If Sales Is Your Life Blood
Then Here’s A Complete, Proven System To Get Referrals Without Begging, Bribing, or Embarrassment...
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

Founder & CEO: www.hardtofindseminars.com
‘If Sales Is Your Life Blood Then Here’s A Complete, Proven System To Get Referrals Without Begging, Bribing, or Embarrassment...Created By A 28 Year Sales Veteran’

Immunize yourself from difficult economic times by having a strong referral system in place. The top sales producers, in any industry, get most of their income through referrals.

Most struggle with traditional methods like direct mail, advertising, or cold calling. But a top earner with a strong referral process doesn’t have to worry during difficult economies.

Referral marketing is the most powerful, cost effective, targeted marketing you can do. And it’s easier to do than you think.

Who can benefit from an effective referral marketing system?

Any HMA consultant, people in financial services, real estate professionals and investors, services industries, auto sales, any relationship marketing industry, and even part time home businesses.

In just a few minutes you’ll meet Paul, the referral marketing expert.

Paul is a sales industry veteran of 28 years. Like everyone else, he learned traditional referral training that didn’t work. He had the same poor results everyone else had.

Paul searched for, found, and interviewed 48 sales superstars in a variety of industries. His ‘superstar’ criteria included earning a million dollars or more annual income, at least 50% of their business is from referrals, and they must be in a relationship driven industry.

He took the best strategies used in real world selling and created his referral marketing system.

Not only did he create the system...but he uses it to help people in their businesses...by referral only of course!

For more interviews on marketing consulting go to http://www.hardtofindseminars.com
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You’ll hear several case studies in this seminar.

**Case Study #1**  
You’ll hear about Andrew, a management consultant for 13 years. Andrew has tripled his income to $200,000 per year. No more spending on direct mail. And almost 60% of his business is now referral-based.

**Case Study #2**  
Laurie was green as grass. Right out of college and selling high end copiers. She was struggling and sitting right at the bottom of the sales team. 4 months later Laurie found herself #3 on the sales team. All of her business is from referrals.

In this 80 minute audio mini seminar you’ll discover...

- How to immediately increase your profits by creating a flood of new referrals for your service or business.
- How to turn that flood into a steady, ever growing stream of referrals and business.
- How to create new business without spending a dime on advertising.
- Eliminate the fear of looking desperate by asking for referrals. Using Paul’s system no one will ever think negatively about being asked for referrals.
- The truth about experts and why you don’t have to know everything in your field to be an expert.
- A Step by step system for getting referrals. What to do, what to say, why you do it, and why it works.
- A whole new perspective and approach to networking. It’s nothing like what you’ve learned about traditional ways to get referrals.
- How to contact previous clients to put them in your referral system. They’ll never question a thing about it. It’ll be natural and seamless.

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• How to use the foundation principle of the referral system to dramatically boost referral rates. Proven to work again and again with Paul’s coaching clients.

• Why traditional referral marketing only condemns sales people to mediocre results or failure.

• A process that gets the very best referrals from clients. Your bottom line will take-off when you’re getting high quality referrals.

• How to effortlessly eliminate any reluctance to give you referrals. There’s absolutely no trickery involved. Your clients will expect to help you and want to do it.

• How to know what kind of referrals you’re getting and what to do with each kind of referral.

• How to almost guarantee getting heard from a hot referral.

• How to increase your chances of getting a meeting by 90%.

• How to increase your chances for a meeting by 99%. And you don’t have to sell them on doing it. But use this only for the hottest prospects.

Case Study #3
Stuart had been a realtor for 4 years when he contacted Paul in early 2007. He was closing 1 house a month and made $50,000 in 2006. Now in 2007, he’s closed 30 deals so far and is on track to triple his income to $150,000.

Case Study #4
Andrea sells cosmetics through home parties on a part-time basis. Her best month was $800. 5 months later, she experienced almost a 500% increase in sales. She sold $3000 last month.

The results in these case studies are no accident.
They simply put a process into place and worked it. A complete, step-by-step system for getting referrals over and over. Once you have your own system in place you’ll never have to fear a weak economy again. For more information contact 360-525-0203.

PAUL: For the past few years the economy has been very, very good. And a lot of sales people have found it to be an excellent selling environment. But we’re about to see that change. And as that changes the excellent selling environment is going to become a difficult selling environment. And people need to be preparing themselves now for that difficult environment that’s ahead. And the best way to prepare his through the best prospecting method there is and that’s referrals. Because historically those top producers that generate the majority of their business through referrals find a difficult selling environment to be not much of a pain at all. Where as the rest of us who are still having to rely on direct mail or advertising work and calling find a difficult selling environment not only to be difficult but for many of us it puts us out of business.

MICHAEL SENOFF: Hi it’s Michael Senoff with Michael Senoff’s Hard to Find Seminars.com. Get ready because I have an 80 minute intensive interview with one of the best experts I know on the subject of referral marketing. The greatest marketing blunder of all time occurs when you ignore the power of referrals. Now everyone knows one of the most effective ways to quell any business is through referrals yet when I asked most business owners what they do to generate a steady stream of referrals they are hard-pressed to give me any answer at all. Referral marketing is the most powerful cost-effective and targeted marketing you could ever do. Now you’re going to learn that it’s easier than you think to create a flood of referrals for your business or service. The single most important factor that you must have is a system for getting referrals. If you are not receiving referrals from every one of your clients and I want you to listen to Paul my referral expert. In this 80 minute intensive interview you’re going to learn how to create a flood of new business. You’re going to learn how to create a new business without spending one dime on advertising. This mini seminar is an insider shortcut to referral marketing that will super charge your business, your wealth and your life. Even if you don’t know much about marketing what are we waiting for let's get going and start learning how to get a flood of referrals. So we’ve got consultants all over the world and I want to give them the best advice I can on how to build a referral-based consulting practice because you know being in sales training with the turnover what’s the real pain for salespeople and one big thing is going out there and doing cold prospecting. And certainly it is the dream of every consultant to just sit at their desk and have their phone ratings and people calling them saying hey I was...
referred to you, you are an expert at marketing and consulting and that's why I am calling. So hopefully you will be able to shed some light on this whole referral type business and some of the advantages and maybe why a consultant would want to steer his consulting practice that way and some tips on how to do that. You have seen over the course of your career a lot of regulation on direct marketing and tactics on acquiring new business?

PAUL: Particularly in the financial services industry everything has to go to the compliance department. And compliance departments are getting tougher and tougher and tougher to deal with. One of my client companies is UBS and they are really beginning to drive me nuts because in some parts of the country they have instituted new policies that when they hire a new financial advisor that financial advisor is only allowed to prospect one-way and that is through cold calling. And they are only allowed to cold call at their office desk because it has to go through a particular system where the system verifies that the phone number they are calling is on the do not call list. They won't allow them to write articles or give speeches or spend direct mail or do anything else for fear that they are going to cross the compliance line. They are scared of the compliance laws and more and more companies are going in that direction. They are making it very difficult for their salespeople to sell. So they are basically coming down to in UBS's instance in their cold calling or networking. That's basically their choices. They have no other choice. The biggest problem that people in the financial services, real estate, mortgage industry etc. are facing is what used to be considered very sophisticated complex financial decision meeting expert guidance and advice are now becoming nothing but commodities. With all of the canned advice that people are getting from newspapers and magazines and books and TV shows many people no longer feel that they need advice that they can self medicate in these areas. There are financial planning firm's out there that they financial plans that they sell are just build the blank do-it-yourself canned stuff so they are getting canned advice. All of this that used to be expert based is now becoming just a commodity. They salespeople are no different than the associate at Wal-Mart. They may as well have a vest on that says how can I help you because all they are doing is filling out the paperwork. But fortunately there is still a significant group of people out there that realize these are important financial decisions and they need expert advice. The problem is if you approach them in a non-expert manner then for them you are not an expert. Clients perceive that experts get their clients through expert sources such as referrals, such as publicity that an expert would get through the newspaper or three radio or TV. And if you don't have that perceived image of being an expert then you are just another one of the crowd and if they are going to go to just another one of the crowd

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they may as well go to the one that's got the cheapest price. So in order to be able to continue selling as an expert-based, advice based salesperson whether you're in insurance or securities or financial planning or mortgage now you have to have that expert image and reputation. And you get that through both the weighted to prospect and the way he did to market yourself. Those come through referrals and generating the local publicity of being an expert. We are quickly, very quickly entering a time when there is going to be a real washout of salespeople in those industries but those people who come position themselves as experts are going to make more money than they ever dreamed of.

MICHAEL: Can you talk about some stories of maybe some of the people that you've trained through the years? Do you have a success story that has really hit home the point of how referrals can change the life of a person in the life of a business?

PAUL: You bet. We can start off with a management consultant. The gentleman’s name is Andrew Jackson. He is out of Birmingham, Alabama of all places. When I started working with Andrew he has been in the consulting business for about 13 years. And he works primarily with small businesses and startup entrepreneurs. And his business was pretty average. We had been working for a little over a year at this point. And when I started working with the injured most of his business came through networking. He did a lot of direct mail and targeting advertising. He spent a great deal of money and his direct mail campaign, a pretty inefficient campaign that he was working although it did bring in an income. His income at that point was about $70,000 a year after expenses. And like I said we have been working together a little over a year. He is taken the referral process and very diligently implemented that. At this point a year later he no longer does a direct mail. That alone is saving him $3500-$4000 a month. He has doubled his billing. So when we figure at the end of this year with his savings from no longer doing direct mail plus is added income he is going to almost triple his income in a year.

MICHAEL: Wow. I assume you're coaching him?

PAUL: Yes he’s a coaching client.

MICHAEL: So how excited was he?

PAUL: Oh he is thrilled to death. Now quite honestly when we started working together he was somewhat skeptical. He let go salespeople had tried to generate referrals in the past. He had used the methods that almost everybody uses. He did a good job and asks for referrals. And like
most every other salesperson he found it didn't work very well. So when we got together he was fairly skeptical that it was actually going to work. And it took probably 60 days to actually get him comfortable with the concept that he can generate a large number of high quality referrals and at the same time not come across as though he's begging or he's desperate for business. Once he got the concept and really began to implement within 60 days his income was dramatically increasing. Within six months he was beginning to drop his direct mail campaign. A year later there is no direct mail campaign. Almost 60% of his business is based on referrals. He is bound and determined and is probably going to do it. By this time next year he is going to be 100% referral-based.

MICHAEL: What have you seen that do for his confidence?

PAUL: Like I said he had problems with the idea that referrals wouldn't work. Like many salespeople he thought asking for referrals was going to come across to his client as begging or that he was needy. He was not confident that there was anything out there for him to use as a prospecting tool other then spending a lot of money on advertising and a lot of money on direct mail. He was very reluctant to pick up the phone and call somebody. He wanted to sit and wait for people to call him. So consequently any other form a prospecting, cold calling, or walking into an office and introducing yourself that was all out. So he was literally down to whatever he could generate from direct mail or from advertising. And he had a reasonable income not a great income. When he began to see what this can do for him his whole attitude has changed. He is anxious to get out and talk to people because first off he knows the process works and secondly he understands that if you sit and wait you are not going to make any serious money and he wants to make some serious income. And he is on his way to doing that. This year he is going to make about $200,000. Now about $45,000 of that is going to be savings from his direct mail campaign but he's going to put $200,000 in his pocket as opposed to about $70,000 last year. His confidence is really beginning to soar to the point that his stated objective for 2008 is to double his income again. It's going to be tough but he can probably do it if he really puts his mind to it.

MICHAEL: Let's do another case study. Tell me about another may be student of yours or it doesn't even have to be a student of yours. Tell me what referrals have done for them and their business.

PAUL: I'll give you another one. A salesperson that is new in sales. This is a lady by the name of Laurie Webb. She sells reproductive equipment out of Austin, Texas.
MICHAEL: What is reproductive equipment?

PAUL: Copiers, high end copiers. When I started working with her. She is also a coaching client. She had been in her sales position for less than a year and it was her first sales position right out of college. So she was very green and knew very little about sales. She was struggling. She was just barely making it. Now we have been working together for only four months. This has been a very short period of time. Before we got together she generated prospects through cold calling and walking door to door and networking. And she managed to generate enough sales just to keep from getting fired. Her company generated some sales leads and unfortunately she got very confused simply because in her office the way they divided up the sales leads was the top producers got the most and that it trickle down to the bottom. And as the bottom of the sales chain in her office she basically got the dregs, what everybody else didn't want. So her sales leads for her company were pretty much worthless. She was basically on her own cold calling and networking. Now unfortunately her networking was very inefficient. She went to the usual places the Chamber of Commerce etc. and had the same basic results as other people attending the Chamber of Commerce and those types of meetings and much nothing.

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PAUL: We had been working together for four months working on two things 1) referrals, referrals, referrals and then 2) efficient effective proven way to network to bring an additional business. Last month for the first time her sales put her in the top 20% of her company. This month it looks like she's going to be in the top 20% again. She has gone from being the very bottom person in her office to being number three in her office. She is thoroughly excited. Virtually all of her businesses now, all of her sales are coming from past clients.

MICHAEL: Can we talk a little bit about what you'd told her to do. What did she do to make this happen?

PAUL: Basically when it comes to networking my thoughts are you don't want to go to the Chamber of Commerce or the typical places. If you go to a Chamber of Commerce meeting and probably half the people are your direct competitors and the other half of our salespeople looking also for contacts. So I had her change her whole networking thought process. I had her join as an amatory [?] member a local Architects Association and then I also had her join the local Printers Association because
those are her prospects. Why spend time networking at a Chamber of Commerce where you might sell it cheap copier once a year when you can join the associations that are all about your prospects.

MICHAEL: So architects because they need copies of their plans.

PAUL: They need high end reproduction as to printers. They don't need just one or two here and there. A large architectural firm is going to have numerous high end reproduction pieces of equipment as it is a printer. Now unfortunately she doesn't get to sell them for the exact same price as she would the local real estate office that needs one copier but she sells higher and equipment and she sells more of it and she makes more money. Then when I had her go instead of everybody wants to go with this idea that they are point to walk out with a pocket full of business cards which just isn't realistic. When I had her attend the meetings she had basically two rules to follow 1) that she didn't talk about herself or what she did. She spent all of her time talking about that person that she met and what they do because she wanted to get as much information as possible about that person. What she was doing when she was talking to them she was interviewing them, she was qualifying them. And if she determined that this was actually a prospect then she would invite them to lunch or coffee or whatever and most everyone would accept. At the coffee meeting she would slowly start to talk about herself, her company, and her products. The conversation was directed at them, the invitation was directed at them in the sense of very interested in what you do I would like to do more. Well we are running out of time so let's set up coffee or lunch or whatever. During that meeting like I said very slowly she would begin to introduce herself, her products and what she was really doing is just trying to establish a relationship. So towards the end of that lunch or coffee as I said she would begin to slowly talk about what she did she does and she would ask if it would be permissible just to drop off some literature. Again virtually everybody said sure. Well she's not point to just drop it off she will say great let me come by 10:30 on Friday morning just to say hi and dropped us off. And she does that but when she drops it off she realizes that she actually forgot to bring one important thing so she sets up another quick appointment for early next week. So in the course of a week and a half she has had the opportunity to meet with this person four times.

MICHAEL: Now is that important in the strategy?

PAUL: It's important in the strategy because generally it takes seven to eight meetings before somebody begins to think of you as a friend. And what she's trying to do is rush the process. So if she can get those for an within a week and half and then within a couple of weeks callback
to specifically ask for an appointment this time. Within three weeks to four weeks she can have had five meetings with this person which puts her pretty close to the next Association meeting. So within two months of she can have her seven to eight meetings and by that time the person is beginning to think of her not as a new appointment but as a friend. And people like to buy from friends.

MICHAEL: Right.

PAUL: So she can very quickly expedite that whole process. And it appears as though it's just coincidental and accidental. But in actuality it's a well thought out plan of how to expedite the meeting without appearing to be pushy.

MICHAEL: When she forgets to bring something back and she comes back on the next meeting is it just are quick to bring that day mission forgot, drop it off and then take off?

PAUL: Yeah. What she wants to do is take that casual hello, good to see you again here it is and try to stretch it out into a longer conversation. Sometimes she can sometimes she can't. The important part of that is getting the name and the face etched again in a prospect's mind. And getting them to begin to think in terms of this is a person that I just met to, oh, it's Lori.

MICHAEL: Okay so then the next meeting comes up what do you instruct her to do at the next meeting but that person?

PAUL: The next meeting would actually be fairly close to a real presentation. She would follow up on the information that she dropped off. And at that meeting many times when you take the information by their office the first time because you told them all you wanted to do was drop off some information say hi how are you doing. Many times they will meet you in the reception area. That second meeting where you forgot to bring something and you drop it off again many times they will meet you in the reception area. That third meeting is when you actually get to go to their office. And that third meeting basically you have three things that you need to do 1) began to make your presentation. It's not a hard sell it's pretty much an introduction of just what I do. By that time if you have carried the conversation well you know a lot about that person's business. And you know a lot about their needs because that first conversation during the initiation meeting when you met them was virtually 99% about them and their business. The second meeting at coffee or lunch was 85% about them. So by this time you ought to know their business fairly well and you should have some concept of how you might be able to help them. During the third and fourth
meetings where you just drop stuff off if you have the opportunity of course you try and learn as much as you can. When you get into their office you can learn a lot about them. You get the opportunity to give them a brief introduction into your company and your product but you get to look around their office. And by looking around their office you can learn a whole lot more about this particular person and individual because typically they're going to have a lot of signs in their office that you can pick up on about who they are as an individual. They are going to have plaques, pictures, books all kinds of things that should be able to give you a lot of information about whom this person is and what makes them tick. So you are on a reconnaissance mission at this point.

MICHAEL: But the whole plan is to it would be nice to sell this person but the real value is to get this person to refer you to their network.

PAUL: That's part of it. That’s part of the reason why you’re looking around to see.

MIACHAEL: I mean the whole strategy for Lori.

PAUL: The whole strategy is to sell them and to get referrals from them.

MIACHAEL: Okay.

PAUL: They are used to people coming on very strong. Hey I sell copiers what do you want; versus someone coming in and getting to know them. But typically to develop a business friendship takes a fair amount of time. All this is trying to do is accelerate the whole process without coming across as being strictly “salesy” [sp], it can develop a friendship more quickly and gives you a ton of ammunition because you learn enough amounts of information about their company so when you do sit down and give them a product presentation you can zero in on their needs and it seems like you are an answer to their prayers because you really understand their business and to really understand what it is that they need. And the reason that you understand it is because that they have told you.

MICHAEL: Right.

PAUL: They just didn't come out and directly tell you, you just found out through normal conversations.

MICHAEL: Was Andrew Jackson using the same method with building the personal relationships with meetings and such?
PAUL: Yes. Most everyone that I work with that does not work tends to network and a very inefficient manner. They tend to go to places where they are not going to be able to generate a lot of business. For instance lots of realtors and insurance agents and financial planners and lots of these folks all go to the Chamber of Commerce. And basically if the Chamber of Commerce and is networking events would just bring in a sales trainer it could be a sales training event because they are all salespeople looking for other people to sell to.

MICHAEL: Right.

PAUL: So instead of spending two hours, three hours at the Chamber of Commerce event it would make more sense to spend the same amount of time with an association that really has a lot of your particular prospects.

MICHAEL: Did enter sign up with associations for management consulting that were related to?

PAUL: Yes he joined to associations one was a Manufacturers Association because he deals with small manufacturers. And the other was a trucking Association because he deals with a lot of small trucking companies. And both of those have worked out well for him. He is not going to run a cross a lot of small manufacturers or a lot of small trucking companies through the chamber. But that's where he was spending his time because that's where most people when you think of networking you think of either a networking group like BM I or you think of the Chamber of Commerce. Everything has got Association. Everything has their own little organization. And people don't think in those terms which is actually two your benefit because when you go to the Chamber of Commerce and your insurance agent you've got 17 other insurance agents roaming the halls but if you're an insurance agent and your specialty is commercial insurance and you join the commercial building management Association and you go to their Association meeting you may only have one or two other competitors there. And I would much rather be with a whole bunch of prospects with little or no competition in being someplace where there are very few prospects and all kinds of competition.

MICHAEL: Let’s go into another story. Can you come up with another case study like this family can expound on that?

PAUL: Sure. This is a lady Tracy Granger. She is an attorney out of Miami. She has a general practice and has been practicing for about 7 years and it’s a decent practice. It’s not earth shattering but it’s decent. And she basically found her clients pretty much the same way Jackson did.
She did a lot of advertising, fair amounts of networking and she got the occasional referral from another attorney who couldn’t handle a particular situation. Like Jackson she was very reluctant to ask for referrals. She thought that asking for referrals was 1) rude and 2) would come across as begging for business. She also felt that in order to get referrals she going to have to basically bribe a client to give her referrals. So she was very skeptical. So she had been referred to me by another attorney and she called. I convinced her it was seriously worth looking at if nothing else. We have been working together 7 months now. Her goal is to find a way to eliminate her advertising. Her advertising budget is about $3,500 a month and she would like to find a way to eliminate that expense. We have gotten her over reluctance in asking for referrals. That took a little longer than it did with Jackson. It took almost 4 months to get her to the point where she was actually comfortable talking to her clients about referrals. But since then over the last 3 months, well this month she is going to increase her billing hours by about 40%. She is finally sold on the power of referrals. And she is also sold on the idea that as a professional and this is true for any professional whether you are a sales person or an attorney or a physician or anything else. Clients want to work with experts. And clients assume experts are not out there cold calling or beating doors down or sticking their business cards under windshield wipers or anything else. They assume that experts, true experts are generating their business through referrals. So when you ask for referrals that is not something that a client would think “gosh this guy is begging” or “gee she’s begging again, she’s needy”. That’s not what they think. They think that’s what you do when you’re an expert. Clients send you customers. Not you go out and beg for customers. So she finally realized that the referral process is the professional process it’s not begging.

MICHAEL: Did Tracy join Associations?

PAUL: She has joined a mother’s group, a strange one. But she does divorces and she is like I said in Miami and there is apparently an organization down there that’s apparently pretty big for mothers of young children. They are very active. So she has joined that. And she also has young kids. So it works out for her to join that organization. But it also puts her in contact a lot, unfortunately, with potential clients.

MICHAEL: So what’s your story? How did you get into all of this and how did it all steer to this referral business? Was this something that you developed out of a struggling sales career and necessity?

PAUL: Basically I have been in the sales industry for about 28 years. Either in sales or sales management or sales training, some how or another I
have been in sales for 28 years. When I entered the business I was told like every other sales person that referrals were the life blood of success. That if you wanted to be success you had to get referrals. And the training I received was the exact same training that most every sales person gets. Do a good job and ask for referrals. And I did that and I had results that most every sales person had it doesn’t work very well. But I was in the financial services industry and a few years later I was taught a different strategy. What is now the traditional financial services industry of I get paid two ways 1) commission and 2) referrals. I found that didn’t work very well either. But over the years I kept hearing that referrals were the panacea and I looked around and saw that very, very few sales people generated enough referrals to make a hill of beans difference in their business. But there were a few, not very many, but a few who really seem to be able to run their business off of referrals and they all seem to be top producers. So a few years ago I decided I was going to talk to 3 or 4 of these guys and just see how they did it.

MICHAEL: Were these real stars in their industry?

PAUL: Yep. Now let me say the criteria I came up with on who I was going to talk to. I figured if I was going to talk to 3 or 4 of them I may as well talk to the real superstars. So I came up with 3 what I thought were going to be fairly difficult criteria to match. But first if they were going to be a top producer they had to make a million dollars or more in their sales business. Since my real emphasis getting the great number of referrals they had to generate at least 50% of their business from referrals. And then the last criteria were since I was in the financial services industry they had to come from a relationship driven industry. I actually thought it was going to be hard to find these people. And then I found out it wasn’t hard at all.

MICHAEL: How did you find them?

PAUL: The first thing I did was I looked for a realtor. I looked for the biggest named realtor I could find and from them I got referred to several others. They also referred me to the mortgage loan officer. And from there it was just word of mouth such as “I know about this guy over in Maryland and I know about this guy over in Ottawa”. So I ended up interviewing 47 of them. They came from all different kinds of industries. A lot of the myths that we had been taught about sales people I found out were absolute myths. And some of these people were just as gregarious as they could possibly be and some were virtual wall flowers as shy as shy could be. So that pale fellow little myth is shot down. Less then 40% of them own their own company. So the idea that you have to own your own company is gone. Most of
them did not start off with any advantages that the rest of us didn’t start off with. They didn’t start off wealthy. They didn’t have a lot of money to put into marketing and advertising. They weren’t given a special book of business by their company or anything else. They started off just like the rest of us did. What I did find they had in common was virtually every one of these people has is a tremendous fear of failure. One of the things that really drive’s them is everyday they have to prove to themselves that it wasn’t a fluke that they can do it again. That was a real surprise to me. You would think that after making 7-figures for several years in a row you would be pretty well convinced that you are pretty good at your job. But the recurring thing with these people is there’s always that fear of failure which pushes them. But when it comes to referrals all of them started off with that traditional method of generating referrals of do a good job and ask for referrals. All of them found it didn’t work. So independently these people began to generate a process that does work and all of them have certain things in common. Now what I’ve done is taken pretty much the best practices of these people and put them into a process. For instances they recognize there are serious, serious problems with that traditional method of trying to generate referrals. The first problem is when you wait until after the sale has been completed literally if some people are walking out the door to ask for referrals you’re basically ambushing your client. You’re taking them by surprise and you’re confronting them with unwelcoming and very uncomfortable request. Most clients don’t want to be rude. They don’t want to say no. But at the same time you’re asking for something that they are totally unprepared to do. So you put them in a quandary. It makes them very uncomfortable. The reason a lot of sales people refuse to ask for referrals is because intuitively they understand that they are putting their clients in an uncomfortable position which makes them uncomfortable. So they don’t want to do it. So these guys understood that. They also understood that by waiting until that last second to ask for referrals you’re asking your clients to go through their mental file cabinet in 10 or 15 seconds and are expecting them to come up with good referrals for you and that’s just not realistic. And then on top of that you haven’t even defined what a referral is. And now we all know what a good referral for our sales is and we assume that our client understands that. When we ask for that referral we’re standing there thinking give me somebody just like you.

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PAUL: Well unfortunately what the clients thinking is what in the world does this person want and how do I get rid of them? They don’t know what you want unless you define it for them. And that traditional method
doesn’t define it for them. And then it doesn’t give them a reason to
give you referrals. Clients as human beings tend to do things because
they perceive those things in their own best interest. They don’t give
referrals because they like you or they respect you or even because
they think you did a good job. Clients give referrals because they
perceive giving you referrals is in their own best interest. And that
traditional method doesn’t give them a reason. And then finally it
doesn’t give them a way to determine whether or not you’ve earned the
referrals. Most clients assume whoever they refer you to is going to be
more critical and more demanding then they themselves have been.
And in order to give you referrals they have to have the assurance that
you’re not going to embarrass them in front of acquaintances or family
or co-workers. And if their not prepared for your request, if comes out
of the clear blue, if they have not had an objective way to determine
whether or not you’ve earned the referrals when you ask even if they
you’ve done a good job they begin to go back over the sales process
again and they get more skeptical. They think I remember that time
when he called and he said he would, and I remember this and that.
And whomever I refer him to won’t accept that. So you have to give
them an objective way to determine or not you have earned the
referral. The traditional method doesn’t do any of these things. These
guys independently developed their systems to eliminate those issues.
The first thing all of them virtually to a man and woman let their
prospect, whether that prospect comes from a referral or a cold call, all
of them let their prospect know within 15 or 20 seconds of the
beginning of the conversation that they’re referral based. They bring up
the idea of referrals right off the bat. And it becomes a consistent
theme through out the whole process. And what they’ll do, if it’s a
preferred prospect it’s pretty easy to do because they understand the
process. But if it’s not a preferred prospect if it’s a cold call or
somebody just happens to walk into their office. Let’s take a cold call.
They’ll say something like Michael my name is Paul and most of my
business comes to me from referrals through my clients but I ran
across your name and it occurred to me that I might be able to help
you. And then they go on with their speech. But within 7 or 8 seconds
they have the idea that this cold call is out of the norm for them. They
don’t do this. Most of their business comes from referrals. So for
whatever reason Michael you are the exception and I’m calling you. If
it’s somebody that walks into their office, when they greet them they’ll
saying something like, Michael I normally only work with clients that
have been referred to me but I’ve got some time let’s sit down and see
if I might be able to help you. All it is, is trying to get two things across
to them; 1) I’m referral based and 2) its not the way I normally do
business but I’m going to help you. They need to get that in for 2
reasons. First off if it’s a cold call you want to differentiate yourself from
the other telemarketers out there who are just dialing and smiling. Well
they’re claiming this is truly the exception for them. They had a particular reason to call you. Now that means you have to do a little research on the people you are calling because a lot of folks are going to let that go by. But some will say why me, why did you choose me to call. What was it about me? And you’re going to have to have a reason. But the object is to let the know this non-referral contact is out of the norm and that’s important because through out the rest of the process of the sale they’re going to re-emphasize to this person that they get their business from referrals. And it’s hard to proclaim yourself a referral based sales person if you just cold call them and didn’t let them know that it was out of the norm to do that. You can’t be two things at once. You are either referral based or you are not. And if you are referral based it doesn’t mean that you can’t cold call. It doesn’t mean you can’t network. It doesn’t mean you can’t do these other things. You just have to have a reasonable explanation as to why you stepped out of your normal prospecting mode. Once they have established that initial conversation through out the rest of the process while the prospect is still a prospect. They continuously drop referral seeds just little hints. They keep talking about referrals. Now this is not an in your face I need referrals, I except referrals. It’s very subtle. It would be something like: Gosh Michael traffic is horrible I was across town meeting with a newly referred client and I really didn’t know if I was going to get here on time. I just barely made it. Or Michael I’ve got a meeting next Tuesday with a newly referred prospect do you think we can get together right afterwards say at 11:30? It’s just a normal course of the conversation. Prospects aren’t stupid. If they continuously here that your business is referral based they will put two and two together and figure that eventually you are going to be asking them about referrals. It’s not going to come as a surprise. Now once the prospect has been converted, has gone from prospect to client then they have a totally different conversation. They have a very direct conversation at that point. And the conversation covers several things and as I describe it, it may sound like this is a long drawn out conversation and it’s really not. It typically would take 5, 6 minutes at the most. The first part of the conversation is getting the clients agreement that they are going to give you referrals. Simply after they say I’m going to buy. Yet it makes no difference what the product or service is. If it is a consulting contract it is going to take 6 months to fulfill you still bring it up as soon as they agree to become a client. Just as if you were selling an automobile that’s to be delivered in 2 days. It makes no difference. But once they have converted from prospect to client you get their agreement that they’re going to give you referrals. And that is a very simple statement. Mike you remember that I told you my business is built on referrals and once we have completed the sales if I’ve done my job as I promised to do my clients will give me 4 or 5 good referrals. Does that make sense to you? Is that reasonable?
MICHAEL: Sure.

PAUL: And then you just go on. You don’t emphasis it. You don’t beat it to death. You get their agreement and then you move on. The next thing is to define what a good referral for you is. Hopefully a good referral for you is exactly what is sitting in front of you because if it is all you have to do is paying it back to them exactly who they are. If it’s a business to business sale then you want a vendor or a distributor or a competitor or anybody else that is very much like them. If it’s a consumer sale then you want a consumer exactly like the person sitting in front of you. Because more than likely that business does business with other companies about the same size or that consumer knows most of their friends are very similar to them. So you just repeat back to them who they are and you ask them if they understand, well of course they understand. So then you move on to the third part. At this point you have got them to agree to give you referrals. You’ve got them to agree to give you 4 or 5 quality referrals and now they know what a referral is. So now you explain to them why it is in their best interest to give you a referral. And that also is a very simple statement. My clients give me the referrals simply because unlike most other salespeople who have to spend 70%, 80% and even 90% of their time out beating the bushes looking for next month’s commission I spend my time taking care of my clients. And in order to be able to do that my clients give me the referrals. Does that make sense? Everybody’s going to say yes that makes sense. I would rather you take care of my purchase then not. On occasion somebody’s going to say well I don’t understand. So asking 3 or 4 simple questions; have you ever had a purchase where the sales person didn’t return your phone calls? Have you ever had a purchase where something went wrong and the sales person didn’t inform you? Well of course. Have you ever had an instant where you needed something from somebody and you could never get an answer? Well the reason those things happened is because those sales people couldn’t take care of you. They had to be looking for their next commission check. That’s the reason my clients give me referrals is because I don’t do that. I take care of you. You get your phone calls returned on time. I make sure problems don’t arise. I make sure if you need something you get it. Is that worth the referral? Then you get to the last part. My clients don’t just give me referral’s I earn them. And I earn them by giving you the exact purchasing experiencing that you want. Would you do me a favor and tell me what it is you would expect in the course of this purchase. And they are going to say “huh” because nobody has ever asked this. They are going to say I don’t know what you mean. Well Mike you have heard the expression exceeding the customers expectation. Today everybody is saying they exceed customer’s expectation. Well yeah, I have heard that. Well
unfortunately nobody ever exceeds their customer’s expectation because nobody ever knows what their customer expects because they never ask. Well I’m asking because I want to give you the exact experience that you want not the experience I think you should have. So if you’ll just tell me would you like me to keep you informed every week, every day or every other week. How would you like me to inform you about what’s going on? And then you just go through about 4 or 5 questions but you only have to ask about 1 or 2 and most people will start spilling their guts about what it is they want. What that does is sets up objective criteria for them to determine whether or not you have earned the referrals. But more importantly it lets you know exactly what you have to do to make them happy. And then the third thing it does is if they have any unrealistic expectations you can nip them in the bud right now rather then allowing them to become real issues later on. Once that conversation is over you basically go back to dropping those little seeds by weaving the idea of referrals into the conversation as the sale progresses. You just don’t want to them to forget but you are not going to beat them over the head about it. But at the same time you’re doing that you’re paying really, really close attention to these people. You want to learn everything you can about them. You want to know what associations and organizations they belong to. Who their past employers were? Everything you can find out because after the sale has been consummated you’re going to set up a meeting with them just to get referrals. You’re promise is you are going to deliver exactly what they wanted and then they are going to give you referrals.

MICHAEL: So you’ve got to deliver first.

PAUL: Yeah. You’ve got to deliver first.

MICHAEL: For more interviews like this go to Hard to Find Seminars.com. This is the end of part 1 please continue to part 2. If you would like more information on some of the services Paul offers please call him at (360) 525-0203 that’s (360) 525-0203. Thanks for listening.

MICHAEL SENOFF: So you’ve got to deliver first?

PAUL: Yes. You’ve got to deliver first.

MICHAEL: Okay I’m with you.

PAUL: That’s the reason you keep dropping those little hints about referrals because you don’t want them to forget.

MICHAEL: Now did you say that you wait until you deliver and hopefully you have a happy client and then you ask for that meeting?
PAUL: You ask for the meeting.

MICHAEL: Okay, let’s talk about how we do that exactly.

PAUL: That request is easy. Mike you remember our conversation about referrals? You agreed that if I had done my job that you would give me 4 or 5 referrals and I think you will agree that I have performed very well. Yeah you have. Well let’s set up the time, it’s only going to take 15 or 20 minutes. It will be a short meeting. When will be good for you? So you set up the meeting. But you have to be aware that some clients despite your best efforts are going to show up at that meeting with no referrals for you. It’s going to happen. Well you don’t want to walk away with no referrals. So during the course of the sale you have been paying very close attention to who these people might know. You have found out who their previous employers were, what organizations and associations they belong to. And you did a little bit of research and you came up with a list of 15 or 20 people that you think they may know that you know you want to be referred to. So you go into the referral acquisition meeting. If they have referrals for you then you get those referrals first.

MICHAEL: Now what do you want to get from them?

PAUL: Everything you possibly can. It is crucial that you understand what the relationship between your client and that preferred prospect is.

MICHAEL: Okay. So let’s say you are there at the meeting, he’s in front of you how do you open it up? How do you give him the expectations of the information you want. How do you word that?

PAUL: Mike I appreciate you meeting with me today to give me the referrals. What I would like to do is as you give me each of those names I would like to spend just 2 or 3 minutes talking about those folks and get a little information that will help me when I talk to them. Is that alright? And you are going to say yes. And he’s going to say Joe Blow. And you are going to say how long have you known Joe? Well I have known Joe 7 years. Great. What kind of relationship do you have? How do you know him? And you’re just going to ask some questions. What you’re looking to find out are a couple of things. First off you want to know the relationship between the two in this sense. Most people assume that when they get a referral they have a good referral. And that’s not necessarily the case. People will give you referrals to people who know them and trust them. They will give you referrals to people who are just acquaintances. And they will give you referrals to people who know them and don’t trust or respect them. And you have to have

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an idea of which of those it is because if that prospect knows and trusts your client some of that trust is immediately in viewed to you. And you start that relationship with that preferred prospect from a very strong position. If it is just an acquaintance that doesn’t trust or distrust your client you’re starting that relationship basically as a warm call. If that prospect distrusts and disrespects your client you’re starting out in a negative hole because some of that distrust and disrespect is also going to be in viewed to you.

MICHAEL: So are you only really looking for that first one?

PAUL: No you can end up with great relationships with any of the three you just have to know where you start.

MICHAEL: Okay.

PAUL: Simply because I think most of us have had the experience being referred to the rich father in law by the poor son in law and we all get excited because my gosh finally we’ve got a referral somebody with some really big bucks. And we call father in law and are blindsided to find out that he doesn’t respect the son in law. And he has no interest in talking to you. So if we know before hand what dad in law’s attitude is we can change our approach and very possibly salvage that relationship. It may be that some of those referrals to people that don’t trust or respect our client are so weak and the prospect themselves are so weak that we don’t even want to bother with it. But certainly any positive and any just acquaintance we would certainly want to call. Even that worst of the worst negative referral the most that can happen is they can say no. Now there are ways to approach the prospect that will ease some of that negativity. And even with a strong referral there are ways that are going to make a big difference in how successful you are with that approach. The tendency is just pick up the phone and call them. And that is one of the worst ways to make the approach to a referred prospect. Because when you call them when you just pick up the phone and call them you basically have to give them the same introduction you would if it were a cold call. Hi my name is Paul with [Inaudible 00:05:01:40] Associates. And by that time that prospect has already had the opportunity to decide just another telemarketer and to mentally turn you off. And the last thing that you want to do is give them an excuse to turn you off. So instead of just picking up the phone and calling you want to preface that with a letter. And of course you can send a letter but that’s not going to be effective so you want the letter to come from your client. But you don’t want your client to write the letter simply because 1) if you ask the client to write the letter based on their schedule. It maybe today, maybe tomorrow or maybe never and 2) the may have client a really bad habit that when they
write a referral letter saying something like Michael I met this guy by
the name of Paul and I think you ought to spend some time with him.
And that's it. That's not going to move somebody to want to meet with
you. So what you want to do is write a letter for your client on your
client's letterhead. If you write it you know what you have done for the
client so you can give you some specifics. You have also asked a lot
of questions about the prospects so you should be able to give the
impression of writing a personal letter from a client to the prospect. In
that letter you want to do a couple of things. You want to mention as
your client I have asked Paul to give you a call at 10:30. You want
them to be expecting a call at a particular time on a particular day.
And you absolutely have to call at that time. And then the next
sentence is after you meet with Paul I would really like your impression
of him and his company because I really respect your opinion. Well
now you have put the prospect on the hook because his friend is
expecting to hear back from him after he has met with you. Now when
you call the prospect Thursday at 10:30 there's a very good chance
they have not read that letter and that's okay because you are going to
lead off with that letter and your client. You are not even going to talk
about whom you are or what you do until you have captured their
attention through bringing up your client.

MICHAEL: Now how do you do that? What do you say?

PAUL: Hey Mike I'm glad I caught you Richard had sent you a letter that I just
wanted to see if you have gotten that letter. And of course he knows
Richard and he's either going to say yes or no. And if he says yes then
great I am really pleased that you have had the opportunity to read that
as Michael said I do... and then you go into it. If he says no then aw
I'm sorry that you have not had a chance to read that. Would you mind
if I spend just a minute letting you know what Michael was trying to
communicate to you? Well everybody's going to say no go ahead and
then you can go into it. But you have got their attention because of the
client's name. Now it's important that you send a letter even if they
haven't read it. Because many people after they get off the phone are
going to go look for the letter. And if it's not there only one of two
things could have happened either it got lost in the mail which is very
unlikely or you lied. And you don't want to get caught in a lie right off
the bat. You don't want to get caught in a lie ever but certainly not right
off the bat. So even if they haven't read the letter they better have it in
their possession. Otherwise it looks like you've lied. Some people will
try to assume that they really don't have to send the letter but just have
to refer to it. They are just setting themselves up to get caught. Now if
you've got a really good referral. Good in the sense of this is
somebody that you really want to meet. Even if it's a negative referral
in the sense that there's some distrust there. Having your client call
them while you’re in their office is a much stronger way of being introduced. If it is a negative referral it gives that preferred prospect the opportunity to ask pointed questions about you and what you did for the client. That can alleviate a lot of negative feeling that the prospect might have. The other thing is it gives the opportunity for you to be introduced to that prospect and for you to ask for the appointment. It is very, very difficult for a prospect to say no when a client is on the line with you. So you are virtually guaranteed of a meeting.

MICHAEL: How would you word that to your client to propose the idea to pick up the phone and call some of the referrals? How would you say that?

PAUL: I would say Mike this is really great. I really appreciate these referrals and this one Joe Blow I would really, really like to meet him. Would it be okay if we called him right now? And they are going to say sure I’ll call him. Now the key is that you don’t want him to call Joe Blow unless you’re in the office with him. It’s crucial that you know what’s being said. So this is really kind of a one shot opportunity because if he can’t get a hold of Joe while you’re in the office the likelihood that you can reschedule a meeting for that purpose is probably not very good but if he can get a hold of him that is an extremely strong referral and introduction.

MICHAEL: Let’s say he says sure we’ll call him does your client know what to say or do you help coach him?

PAUL: I would coach him a little bit in the sense of I would like you to introduce me and let him know a little bit about what I did for you or your company. Then if he has any questions he can ask them. And before we get off the phone I would like to see if we can set up an appointment. And usually that’s enough. It’s generally a pretty low key conversation in the sense of he calls they chat for a few seconds and then he says you know Joe I would really like you to meet Paul because this is what he did for me. Well hi Paul how are you doing? I’m doing just great. I think you should really meet with Paul. We had talked a couple of months ago and you said you had the same problem. And at that point I would say Joe when would be a good time just to spend 15 minutes together? Just to see if there is anything that might work. Well he’s pretty well in a box at that point. And he pretty well has to come up with the time. That conversation typically doesn’t last more then 4 or 5 minutes. But I had the opportunity to be introduced. I don’t have to pick up the phone and call. I had my client do it for me. I had a 90% sure chance of getting the appointment. Now if it’s somebody I would even be more interested in meeting I would ask the client if he would call Joe and invite him to lunch with the 3 of us. Now you can only generally do that with one at the most two
referrals with any one client because they are not going to make a
career out of going to lunch with you. So you take the absolute best
ones that you have. Most prospects will agree to meet for lunch and
when you meet them for lunch you get to meet them not as a
salesperson but you are the consultant. You are just there to give them
advice. You’re client actually acts as your salesperson for you. And
again as lunch comes to a close you ask for that private meeting and
it’s virtually impossible for the prospect to say no. Many times you don’t
even talk that much during the course of lunch because your client is
giving all the background and all the information for you. And you want
to keep your mouth shut because you want your client to be singing
your praises. And you don’t want to interrupt that. And finally there is
the possibility of inviting your clients and the prospect to some event; a
sporting event, industry event. Those get to be a little trickier only in
the sense that the perceived cost of the event has to be in line with
your product and pricing. If it appears to be too cheap then you look
chinchy [sp]. If it appears to be too expensive then people begin to
wonder just how much are they paying you and just how much are you
making. So there has to be a real alignment of what it appears that the
event costs with the costs and value of your product or service. But if it
works and you can get them to an event you are pretty well guaranteed
that you’re going to go a long ways in that sales process. You may not
end up with the sale but you’re going to have an absolute shot at
getting their business.

MICHAEL: Can we do another story of one of your clients?

PAUL: Sure. A gentleman by the name of Alex Yenman, he is a security
investment broker out of San Francisco. And Alex has been in
business for about nine years now. And he has been kind of a middle
of the road producer. He has it good and bad but nothing out of the
ordinary but nothing bottom of the barrel by any stretch. He gets his
clients pretty much as you would expect in the financial services
industry. He still does a lot of cold calling and sends out a lot of direct
mail. He gets a few clients here and there from his company’s
advertising. And every once in awhile he’ll go raid the orphaned files
and see if he can resurrect an orphan account that the company had.
His primary method of prospecting over the years really has been cold
calling. He has tried referrals. And he had asked for referrals before
he and I started working together but like most salespeople he got a
name here or there and most of them were pretty crappy and he got
only a few sales. When he and I started working together and we have
been working together for just under a year. He was some what
reluctant that referrals could actually work for him simply because of
the industry that he was in. This time last year the financial markets
were extremely strong. Every financial advisor out there no matter
how bad was making money for their clients because everybody was making money. And he was finding it very, very difficult like most financial advisors to get clients to move from where they are to a new advisor. Cold calling certainly wasn't getting him very far. Most of the clients that he was getting from cold calling were either people about to retire who are looking to roll over an IRA or people who had very small amounts of money to invest. The larger client he was getting absolutely nowhere with. We started him on two programs 1) referrals and 2) networking. On the networking I had him join a Physicians Association as an affiliate member. And he began attending those association meetings. He went basically to give free advice to these doctors on how they might be able to set up retirement plans for their employees. He was not talking to them about their own investments he waited until they brought the subject up. Over the course of about six months he began to pick up some business from those physicians. At the same time I had him go back to all of his existing clients and introduced them to the idea that he was converting his business to referral basis. He did not go back to them and ask for referrals immediately. The first thing he did was sent everybody a letter informing them that his business had now grown to the point where he was converting to a referral-based business. He just introduced the idea of a referral just like he had just first met a prospect. And then over the next 60 days he sent them two more communications, one more letter and an e-mail and followed up with a phone call. The two letters and the e-mail were almost identical. The firs one was I'm converting to a referral-based business. He just introduced the idea of a referral just like he had just first met a prospect. And then over the next 60 days he sent them two more communications, one more letter and an e-mail and followed up with a phone call. The two letters and the e-mail were almost identical. The firs one was I'm converting to a referral-based business.

MICHAEL: Did he give a reason why?

PAUL: Yeah his business had grown to the point where he needed to concentrate on his clients instead of concentrating on prospecting. The second was an e-mail and that e-mail was simply a re-emphasis of the first with the last paragraph saying and I want to thank all of my clients that have begun to send me referrals. Well at that point he had not gotten any. All he was doing was implanting in their mind that well people are giving him referrals. Then the third letter came and it was at this point more along the lines of if you know of anyone I would love to hear about them. It was not quite asking for referrals but it was very close to it. And then he followed up with the phone call and the phone call was much more direct. It was basically a modified version of that conversation that he would have with the client after the client converted from prospect to client. It was a much more direct I'm looking for referrals, people just like you, etc. etc. etc. But he had to go through the process of introducing the concept of being referral based because if he just picked up the phone and said Mike all of a sudden I'm a referral-based salesperson they are to be saying hold it when did
that happen? So he had to introduce the concept slowly just like you would with a prospect before he came right out and said this is what I would like. Now obviously with his client database he couldn’t go through the sales process and earn the referrals so he had to ask outright. But he had to prepare them before he actually called them and asked for them. He also because he had files on all of these people for a number of them he knew who their past employers were, certainly knew who their current employers were. Many of them he knew personal data about so when he called he might have a list of 5, 6 or 7 names of people that he knew he wanted to be referred to that they might know. And generally if you go into a referral acquisition meeting and you have a list of 15 or 20 people that you think your client may well know and these are people you know you want to be referred to they are probably going to know somewhere between five and eight of those people. And they will probably if you have done a good job and you have earned your referrals. They will agree to refer you to them. So if they have 4 referrals for you and they knew 6 of the people on your list you will come up with 10 referrals instead of 4. If they had none and they knew 6 on your list you walk out with the 6 instead of none. Well with your past clients you can do the same thing. Now since you have not made it your business to understand who they know you are probably going to have a smaller list. Instead of 35 people you may only have a list of 5 to 10 people. But they will probably know 3 or 4 of those people so you can probably still come out with for referrals. And if you have a database let’s just say it’s a small database of 75 clients. And you can go and get 2 referrals from each one of those 75 that is 150 referrals. And if your conversion rates only 33% that is still 50 new clients without having to cold call, without having to direct mail, without having to advertise or without having to network. That’s not bad. Then if you take those 50 new clients and you introduce them right up front to the concept of being referral-based and getting referrals and you take those 50 clients and lets assume you can only get 4 referrals from each of them then that’s 200 referrals and again assuming a 33% conversion rate well now you have 70 new clients. So it can grow very, very quickly.

MICHAEL: So what has happened to his business over the last 10 months?

PAUL: He has now increased his income for this year a little over 45% higher than what it was last year. And it may grow even more simply because of this his business has grown about 45% this year based on referrals however over the last month his business is in the course of a lot of turmoil. This is the perfect time for him. The market has been very unstable. That is excellent for him. When investors are uneasy their reaction is to run away from where they are. Now there’s not a rational
reasoning that goes through their mind about where they're going to
go. Where they're going to go is just in-material. They just want to get
away from where they are. So consequently it opens up a great
number of doors for him because in a lot of investors that would never
have thought of moving firms and moving advisers a year ago are
more than happy to talk about it today because anything is better than
where they are at. This time last year his market was driven by greed.
Today it is driven by fear. So his income may increase substantially
even between now and the end of the year because not only has he
injected referrals that are having a big impact on his income and his
business but he has injected it at just the right time when his particular
prospects are scared to death.

MICHAEL: So would you say that would be consistent for my HMA consultants
who are doing consulting for business growth?

PAUL: Yeah because what's going to happen unfortunately these credit
markets are going to perculate throughout the economy. First it was
the mortgage market and then that affected the stock market. Well
that is also beginning to affect business and consumer loans. It is
beginning to affect leasing agreements. It is beginning to affect
everything. And as it affects everything it's going to put more and more
maybe not real pressures fears on businesses. And one of the things
and I have been preaching this for two years and it hasn't done a lot of
good. But for the past few years the economy has been very, very
good and a lot of salespeople have found it to be an excellent selling
environment. But we are about to see that change. And as that
changes the excellent selling environment is going to become a difficult
selling environment. And people need to be preparing themselves now
for that difficult environment at that's ahead and the best way to
prepare is through the best prospecting methods there is and that's
referrals because historically those top producers that generate the
majority of their business through referrals find a difficult selling
environment to be not much of a pain at all. Whereas the rest of us
who are still having to rely on direct mail or advertising or cold calling
or what ever find the difficult selling environment not only to be difficult
but for many of us it's something that puts us out of business. Those
people that have insulated themselves from the fluctuations of the
economy are those that generate their business based on referrals,
based on relationships. And now is the time, actually a year ago, two
years ago but now it is still the time to prepare for that because it's
coming, maybe next month, six months from now, a year from now,
two years but it's coming. The economy is not going to stay like this
forever. And unfortunately it looks like it's going to be sooner than
later.
MICHAEL: Let’s do another case study like we have been doing.

PAUL: This one is a little different in the sense that we got to play with his name. He is a realtor and he is out of Chicago. His name is Stuart Little and he is a realtor. He has been in business for four years. He is a typical average realtor. He closed about one house a month and made about $50,000 in 2006. He never could figure out a way to really make selling real estate work for him. He had done just enough to stay in the business for four years. When he called me what we did was we took a two prong attack 1) was referrals 2) we targeted a specific market for him. And what we targeted were young families moving from their first home to their second home. We chose that particular market for a very specific reason because of his name Stuart Little. Young families moving from their first child to their second home have children. Every kid in the world knows the name Stuart Little because of the mouse.

MICHAEL: Right.

PAUL: They will bug mom and dad. They want to go see Stuart Little. Stuart becomes the realtor if for no other reason then by default to shut the kids up. So his target market where those young families moving from their first child to their second home. And at the same time we instituted the referral process. He went back to all of his existing clients letting them know not only was he now referrals based but he had a very specific niche market that he was looking to work in. When he called these people he ended up getting a boat load of referrals because all of these people knew one or two or even more people family, friends, acquaintances or coworkers who were young families needing or looking to move. So he had a ton of names to call. Most of them ended up over the course of the last year not most of them but many of them ended up selling their home and moving. But once he got in the door and had the opportunity to introduce himself and not surprisingly enough he knew how many kids these people had and he brought each child a Stuart Little doll. Mom and dad were hooked. They had no choice but to use him as their realtor because the kids wouldn’t let them use anybody else. His business now has gone from last year averaging 1 house a month in closing to this month he has 4 closings for the year to date he has closed 30 homes.

MICHAEL: Wow.

PAUL: Well he’ll probably triple his business this year just by focusing on that target market and then generating the referrals to that target market.

MICHAEL: That’s perfect. And I bet he’s having a lot more fun.
PAUL: Oh he’s having a great time. Yeah when you're making money it's always great. When he sees his income going from $50,000 struggling to $150,000 then he's a happy camper. But he's also happy because he feels like he's contributing not only to his family with an increased income but he feels like he's contributing to a very specific segment of the market that he can relate to because he's 32 himself. So he fits right in with that market. He is that market.

MICHAEL: Let’s do another story. Can we talk about another one?

PAUL: Sure. Let me take a lady from a totally different perspective. A lady's name is Andrea Carson. She is out at the Wichita, Kansas. And of all things she sells ladies cosmetics part-time through home parties. She was very frustrated because she was in a business that basically she gets absolutely no help from her company.

MICHAEL: Is it MLN or an Avon direct sales?

PAUL: It’s like an Avon deal. So the company sells her the products at wholesale and she goes and sells them at retail. She has to buy everything. She buys the product, brochures everything. And the competition is pretty tough. Now admittedly she only works part time. But her best month was $800 profit. And she was trying to figure out whether or not this was even worth her time and effort. She was bugging her family and friends. Will you have a party? Will you have a party? And of course family and friends were just really beginning to get tired of it. She called me in April. So we have been working together for about five months going on six now. I had her take a bit of a different approach. Instead of going to her family and friends and asking them if they would host a party I had her go to them and simply ask them if they knew of anyone that might be interested and her product. Well most of them of course it didn't but two of them did. She was introduced to these two people. And she took the idea of learning everything she could about these people and coming up with a list of the people of these ladies might know and seeing if they knew them. Well she made her sales to these two ladies. They were both small sales. While she was talking to them she found that one of them belonged to a ladies business group and that the other one belonged to a ladies cycling group. She found the membership directories for both of these organizations and when she sat down with both of these ladies and basically went through the whole membership directory and ended up from these two ladies alone with over 80 referrals. She took those 80 referrals and has basically done the same thing. She still only works part time but last month her income wasn't $800 it was
$3000. She has had almost a 500% increase in her business and five months part-time.

MICHAEL: That’s incredible.

PAUL: What’s important is how she generated that business by simply finding out who these people might know and asking about them. That very simple process generated almost a 500% increase in her income. And people forget sometimes who they know. Sometimes they don’t realize that this person over here would really be somebody that you would like to be introduced to. So if you can help them sometimes you don’t even have to come up with a specific name. For instance I have one gentleman who is an insurance agent, he sells health insurance. Despite all of my efforts I cannot get him to investigate who these people know. But I can get him to prompt them. For instance one of his clients is a gentleman who restores antique jaguars. So I at least got him to the point of saying when he is asking for referrals of well can you think of anybody in the jaguar club? Can you think of any of the suppliers or the vendors for other technicians that you work with that might be able to use health insurance? Those memory joggers generate business for him. Now honestly they don’t generate as much business as if he would just look up a jaguar club and find out who the members are. But it does generate more than just letting the guy say no. Or in this case he got three referrals. He ended up with seven because he gave the guy some memory joggers. Well he says that he’s uncomfortable bringing up specific names. Personally I think he’s just too lazy to do the investigation. But at least he’ll jog the memory of his clients and that alone helps him get more business. And that is all Andrea did. That was the important part of Andrea’s story. She got five times as much income because she took the time to look up who the members of these two organizations were and go over them with her clients.

MICHAEL: You work on referral only. And before you take a client what criteria do you lay down before you’ll accept someone as a client based on a referral?

PAUL: Basically my criteria is fairly simple. Before I’ll work with somebody we end up with about an hour to an hour to half of conversation and during that conversation we have to understand two things. We have to understand what each one of us is looking for and what each one of us can get out of the relationship. If I believe I can not help them I am not going to work with them simply because I don't want that reflecting back on my reputation. If they are not willing to accept advice and guidance I’m not going to work with them because then the process isn't going to be successful. If they have unrealistic expectations I'm
not going to work with them. Now depending upon what they call me for whether they want me to work with them on referrals or whether they want me to work with them on personal marketing and image building depends upon what my criteria is. If they want to work with me in terms of building a referral based business than they really do have to literally agree to learn and follow the process because the process works. And if they want to deviate from it it's not going to work. So if I am not able to coach or teach them and they are not going to follow the process there is no sense in even going forward. If they want me to work with them in terms of image and repetition building then we have to have something solid to work with. There has to be some level of expertise there. Now unfortunately the experts that are quoted in the paper are not by any stretch of the imagination technically the best in their field. But they are all competent. So in order to be known as an expert you have to be at least competent. So I look for coach ability someone who is competent in what they do and someone I can get along with because I don't want to spend my time working with somebody frankly that I don't like. From their perspective they should be looking for someone who has the knowledge and experience to help them get where they want to go that they can work with meaning that they get along with and like and someone who understands their business. Now that doesn't mean that they have to have been in their business but it means there are a lot of sales coaches out there that have never sold in their life. It is very difficult to teach someone and to coach someone how to sell when you haven't done it. So they should be looking for somebody who has been in their shoes and knows what is that they are facing. If they are committed to making the change they have the competent in their field and approachable and we'll get along we have the basis to begin working.

MICHAEL: I think a lot of people with a lot of the marketing on referral marketing out there believe that there is no work involved. But clearly through these examples and the stories there is some effort involved.

PAUL: Very much so. My experience has been there is nothing in sales that works that doesn't take effort. Now there are a lot of books and stuff out there that promise get rich now all you have to do is say these two words and everybody's going to close the deal and unfortunately my experience has been that's not the case. It does not take a tremendous amount of time. The most time consuming portion of a learning how to generate a large number of referrals takes place in the first three months when you're actually learning the process. Once it becomes second nature it's easy. It just flows right into your normal sales process. But because the process is so foreign to most people there is a lot of effort upfront to get it to fit in within the sales process first then to get comfortable doing it. And even then it's not so much
time as it is getting mentally prepared to do it. One of the things I have found with referrals is that if you walk up to a prospect and you tell them Mike I am referral based and I expect referrals if they don't believe you, you are not going to get referrals from them because they think he sure right here just full of a bunch of hot air. You have to be believable in order for them to buy that claim that you just made. But in order to be believable you have to believe it yourself. So there is a time when you have to convert your own internal belief system so that even before you are referral based you have to believe that you are referral based. Basically you have to act the part to become a part. You have to act like a referral-based salesperson to become a referral-based salesperson. But you also have to believe it in order to make it true to.

MICHAEL: Do you have to live it? Let's say you hang your hat up and you say I am referral based only and you get a call that is not a referral how do you handle that?

PAUL: That introduction that we talked about at the very beginning.

MICHAEL: Yeah.

PAUL: Mike you know I appreciate you calling me. I normally only work with clients that have been referred to me but I have some time right now so let's see if I might be able to help you with your problem.

MICHAEL: It would be silly to deny them and say I can't help you I'm referral based.

PAUL: Sure. You never turn away business. But you have to have a reasonable explanation of why your referral based but to our willing to accept a non-referred client. And that is because I just happen to have the time or I ran across your name and thought I would give you a call. Whatever the reason is there just needs to be a reason as to why you would step out of that. And basically what happens there is a dynamic that happens when you proclaim yourself to be referral based. Your proclamation of being referral-based should be on everything. It should be on your business cards, and any direct mail that you do, on your letterhead, any ads that you place. Everything should say that you are referral based. And let me give you an example of what happens when you do that. Your proclamation of being referral based needs to be strong not something weak like I heart referrals or referrals make my day because all that communicates is that you appreciate the occasional referral. It needs to be something bold such as a client, centered, referral based or appointment by referral only. It needs to be something very bold. The last time I was in La Jolla I forgot the name
of the Main Street that you walk down with the jewelry stores, antique stores and clothing stores etc. but you walk down that street and there are a few stores that have signs in the windows that say by appointment only. But when you look in the stores there are always people in there and what happens because my wife and I did it to is that you walk by and you say well I wonder what is so good in there that I have to have an appointment to see it. So you go back to the hotel and you call them and you make an appointment and get in there and you find out that 85% of the jewelry in there is the same stuff you can get at the mall only priced twice as much. About 15% of the stuff is truly unique and is priced so that no ordinary human could possibly afford it. But you end up buying something that is priced twice as much as you could buy at the mall just so you can get the little box that has that jewelry store's name on it. There is an attraction that people want to work with those who are exclusive. So when you proclaim yourself to be more exclusive people want to work with you. There is hesitancy on the salespeople's part to do it for fear that they will chase business away. And that is really not the case. There are a few clients, a few potential clients, and a few prospects that will see a proclamation of by appointment only and not call. But there are going to be more people who might not have called that will call simply because you are that exclusive. It is a strange dynamic but it works.

MICHAEL: It’s just human nature that people want what they can't have.

PAUL: Right.

MICHAEL: That’s the end of our interview and lessons on referral marketing. I hope you have enjoyed this presentation and if you would like more information on some of the services that Paul offers please call him at 360-525-0203 that’s 360-525-0203. Thanks for listening.