also Hear...

- Great tips on how to work the crowd at the Chamber of Commerce – to get people excited about your business while you're also getting their contact information
- What it means to “look beyond the face in front of you,” why you should always be doing that and ways to leverage every connection
- What the “four levels of customer expectations” are and why you should always be striving to exceed them
- What to do with newly collected business cards so you don't blow the sale or the possible referral
- Why you should try to find alliances with competitors and customers – and examples of how to do that
- Why you should be careful when giving out incentives for referrals, and what this marketing pro does instead

The bottom line about referrals is: you've got to ask for them in order to get them. But there are tips and tricks that will help that process seem natural and effortless. And you'll hear all about those in this interview.

So sit back and listen to an internationally acclaimed speaker who has written more than 60 training programs and coaching guides. And before you know it, you'll have referral marketing down to a science. Enjoy.

Lorna: If you don't know about that person's personal life or their business life or about whom they are as a person, their hobbies, if you don't get at that friendship level, don't expect referrals and don't expect for long-term relationships. They are going to buy based on price. They are going to be shopping for prices. You are going to lose them because they don't know you as a human being.

Hi, 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. Along the way, I've created a successful publishing business all from home 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 can operate from home. Now, my challenge is to build the world's largest free resource for online downloadable audio business interviews. I knew I needed a site that contained strategies, solutions and inside angles to help you live better. To say they make more money. To stay healthier and to get more out of life. Internet marketing and marketing in general can be a mind field. Thousands of people every day lose their shirts trying. I've learned a lot in the last five years. Today, I am going to show you the skills you need to survive.

Hi, this is Michael Senoff with Michael Senoff's HardtoFindSeminars.com. Here's another pretty interesting interview. I met this woman online on Amazon. I was asking her if she would put my site HardtoFindSeminars.com as a reference in her book. She's the publisher of over seven different books. She is a 25+ year International Professional Speaker. She is a trainer, published author. She is the CEO of her own learning education program. She is a member of the National Speaker's Association. Her background includes sales, management, education and a wide variety of industries. She has created over 60 training programs and coaching guides. She has done 60 different e-learning modules in assessment and sales, leaderships and most importantly in referral marketing. That's what this interview is about. It's about how to get more referrals. How to set up proper referrals. How to use referrals to limit your spending on advertising. There is nothing more powerful than a warm referral. Let's get going.

Michael: Why don't you explain what is a referral? Why is it important?

Lorna: Good question. A referral is, as I mentioned before, I like to call it a close and advance. Essentially, a referral is a contact that you have been given for the purposes of doing business. A contact is usually a name, a phone number and sometimes an e-mail. Now, in this day or privacy and protection, it is very important that referrals are earned correctly and appropriately, politically correct and done with more care than they might have in the past. Let me have the name and phone

number what it is, that doesn't wash anymore. I am going to share with your listeners as we go in the conversation on appropriate way to ask for referrals that is the fastest way to gain referrals because there are direct and indirect challenges to building referrals. The most direct way, of course, is to ask. There are many, many ways of indirectly building referrals.

Michael: Can I ask you this? If you are referred a good referral, is it easier to get the sale compared to may be calling cold by the phone or walking in? If so, explain why.

Lorna: Okay. Without a referral, it's pretty much a cold call. Now, some referrals are warmer than others but imagine this. If you are calling someone and it's a cold call and you're asking for who's the one who makes decisions about fill in the blanks. The chances are of you getting a call back are, oh, somewhere in the neighborhood of 1%. Now, there's a technique that I call "Warmly Confusing" which is actually not part of our call today. The "Warmly Confusing" actually increases the number of call backs that you get because you left a message. The warm part of it makes you seen like you're already a friend with this person and the confusing part because I need to call this person back to clarify this point. If you're leaving messages that are long enough for someone to make a valued proposition decision about the value of your call, you've just shot yourself in the foot. Imagine leaving a phone message that says "Well, I was Lee Lavey the other day and your name came up on a conversation. He asked me to give you a call. Give me a call if you can this afternoon at dada, dada. Suddenly, it's much more conversational. It's much more about friendship and relationships rather than I'm here to sell you something and take your time to do it. Yeah, your call back ratio goes up to about 90% to 95% if you can drop the name. What some people do is that they call a higher office that they know is not part of the decision. They will call a C-level office. I was talking to the CFO. They've asked that I give you a call something to that affect. Then, chances are you're going to get a call back because you overreached. Then they referred me to you, as the person I need to talk to. That's what some people do.

Michael: Okay. That's good. Let me just take you back to Joe.

Lorna: Yeah.

Michael: His story. How did he do it? How did he out produce so many life insurance companies?

Lorna: Okay. Part of the reason why he was able to sell what he was able to sell is because the insurance policies that he was selling at that time which was life insurance were ridiculously price in favor of the consumer. He was able to sell huge volumes of it. Here is one thing that you can do that he did do that is the smartest thing for any marketer to do and that is to start to give speeches. That means speeches to your buying public or your local community. A good place to start is to call your local Chamber of Commerce. Find out the names of all of the local clubs that meet. Get the names of the Program Chair people. Usually, a Chamber of Commerce has a listing of the clubs and the name of the Program Chair Person and their phone number. Once you got that list, you got a call list. Backing up from that, develop a 30-minute presentation on some value that you have to offer. What are you an expert in? What would you teach people? If it was a business group, for example, six ways to double your business in half the time. Give it a slick title and develop a 30-minute presentation. Get your power points together and go in there and give them some real value for 30 minutes. At the end of the 30 minutes, you are going to have a raffle. What the raffle means is that you ask everybody to take out a business card. Put a star on the card if they're interested in, now fill in the blank, a free consultation regarding their marketing plans or how they are advertising or whatever it is or give away a set of books or tapes or something of value. Now, you have collected all of those cards. You've got a star on the card. Those are qualified leads that people are looking forward to hearing more from you. You have just proven your value. You are no longer a stranger to them. Instead of talking to one person in an hour's period of time, you talked to 50 or 75 or 100 or how many are in the club.

Michael: You do these for free?

Lorna: You do them for free.

Michael: What do you say? Imagine that I was on the list at the Chamber. I have a consulting group that comes there and meets. You are going to call me direct. What are you going to say to get me to say "yes" to bring you in for a free speech on "How to Grow Your Business Without Advertising?"

Lorna: Okay. Now, the free speech is what you do for the Chamber. When you have asked people to take out their business cards and put a star on a card, you're now qualifying the odds. Let's say there are 50.

Michael: You are doing the speech for the Chamber of Commerce when all the businesses meet there?

Lorna: Yes.

Michael: Okay.

Lorna: Now, what you've got typically who shows up at these are small business owners. That may be the ideal customer for your constituent. What you've got now are 50 business cards probably 80% to 90% of them will have a star on it if you offer them a free one-hour consulting on your sales and marketing strategy.

Michael: What do you say to the raffle? How do you get them to pull out their business cards? What are you offering them?

Lorna: That's what I'm saying right now. At the end of your speech, you say "All right. Let's have some fun now. Would you all take out a business card? Now, would you put a star on your card if you're interested in, now you are going to fill in the blank with your valued proposition, a free one-hour consultation on your sales and marketing strategy or to be put on the mailing list for sales and marketing tips on growing your business" whatever the value is. I would just ask people to put a star on their card if they want to contact for a demo from my e-learning. Most of the people put a star on there because they are curious about seeing it. Then, you collect the cards. You pull out a card. You give away a set of tapes or a book or something of value. You have also got stars on the cards to qualify who you are going to be calling once you left that meeting. Now, you've got 40 people to call. The truth is I would call all 50 because there may be amongst those 10 somebody wasn't paying attention. They were busy putting their cell phone away. They weren't hearing you. I would just assume all of them would want to hear from me. I would call every single one of them. Some people say "I don't want to call." E-mail them. Put them on your e-mail list whatever you promise them. Most people will choose to get high value e-mail newsletters that are going to help them to resolve daily marketing issues.

Michael: If someone is not interested in anything from your speech, are they going to pull out their business card? Or are you offering to take the collection of business cards and someone who is going to win something other than one of your services or raffle?

Lorna: Yes, I give away my referral book.

Michael: Okay. You would say “Who would like a referral book? Everyone pull out their business cards.”

Lorna: We’re going to have a raffle now. Pull out a business card and by the way, put a star on your card if you’re interested in and now I fill in whatever it is from me. If you are interested in taking a look at the demo that is going to double your business in half the time or whatever it is going to be, Six Successful Sales Strategies, Seven Secrets Nobody Knows that You Need to Know whatever it is.

Michael: All right. Pass them to the front of the room.

Lorna: Pass them to the front of the room. Now, here’s something else that I’ve also done because I’m a sales trainer. I’ve done this with large and small audiences and we have a lot of fun with this. I also ask people to take out a dollar. One of the strategies that I am teaching in how to build referrals is how to ask. So I say “All right. Now, that you have taken out a business card. Would you all take out a dollar bill?” They do. They take out a dollar bill. Then, I collect all of the business cards. Would you send the business cards and the dollars? If they’re aisles, you send them to the aisles or have one person collect them at the rounds, if they’re in round tables. Collect all the business cards. You collect all the dollars. Now, while the dollars are being counted up and I delegate that to someone. I say “By the way, would you count up the dollars for me?” Then I ask everyone in the audience “Why did you give me a dollar?” Now, what do you suppose they said?”

Michael: Because you asked.

Lorna: Exactly. Now, that’s one of the lead in that I use for how to ask for referrals. Now, I tell them I say “Look you’re going to forget everything you’ve heard in this program but you’re not going to forget. You just invested a dollar to be reminded about the power of asking.” I said, “There’s another reason why you gave me a dollar.” Somebody else yells out “Yeah, because we trust you.”

Michael: There you go.

Lorna: I said, “Of course.” That is really the foundation of business can I trust you? It a one line joke. One line punch line all rolled into one but we don’t say the word trust anyone because it’s kind of a sleaze ball. I say “But you can trust me.” There are three things that we can do with these dollars. Now, that I have your business cards we can have a raffle. I can give away the money to somebody here in this room that’s

one thing that we can do. We can give it away to charity or I can give you your money back. Those are your three choices. Then, I have a vote. Then, I say "Is there anyone here who wants their dollar back?" Now, 90% of the time nobody raises their hand. Occasionally, one person will raise their hand. They want their dollar back. I give them back their dollar. I say "Who wants to give it away to charity?" May be a few people will raise their hand. "Who wants to have a raffle?" They all raise their hands. Not only have just given away your consulting services for those who put a star on their card. You've given away something of value like a book by drawing a card. You are going to draw out another card and give that money to some lucky person. You are going to be a very memorable person at this event.

Michael: That's a good technique. Where did you learn that one?

Lorna: That came straight out of my own head because I was trying to underscore the power of asking. The first time I did this was with Well Point Insurance and there were probably about 250 people in the room. I had a couple of helpers help me collect the money because, of course, you're busy working the room and talking with them and sharing information. You want to be busy making like a book keeper for 5 minutes. I had these people collect the money and count the money. They were all nodding their heads like "Yeah, I am never going to forget that I just spent a dollar to be reminded that she just got \$250 in 30 seconds from us."

Michael: Now, let me ask you. When you do the raffle, you pull a business card and that person wins all the money?

Lorna: Correct. Boy, are they happy.

Michael: That's great. Okay.

Lorna: A lot of them are glad they came to the meeting today.

Michael: Okay. Good job.

Lorna: Let me just also say we have jokes on it and things. "Okay, lunch is Mary Jane." Everybody laughs because Mary Jane just won \$250 or \$50 or whatever money is collected. Have some fun with your audiences because they love humor. People ask me "Do you have to be funny in this business?" I say "Only if you want to get paid." Well, if you are giving an informational speech, you don't necessarily have to

be funny. A lot of humor will get you a lot of stars and a lot of business because people like to be around people who make them feel good.

Michael: Okay.

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Michael: That's great. I train marketing consultants' a/k/a marketing consultants and we have a part of our training where we teach them to go out and do group presentations. That's why this is real valuable stuff. Now, we also train to go to the Chamber of Commerce. I did another interview with a referral expert and he claims those Chamber of Commerce meetings they're just stuffed with people looking for new business just like you. Have you found that to be true in your experience? When you are calling these people back, these leads that you have, how qualified are they really? Tell me your experience with that.

Lorna: Well, you're absolutely right. You do have to know where you were market is. Now, I recommend giving speeches to the Chamber of Commerce for two reasons. Number One – there may be some people in the audience who could do business with you. Number Two – they're a great place to start to practice because they're a very forgiving group. They're pretty used to dull and boring presenters but there's another law that's in my book it's called "The Law to Fifty" that's the idea Number 4 out of the 76.

Michael: What is that?

Lorna: The Law to Fifty comes from Joe Girard, another Joe.

Michael: Yeah, Joe Girard, The World's Greatest Car Salesman.

Lorna: Yes, very good. Twelve years in a row. Guinness Book of World Records. His law of 250 says "The person you're sitting next to may not be able to do business with you but they know 250 other people who can." A referral mindset really looks at the whole 6 degrees of Kevin Bacon. I'll give you a real world example. When I used to do my public seminars for sales training, I would have about 200 or 300 people in a room. I would literally stock the room. What I mean is like stocking up pond with fish. I would stock my seminar room with people who could do business with each other. So, I would go into offices and do a free speech. If people liked what they heard, they would sign up for the full-day session. Now, I was focusing on sales training, memory management and time management with a focus on referral building. I

said to the people who were coming to my seminars. I'm saying "Look, who do you want to do business with that you're not currently doing business with?" I'll get representation from that company into my seminar. Now, I'm stocking the room with people who could really cross pollinate, who are completely qualified. Now, the reason why I tell you this is because there were two people sitting in the seminar. One happened to have been in commercial real estate. He called after the seminar. I told people bring your appointment books. I want you booking appointments with each other at this seminar. If you're not able to do business with that person, I really want you to start thinking through the Law of 250, who else do they know if it's not for them. You know what? When your people are out there and doing sales and marketing programs, they have to really look beyond the face in front of them. That means, they're connected to 249 other people who possibly could do business with them. So, this guy completely missed the point. I said, "Who did you sit next to?" Because he was complaining how he didn't get any referrals and didn't book any appointments. I said, "Who were you sitting next to?" He said, "Well, I was sitting next to somebody who sells make-up." I said, "Do you happen to remember her name?" I think it was Janet, he said. I said, "Do you have any idea who you were sitting next to?" He happened to be sitting next to someone named Janet Levine. At that time, was the top producer for Mary Kay Cosmetics. Sat at the right hand of Mary Kay. She was biggest wheeler and dealer. Knows everyone in Los Angeles. Pretty much runs the social climate at the Beverly Hills Country Club. She is married to the biggest investment banker within Beverly Hills. Now, would that have been a good relationship for this commercial real estate agent?

Michael: Absolutely.

Lorna: Yeah. See, how he blew it was. I'm making a value judgment. Here's a woman who drives around in a Pink Cadillac and sells make-up. He took a very high brow attitude. Well, you know, there can't be anything in this for me rather than treating her with a little common decency and respect which she would have given back to him. Commercial Real Estate. Great. I'll put you in touch with my husband. But because he treated her like gum on the bottom of his shoe all day long, obviously not only would there not be a connection but there would be bad press as a result of that relationship.

Michael: So, that's a good point. Even though that audience may be filled with people just looking for more leads, if you had to look beyond that and look at and think who do they know that they could refer you to.

Lorna: Yes. So, it is true the Chamber of Commerce and some other organizations like networking groups, for example, are very top heavy in the supplier chain, if you will. It is such a heavy world of networking who knows, who knows, strategic alliances, competitors partnering with each other. Looking for how one can leverage with another. Truly, the walls of business today have completely broken down. I'll give you an example. Somebody has found out about my sales training. This is years ago. E-learning was just getting started. They wanted to take my content and put it up on line. I said to them "Look, you know it, that would be a nice library, and I'm very flattered but it will be a better library if we get my competitors, other sales trainers and their content into the library as well. Then, it's not just (Inaudible). But we get Brian Tracey, Tommy Hopkins and Tony Robbins and Dan McBrides and whoever else is out there into the library as well. Then, people will have choices. They thought that was a brilliant idea. Here I am, I pulled all of my competitors together. We have an Author's Summit here in San Diego. We got all of us in a room together and we said, "Hey, here's a really cool idea. This is going to help extend and augment what you do out of your seminars. You can send your learners online for the next year taking more online courses from you." They just thought it was brilliant. So, instead of me just thinking all this is all about me and coming from that mindset of scarcity. I was looking at "Well, how can we really be abundant here and share all of the wealth? Making this a stronger library for everyone and we all benefit." So, I look at competitors by saying "Where's are strategic alliance?" They exist if you go beyond that mind set of I am out for Number One. People really need to see themselves in business with each other, helping each other to move forward and advance in purposeful ways. So, yes absolutely. Never ever look at any audience as not being qualified because for me, every person you talk to is a possible lead.

Michael: Okay. Now, let's take it one step further. Let's say you do your presentation at the Chamber of Commerce. You get your leads. There is a result from your raffle. Your telemarketing may be for direct sales training. If they're not qualified for direct sales training, take me into your referral mind and how will you leverage that contact to may be leverage someone they know. Give me a technique that you would use when you're making that first contact by phone after you've done that presentation at the Chamber.

Lorna: Okay. One of my programs in qualifying is Qualifying the Big 5 and that is are you are talking to someone who is qualified to do business with you? It doesn't even need to be your ideal customer. It could be just someone who is qualified to be your customer. Do they have the

ability to forward it? Are you going to talk to the decision maker? What's the time line? All of the different qualifiers. Once you've determined there is or is not a fit. If there is a fit, then you would continue with your normal sales conversation or you would go to a meeting or however you are doing. If they're not a fit, one of the ideas in my book is to prospect with your prospects. That means, you're not currently doing business with them and you would simply flat out say "You know what I understand this isn't a fit for us but based on what we've talked about here, who do you think? Who do you know? Who do you respect and admire that would be a good fit for this? By golly, if you do the dollar bill asking thing. If you don't ask, you're not going to get an in. If you do ask, you might just get an in. You get a 50-50 chance of getting an in. So, you know this is not appropriate for us but my neighbor down the street or the business down the street or try around the hallway. They do such and so over there. You might give them a try. That's obviously a long shot but you haven't wasted your time by saying "You know what, I would love to refer you to my clients" and start showing what we call the principle of reciprocity. Which is not about give me, give me, give me. It's about how can I help you to build your business. The focus has really got to be on helping others to get to where they want to go. Tell me how I can help you. So, I'll give you an example. We had a guy who came over to inspect our house for ants.

Michael: Okay.

Lorna: And, I said, "Okay, we got an ant problem here. And, he said, "You know what if you don't mind, I'm just going to go around and do a little bit inspection here." He came back and he said, "You know I never seen this before but you got six different ants on your property here in San Diego." And, I said, "Well, that's pretty interesting." If you don't mind, I'm going to go around and check for other types of pests, varmints, rodents and so on. This guy went so far above and beyond the call of duty. I mean no other pest control guy was around the base of my house with his hand looking for possible entrances for mice. Nobody else was doing that. If I called them to come out here and do a bug spray, they didn't stop to qualify what kind of bugs are out here or if I had mice. They just came out and sprayed. This guy wanted to do a very thorough job. And, I said, "Okay, excuse me. This is just blown me away." I took the time and I said, "What's your name?" Because normally, I have never bothered to ask the name for the guy who was coming out to spray for ants. He said, "My name is David Zahl." I said, "David, you've just blown me away here." You've gone so far above and beyond the call of duty would you mind if I give your

name out to some of my neighbors. Because they kind of ask, they want to know. He said, "By all means." That's another idea out of my book. It is Number 16 – Plant Seeds of Suggestion. Now, what he did was to plant these suggestions by saying "Our business is built 100% on referrals. We don't advertise much but we do like to build referrals. I really appreciate if you want to pass my name along to your neighbors. Do they have problems too?" I said, "You know what I know the people right across the way. I know that they had to deal with scorpions not too long ago. You might want to give them a call." So, he gave me a bunch of business cards. Now, this is probably a good time to talk about how people can ask for referrals.

Michael: How and when?

Lorna: Ah, yes. Very, very good question.

Michael: Let's put in perspective. Let's say you are calling back one of those leads from your Chamber of Commerce meeting. This is a qualified prospect that you have the potential to do business with. Say sales and sales training. Now, when do you go for the referral? You got to keep in mind you really want to get them as an account first. Tell me your mindset on that.

Lorna: Okay. Referrals, as I mentioned earlier, are dividend on good service. They are close in advance. Now, they may not close next week nor in six weeks or six months or six years but eventually they will close; if it's handled probably and they all qualify. See you really have to take a patient long-term approach with business. It can't be well if they didn't buy now, they are never going to buy. No, today we use drip campaign marketing which are continued to stay in touch with them through e-mail and so. Let's just say now you are doing business with them. You've confirmed the sale and when to ask. So, I use an acronym called "WRAP". That helps you to remember the components of the appropriate way to ask for a referral. The "W" stands for wait until the right time because you are absolutely right. You do have to wait for the right time. The best time to ask for a referral is right at that point of sale. You've made the sale. They're thrilled that they're buying from you. The top of mind is how their lives are going to improve somehow by your presence in their life. But sometimes after a humorous exchange is a good time to ask. You know it when the customer has said something positive to you. If you decide because your sale really needs to prove its performance before you're going to have the right to ask. Then, wait for a month or two for that performance to kick in. You want to call them back and follow through. How's it going? Exchange some positive notes and then it's time to

ask for a referral. So, that's the "W" wait until the right time. The "R" stands for review the benefits. Now, if you waited until you've got proof of performance. Then, review of the benefits I'm so glad that we've been able to do da, da, da, da increase sales by 100% in the last two weeks. Whatever it is, you want to reinforce the benefits of you having produced whatever it is your offering. Even if they haven't had an opportunity to test the product or service you're selling, the "R" stands for I'm so excited for you because here are the things that you're going to be able to start to enjoy right away. So, you just want to kind of recap and summarize what it is that they bought. Now, the "A" stands for the asking part. You're going to ask. So, you've got wait until the right time. Review the benefits. Now, you are going to ask. The asking can be subtle or very heavy handed. Like in David Dahl's case, we are very, very fortunate. He literally said to me "We don't advertise much. We don't have to because our clients are so thrilled with us because of our level of service we're mostly on referrals. Yeah, we are in the phone book but that's about it for our advertising." So, it was me being pro-active. I was the one saying "Hey, would you mind if I refer you?" That's going to happen once in a while. But usually, in this case, David Dahl did not have to ask me to refer. Let's say that David was trained in how to ask for referrals. He might say "Lorna, I'm so glad that you're really thrilled with the level of service that we provide here. As you know, we're going to be very thorough in pest control. Who else do you know of that might have some problems with pest maintenance?" And, I'm going to say "Well, every neighbor of mine." He might say "Well, all right." That's a simple way to ask. Who else do you know?

Michael: Right.

Lorna: You don't want to ask or close any questions with 'Do you know anyone?' Because people will say "No, not really or I can't think of anyone or they probably don't need it now or they probably have somebody else." They're thinking of all the reasons why not to refer you. When you ask an open-ending question and then follow it up with a benefit of what you're offering. Now, notice what I said here. "Who else do you know that needs pest control from time to time or once in a while?" Here, I am thinking who else, who in my neighborhood doesn't have pests. Answer a big deal.

Michael: Right.

Lorna: We're out in the country here. We share the land with wild life. The same thing happened with my neighborhood window washer. I was

using a window washer and she said, “Lorna, stop everything. You’ve got to call this guy.” Now, he didn’t have to ask for referrals but she was giving the referral because she was so thrilled with his service. And, she said, “You know the guy you’ve been using, charges too much. He doesn’t do a great job. You should use this guy. He charges less. He does a better job.” So, the asking part is “Who else do you know that might need such and so?” The such and so really is the end benefit. Who else do you know of that wants to increase their business in using a campaign something like what we’ve tried here? It’s, however, you feel that is the most authentic way based on the relationship that you have with that person.

Michael: Now, I’ve heard other techniques. Other experts will say “That’s just not enough because 90% of the people will say ‘I don’t know one’ and they want you out of there.” But there are other more aggressive techniques. Can you do me a favor go grab your planner. Where they’re really trying to pace that person to look through and jog their memory for names and numbers.

Lorna: Well, I’m going to tell you another technique that I’ve got in the book. This actually came from a company. I did not invent this idea but I thought it was really terrific. They said, “Look one of the ways” and this kind of hints at what David Dahl was saying with his pest control company. “One of the ways we market is through referral marketing. We don’t spend much money on advertising. The reason is because we want to keep our costs down. Now, would you like to be part of our referral networking group to help us to continue to keep our rates down? If so, who else can you think of that we might be able to work with so we can continue to provide a higher, more valuable service at a lower rate?” Now, what person in their right mind is going to refuse that offer?

Michael: Yeah, that’s much better.

Lorna: A much better approach by saying “Would you like to be part of our referral program to help us keep our rates down?” Yeah, because we don’t have to spend a lot of money on radio or print ads or media. We don’t have any advertising budget because it is all word of mouth. So, you’re asking them flat out would you like us to help keep our prices down for you. No, I want to spend more money. We got the “P” now because that’s not enough just to get a name. In the old days, it might have been enough to get a name and a phone number but now you really need to pave the way because of how people are protecting their privacy. The “P” stands for pave the way. Now, you want to ask the person who has just given you a name or two names or five names.

How would you recommend that we make the introduction? Now, what that does is gives the owner stack on to the referring party to pave the way to make introductions. Would you recommend that I call them or would you call them first to let them know that I'll be calling? Would it be all right to e-mail them or get a phone number? You really need to get permission today so that people aren't angry about – wait a minute, I didn't say you give out my e-mail. People are very protective of their e-mails because I don't know of anyone who has not had their e-mail folder abused. I get 500 spams a day. Even though I have powerful spam protectors. Some mail, perfectly legitimate appropriate mails does not get validator to check through that spam. Good mail goes to the spam. I have to read the subject line of 500 spams a day. People get really, really cautious about giving out e-mails and phone numbers. So, paving the way is extremely important for asking "How would you recommend that we make an introduction? Would you mind calling in advance just to let them know that I'll be calling to make sure that it's okay? Now, the person goes "Sure, I will give them a call or I'll give them an e-mail. Now, you've got wrap that up. You've got to get closure to by saying "All right when should I call you back to find out how we should handle the introduction? Would tomorrow be all right?" Now, you've got to get a deadline associated to that because if you leave it open ended, the person is going to forget. You've got to get some closure. "Okay, I'll give you a call tomorrow. How about 9:00 o'clock? Would that be all right?" Now, you've got a reason to recontact them. Not only for the referral contact for the permission of getting the contact with that referring person but finding how they're enjoying the service. If it is something that can be enjoyed within 24 hours, great, you can find out how that's going. If you don't mind, I'm going to stay in touch with you from time to time just to see how things are going. Put them on your recall list and then that might be a more appropriate time to ask for a referral because you've got the performance of that product or service that shown its value. So, that's my "WRAP" on wrapping.

Michael: That's great. Let's go through some additional ideas on referrals.

Lorna: Okay.

Michael: Really some of your favorite ones.

Lorna: All right. Now, with David Dahl, for example, one of the reasons why I was so enthusiastic about referring him is because he did something I call exceeding the four levels of customer expectations. Now, what are the four levels of customer expectations? The gallop poll industry did a

study of over a billion customers over 20 years. They interviewed a billion people and said, “What do you want out of a customer service transaction?” These billion people gave a lot of data but the gallop poll is a terrific organization. They crunched those numbers and dig down into these four levels of customer expectations. The very first level of expectations that anyone has out of any service transaction is “Accuracy” – get it right. My husband has funny stories. He goes to the same Burger King once a month. Every single time it’s wrong. It is never accurate. You want your phone bill to be correct. The numbers to write, the order, the part color, you name it, it’s all going to be accurate. That’s a first base line. Just get it right.

The second is what’s called “Availability” – are you there when I need you? So, today with technology, there’s no excuse for not getting back to people in a timely fashion. You’ve got to ask yourself what’s your turn around time. And, I’m going to tell you this, I told this to an attorney the other day. I was doing the same sort of interview for attorneys on the referral book and I said, “Look, I’m giving up my lawyer because I told her I wanted to merge with another company. She never ever returns my phone calls. Not once. The only way I get through to her, once in a while, is that she shows up every holiday to go through our share holder meetings and we have our minutes. We’re in compliance but she doesn’t return my phone calls.” And, I said, “I am signing with a very large, very expensive legal firm down here in San Diego and I told the lawyers you and I are going to do business with each other if you can make me just one promise that you will return my calls within the same day.” Deal.

Michael: Yeah, that’s absolutely common practice with attorneys. It’s rude.

Lorna: Oh, it’s unbelievable. I said, “That’s all you have to do to earn my business” and he said, “Okay”. So, I got it. I e-mailed him that day and I got a call at 9:30 that night but I got a call back and I said, “That’s all I ask”.

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Michael: Now, what are the other two?

Lorna: Okay. The first two that I want to mention – the accuracy and availability are fairly easy to address by simply using technology. Now, moving on to the third level of customer expectations is what we call “Partnering”. Partnering simply says as I had hinted earlier, “You have got to go beyond the mind set of this is all about me. I’m desperate.

I've got to find somebody. You've got to break down those barriers and let go." I mean that is just a no brainer today. You've got to enroll other people to come into your universe. You've got to see yourself as a solution partner with somebody. Not be afraid to give away your business to the competition. If it's not a good fit for me, I'm going to be a consultant and advisor to you. I'm going to refer you to somebody who might be a better fit. You see that kind of attitude. We had a real estate agent I wanted to buy a house from her. When we moved from New England out here to California, she took us around and showed us a lot of properties. We could not find a house in the time that we had before our time was up and we finally wound up renting. So, she never sold us a house. But years later, I'm working in a company; we had all these people coming in from the East Coast that they had just hired. They were looking around for a real estate agent. I gave her the names of 20 different people who had come into town even though I never bought a home from her. I said, "Okay, don't even bother calling anybody else. You've got to call Marcia because she's the one who will find you the right house." One of the things that impressed me the most about her, her partnering ability. I wanted to buy a house from her. I said, "Marcia, this is the house I want to buy." She said, "No, you don't. This is not a good neighborhood. It's not a good value. I know you want to buy a house. I would love to sell it to you but this is not good value for you." Now, what did that do for my relationship with Marcia?

Michael: Build trust. You solidified trust.

Lorna: Absolutely. I knew I could refer anyone to her and they would be in good hands because she would tell them the truth. So, that's what I mean about partnering. I trusted her completely.

Now, the last level is called "Advice" that simply means you're giving someone the true cut of the grain so to speak. You're learning leads to loyalty and loyalty leads to advocacy and advocacy leads to clients. The kicker about these four levels of customer expectations that if you're providing availability, accuracy, partnering and advice. Are you providing great service? Well, a lot of people might think "Yeah, this is what a billion people said they want." Well, the answer is no. Because all you are doing is keeping people from complaining. You haven't made anybody happy yet. You're just meeting them base line expectations. So, I started searching for – well, what is good customer service then? This is flat out to me. What are the most important parts about gaining referrals? You've got to earn the right to ask for them and that has got to be done through superior service. So, I created

what's called the "Six F's" four of these came from Rose Beth's cancer who teaches business at the Harvard Business School. I felt that we needed to add a couple of other "F's" because she came up with this list some time ago and we had to add some elements of what's hot and happening with technology.

The first "F" is being fast. We said, "Okay, return phone calls" but we didn't say how quickly to return those phone calls. I try to return phone calls sometimes within the hour. Obviously, if I'm doing an interview, I've let about three phone calls go by but you do want to return those phone calls and get back to people within the same day. If you can't do it, it's time to hire an add man to help you to do that.

The second "F" is being friendly. Now, a lot of people in business have lost a friendship factor. Rapport building is still hugely important that is so basic about make a friend, make a sale. If you don't know about that person's personal life or their business life or about whom they are as a person, their hobbies, if you don't get at that friendship level, don't expect referrals and don't expect for a long-term relationship. They are going to buy based on price. They are going to be shopping for price. You are going to lose them because they don't know you as a human being. So, be friendly.

Number three – be focused. They want to believe as though you only exist for them. They don't want to hear about – gosh, I am so busy. I've got 10 other people I've got to call on and I'll get to you when I can. They want to believe that you're sitting there at your phone waiting for you to call them. You want to give them 100% of your time and attention when they do.

The fourth "F" is called follow through. Now, follow through is hugely important. Part of the follow through is not just that phone call or the in person contact or staying in touch through e-mails on their birthday, send them a birthday card or whatever you're going to do. Today, there are drip campaigns where you can stay in touch and build referrals over time because you are going to stay in touch using the power of the internet. So, follow through is really, really critical using technology to help you to do that.

The fifth "F" stands for forward thinking. They want you to be on the bleeding edge today. What's hot? What's great? What's new? What can you tell me that's coming up? So, you really are taking a consulting role.

The sixth “F” stands for flexible. They want to hear about you agree to be flexible with them because today, it’s not about black and white. It’s about how great can you be. The greatest scale has gotten even bigger.

So, those are some of the service strategies that will catapult you into being truly memorable and building customer advocates.

Michael: Let’s open up that book. I want you to pick me out some more killer referral techniques so my consultants can start using immediately.

Lorna: Well, as we’ve said, all you need are two or three ideas. If you’re just getting focused on that, you can build a straight referral business within three weeks.

Michael: How about on line social networking linked in? Anything like that?

Lorna: Well, linked in is new for me to really address that as an expert. I just know the way referrals and networking work. I mean if it’s on line now, fabulous. Because that means that the power of the 250’s are now going to go to 250 million. So, that’s even bigger. Still, we are dealing with the technology. We lost the human factor. So, still you want to try to personalize yourself as much as you possibly can and be a personality within these links. Just are not just going to blend in like wallpaper to everybody else. If there’s an opportunity to put your photo there, put a photo. If there’s an opportunity to put up a favorite quotation of yours that you’ve made up, put that in there; something about your personality. Spice it up and differentiate yourself. What I would call creating a personal brand for yourself. All companies need a brand because of brand, it’s a promise and a suggestion you are going to be delivering on something wonderful. Well, everybody you work with in a large organization that you for IBM or Lexmark. These are big brands Borders, AT&T. These are well-established brands. If you are reaping for a say a (Inaudible) phone company. If you are with Verizon, for example, Verizon got some name recognition. They’ve got a cache. Sprint does. How are you going to differentiate yourself as a person within that field? Well, it’s got to be through a personal brand. A personal brand says “You’ve got your own time line. You’ve got your own motto.” For me, I’ve got several of them depending on a situation. My tag line for my e-learning is every learner on line. The assumption is that they are going to be using my e-learning systems to enable them to learn faster, more efficiently at their convenience for less money. I know that Bill Gates had a mission tag line which was a computer in every home. The assumption was they were all going to

be using Microsoft. Now, the difference there was a computer in every home. Not everybody is going to be using Microsoft but that was the assumption.

Michael: Right.

Lorna: Yeah, if you use any on line stuff, you've got to make yourself a presence. Get a signature for yourself that does include a logo. May be a personalized brand logo for yourself; maybe your signature in a personalized that's a personal brand. Certainly, an image of yourself. You do personalize whatever correspondence. Whatever linking you're doing with linked in. The more you work it, the more likely you are to get some attraction from that.

Personal blogs are another great way to start building a constituency of people who could start referring. Now, I've got some friends in the speaking business; who have started personal blogs around their hobbies and have had tremendous amounts of fun and success with that. Connecting like-minded people in a very niched category. One is doing a blog on bunions, believe it or not. She's having a good time with that. There are people out there suffering with bunions.

Michael: What if you say, "Look you obviously know a lot of people. If you refer someone over to me who ends up being my client, I'll give you a \$50 gift voucher for this restaurant?"

Lorna: Right.

Michael: Incentive.

Lorna: Incentives. Yes, not bribes but incentives. I know certain industries like title insurance got into a lot of trouble because they would say flat out to real estate agents. "Look if you give me this deal, I'll buy you a new fax machine" or "If you can refer me to five people and they close, yatta, yatta." They started to sound more like a bribe.

Michael: What industries have you seen over the years that that is a big no, no?

Lorna: Well, that became a big no, no in real estate and title insurance. Finally, the Insurance Commissioner came down really hard on title companies because pretty soon they were sending agents off to Hawaii as an incentive. Give me this deal. Give me this deal. They were basically equipping real estate offices throwing lavish parties. It was insane. Pretty soon they had to stop them.

I am going to tell you a quick short story to reinforce how money becomes de-ensynsethizer and why services really got to be your valued proposition. Imagine this. Here's the short story. There's a guy who is retired and thing that he likes to do most of all is to go out to the end of his driveway everyday and get his newspaper. Now, one day, there is a gang of kids out there at the end of his driveway now calling him names as he is getting his newspaper. This is, of course, very unpleasant. The next day, he goes out, the same gang of kids there calling him names. The third day he goes out there, the same gang of kids calling him names, profanity everything also you can imagine. So, he decides, okay, this is becoming a pattern. I'm going to do something about this. Now, he's go out the next day, same gang of kids are there calling him names. He says "Kids I am going to tell you now. The last three or four days, you've been here at the end of my driveway calling me names. I have to tell you I look forward to this everyday now. I come out here at the end of the day, this really gets me excited. I am really excited that you'll come back tomorrow. Now, if you do come back tomorrow, I'll give you each a dollar. Will you come back?" The kids say "Wow, sure. We'll come back." Now, imagine this. These people were doing this out of the goodness of their own heart. They were getting out of bed. Showing up early in the morning to go call this guy names because they found pure joy in it. Now, this guy's incentivizing by saying "You come back tomorrow, I'll give you a dollar." They're now really excited. Okay. They show up. The next day but they never have been better. They've been to the library. They've studied profanity in every language. They're rattling off the swear words and he said, "Man, this is the best ever. This is fabulous. Now, you know I want you to come back tomorrow. I'm running a little low on cash. I can give you a quarter if you'll come back." They said, "Okay, yeah, yeah. We'll come back." So, they came back. Now, they weren't quite as good as they were the day before. Because why? Now, they're only getting a quarter. Right? So, he gives them each a quarter. He says "Wow, that was really good. You know I'm looking forward to this. Would you come back tomorrow? Unfortunately, I can't pay you but will you come back?" They said, "Wait a second, let's get this straight. You want us to come back and call you names for free? We are out of here." So, here's what happens. Again, they get shot in the foot because if you start giving incentives, more and more incentives, bigger and bigger incentives, you start losing the reason why people were giving referrals in the first place. That is because they're truly genuinely excited about what it is you have.

Now, you noticed that if you go on, some people will say “Yeah, I’ll give you a coupon. I’ll give you a discount.” You can do that. I’m not saying don’t do it. I’m just saying be really careful. You might have a campaign that says “We reward referrals”. On your next purchase, you will receive “X” discount. You can do that.

Michael: Now, that’s a good point. Just like when a restaurant runs a coupon and you’re used to using a coupon. You won’t go back until there’s a coupon.

Lorna: Absolutely. So, here’s what you’ve done. You love going to that restaurant. Why? Because they had the best bread in town. Now, you’re saying “Geese, I don’t have a coupon. I’m not going to go there. I’ll go someplace else because I could have gotten it for less.” So, I’m just saying with a big note of caution. I would use that as a last resort. In fact, I tell people I said, “Look, we build our business exclusively on referrals. We’re extremely appreciative of that. The reason is because we really believe of what we do and we want to help people in the same way that we’ve helped you. That’s our mission.” If you are simply letting people know that like Mother Theresa going out on her mission to help solve people’s problems and stop the bleeding – great. If you do get a referral and it closes, send them a nice gift basket. That’s going to send a message. You gave me a referral; you’re going to get something nice. They don’t have to be a rocket scientist to figure out “Hey, if I give them a referral, I get something nice back. Okay, I got it.”

Michael: Right. That’s great. Give me one more referral technique from your book. Then, let’s talk about what you have to offer to the listeners.

Lorna: Okay. I’ve got so many. This is really hard to pick them out. You probably figured out I’m a big believer in collaborative marketing. There is only so much one person can do. You can market with your customers. For example, one of my biggest clients that’s on my sales e-learning library is such an enthusiastic client. It is completely revamped how they deploy sales training. They spent a quarter of a million dollars on developing a customized one-day program that (Inaudible) in six months. They were really bummed about that for a fraction of that I might add to my sure grin. They bought my sales library and have close to 200 people on it. They were so ecstatic about it because it allows them to reach a scattered sales force that can’t get trained typically more than once a year when they pull them all together. These people have accesses to it 24/7 at their convenience. So, if they’ve got to go into doing negotiations, bam they can get on the negotiation course right away. I mean there are so

many wonderful things about it but they have become a huge advocate. They're actually going to give a speech on my behalf a case study for the American Society of Training and Development in June. Here in San Diego of next year. Now, can you imagine partnering with a client who's out there as your advocate spokes person telling the world "Look take it from me. I am a customer this thing has solved all of our problems." That is hugely important in terms of. You can't even buy that kind of advertising. So, it's a third-party endorsement.

When I say "Partner with them, I said, "You know what, let's do this together. I'll be there. I'll set up a booth." He said, "Great." Because we want to go out there and provide value to the people in our industry but you know what, we're going to do this thing together. So, I'm going to introduce him. I'm going to close the program. I'm going to have a booth there. And, he's going to do most of the speech. So, partnering with your customers. Can you write magazine articles together? Trade magazine articles together. Can you do a booth together at trade shows? Can you do collaborative newsletters? Can you swap each other's e-mail list? In what ways can you start breaking down the barriers of seeing people in business by themselves and start building a larger network to rounding yourself with more talented people with greater access to more people is the way you truly will leverage all of your efforts.

Michael: That's great.

Lorna: It's a fun world when you really start thinking about the enormous abundance of connections that are available.

Michael: That's the end of our interview with Lorna. I hope this has been helpful and has given you some additional ideas on how to use referral marketing in your marketing consulting business. Thanks for listening.