



SELLSTATE

SALES MEETING TOOLKIT: Part 9 RAMPING UP REFERRALS

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SALES MEETING TOOLKIT: RAMPING UP REFERRALS

Referrals can be a great source of business; the fact that 28 percent of real estate firms belong to referral-relocation networks (according to the 1999 NATIONAL ASSOCIATION OF REALTORS® Profile of Real Estate Firms) demonstrates how important referral business is to some companies. But referrals are far from an easy home run. More than 40 percent of the companies responding to the NAR survey refused referrals because of the size of the commission.

Use this tool kit—including a ready-to-go agenda, activities, and talking points—to help expand your referrals and to avoid unpleasant surprises from after-the-fact referrals when you work with relocation clients.

Each element of this tool kit is numbered at the top of the page so you can easily move through the content chronologically.

SALES MEETING TOOLKIT: RAMPING UP REFERRALS

Component 1: Facilitator Talking Points

These notes will guide you and your salespeople through a discussion of creative ways to generate referrals and offer ideas on ways to work more effectively with relocation clients and networks.

Pre-meeting preparation

- Review all the meeting documents in this kit.
- Know your company policy on how to allocate company referrals.
- Know your state's regulations on paying referrals.

Print the following:

1. These facilitator talking points—Component 1
2. Revving Up Referrals Agenda—Component 2
3. Handout 1: Ten Ways to Build Up Your Referrals—Component 3
4. Activity 1: Referral Source Activity Sheet—Component 4
5. Handout 2: Your Company Policy on Referrals—You supply
6. Activity 2: Notes on Spreading Your Web—Component 5
7. Activity 2: Copies of the home pages of the four Web sites discussed in Component 5 and of your own company's Web site home page. (An alternative would be to have a computer with Internet access in the training room.)
8. Handout 3: Internet Referral Checklist—Component 6
9. Handout 4: Tips for Handling Corporate Relocation Referrals—Component 7

SALES MEETING TOOLKIT: RAMPING UP REFERRALS

Component 1: continued

Welcome (1 minute)

Background and goals (2 min.)

In 2000, 19 percent of the U.S. population moved, according to the U.S. Census Bureau. That means that roughly one out of every five people you know will move this year. This constantly shifting population makes referrals— both local and long-distance— such a valuable source of business.

In this meeting we will:

- Learn some new ways to generate referral business.
- Review your company policy on how referrals are allocated.
- Consider the best way to respond to Internet referrals.
- Look at some ways to avoid the pitfalls of after-the-fact referrals.

Handout 1: Ten Ways to Build Up Your Referrals (5 min)

Review these tips (Component 3) for increasing referrals. Encourage participants to share their best techniques and add them to the list.

Activity 1: Where do We Get Referrals? (10 min.)

Ask two or three participants to name their best source of referral business. Ask them to be specific—don't just say "past customers." For example, suppose one salesperson sold three homes to parents of other players in his son's Pee Wee baseball league. The parents of the Pee Wee league would be a prime source of referrals. Now, write these sources on a flipchart and ask participants to write the sources into the left-hand column of their Referral Sources Activity Sheet (Component 4). Next, ask participants to identify what the qualities the members of each referral source share. For example, the Pee Wee league buyers have young children and probably live in a particular area, since leagues are generally created geographically. Once you have the characteristics listed, ask participants to think of other groups with the same characteristics. For example, parents of children in Sunday school classes at churches near the baseball field might be another prime source of referrals as they share many of the same characteristics as the Pee Wee league parents.

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Component 1: continued

Handout 2: Your Company Policy on Referrals (5 min.)

Review how non-salesperson-specific referrals are divided in your company and how commissions on referrals are paid. (Pass out copies of your written policy.) Are referrals allocated by seniority, by sales volume, on a rotating basis, or randomly? Discuss what commissions are paid on referral inquiries and referral listings. When and how often are exceptions made? Ask participants for feedback on ways that referrals could be handled more efficiently and fairly.

Activity 2: Notes on Spreading Your Web (10 min.)

Analyze the four Web sites suggested in Component 5 to see what makes these salespeople successful at gaining long-distance business and referrals. Use the Notes on Spreading Your Web (Component 5) to lead the discussion. Discuss how some of these ideas could be adapted to your company's site or the sites of individual participants. If any of your salespeople have Web sites that generate significant referral business, include that site in the discussion.

Handout 3: Internet Referral Checklist (5 min.)

Read this checklist (Component 6) for handling an Internet referral. Ask participants if they have other successful ways for responding to queries received via the Internet.

Handout 4: Tips for Handling Corporate Relocation Referrals (5 min.)

Review these guidelines (Component 7) to avoid finding out after the fact that you owe a referral fee. Ask participants to share any negative experiences they have had with after-the-fact referral fees and what they do differently now.

Adjourn.

Running time: 43 minutes

SALES MEETING TOOLKIT: RAMPING UP REFERRALS

Component 2: Agenda

Welcome (1 minute)

Background and goals (2 min.)

Handout 1: Ten Ways to Build Up Your Referrals (5 min.)

Review some tips for increasing referrals among your clients and brainstorm some new ideas.

Activity 1: Where Do We Get Referrals? (10 min.)

Analyze the characteristics of your best referral sources to pinpoint new groups that may want your services.

Handout 2: Your Company Policy on Referrals (5 min.)

Review how non-salesperson-specific referrals are divided and referral commissions and fees are paid. Discuss any possible gray areas.

Activity 2: Notes on Spreading Your Web (10 min.)

Analyze these four successful Web pages to see what makes their referrals tick.

Handout 3: Internet Referral Checklist (5 min.)

Use this convenient checklist when responding to online referrals.

Handout 4: Tips for Handling Corporate Relocation Referrals (5 min.)

Learn early when you have to share your commission.

Adjourn.

Running time: 43 minutes.

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Component 3: Handout 1, Ten Ways to Build Up Your Referrals

1. Choose one or two "unspecial" holidays—Groundhog Day, for example—and send out greeting cards to your farm list. Everyone sends cards at Christmas; yours will stand out.
2. Create a Key Contacts list for relocation clients, that includes numbers for local utilities, the school board, several dry cleaners, favorite kids hangouts, a grocery or two, and local restaurants. Personalize the list with comments about each establishment from you and other clients.
3. Leave a business card with your tip at a restaurant.
4. Let clients and customers know you really want their referrals. If you don't ask, you don't get, suggests Ken Baris, Jordan Baris Inc., West Orange, N. J., in *The Real Estate Professional*.
5. Ask your dry cleaner or other small vendors that everyone uses regularly to hand out your business cards as a service to new customers.
6. Visit homebuyers three to six months after the sale with a small gift to keep yourself fresh in their minds.
7. Hold an annual customer appreciation event for everyone that has given you a referral in the last year.
8. Sponsor a charity fundraiser (such as a raffle or a rummage sale) and ask your past clients to come.
9. Form alliances with churches in your area so that they will refer new parishioners to you.
10. Keep good notes. Remembering the names of clients' children and pets when you call after six months helps create instant rapport.

SALES MEETING TOOLKIT: RAMPING UP REFERRALS

Component 4: Activity 1, Referral Sources Activity Sheet

Source of Referrals	Characteristics	Other Groups
Parents of son's Pee Wee League team	1. Parents of young children 2. Live within 3 miles of Glade Park	1. Parents of children in Glade Park Elementary

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Component 5: Activity 2, Notes on Spreading Your Web

Although many real estate professionals now have Web sites, not all are successful at generating business. Each of the sites selected below generates a significant number of referrals that result in transactions. Analyze these sites to help you gain the same results from your Web presence.

1. Chris Newell's site has transferred many classic prospecting techniques, such as offering a wide variety of free reports to buyers and sellers, into an electronic format. He uses short summaries of key points in each report to draw people in. Then provides an e-mail response form and an "e-mail to a friend" button on each report page.
2. Judy McCutchin's dallashomes.com site combines good content with a strong sense of personality and fun to keep surfers on her site. Her "spokesdog," Chester B. Chatsworth, reviews restaurants in her section on the Dallas metroplex and offers his own tips under the buyers and sellers sections. McCutchin updates her site every day with new listings.
3. One-stop shopping in an easy-to-use format is the big pull of Vern & Audrey English's www.tampabayarearealestate.com site. Links let visitors calculate costs, research financing, learn about the community, and link to local companies. The user-friendly menu makes the site great for even novice surfers.
4. The magnolias and classical design of Judy Niemeyer's site echo the Southern grace and charm of the Mobile Bay, Alabama, area she serves. The site sells the area with a poetic description of each season in the region, a slide show of the scenic coast, maps, and school information.

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Component 6: Handout 3, Internet Referral Checklist

According to the 2000 NATIONAL ASSOCIATION OF REALTORS® Profile of Homebuyers and Homesellers, 34 percent of buyers used the Internet to do some parts of their home search, so servicing those clients is important. Here's how to handle Internet referrals:

- 1. Respond promptly via e-mail, at least within 24 hours.** Consider adding an automatic responder to your Web site e-mail address that will send a "thanks for contacting us" note as soon as a query is received.
- 2. Be prepared to provide requested information via e-mail.** Create PDF files of your promotional brochures and have digital pictures of current listings.
- 3. Be a resource for your area;** after all, it's hard to tell where an Internet query comes from. Have basic information on your area—demographics, climate, major employers, major cultural and recreational facilities— ready to e-mail on request, if you don't have the links to these sources of information on your Web site.
- 4. Be willing to let your inquirers remain anonymous, no matter how frustrating that may be,** advises Michael Russer, *Realtormag.com's* "Mr. Internet" columnist. Restate all your contact information in each response you make, but don't refuse to help them if they seem reluctant to reciprocate. You may have to maintain an "electronic" relationship for a while.
- 5. If you find the inquirer is outside your market area, ask permission to forward the request to a salesperson in the appropriate location.** If you don't belong to a relocation service, find referral partners by browsing Web sites in major cities, suggests Chris Newell, Milton, Ont. When you forward the referral, be sure you include copies of all information the prospect provided to you and what you sent to the prospect. Also, send a referral form stating the referral fee you expect.

Portions adapted from "What's the Proper Way to Handle the Internet Referral?", Chris Newell, Northwest Association of REALTORS® Newsletter, January-March 2000.

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Component 7: Handout 4, Tips for Handling Corporate Relocation Referrals

1. Always ask any out-of-town prospects if their company is transferring them. If the answer is "yes," ask about the specific provisions of their corporate relocation package.
2. Contact the relocation company to determine its exact charges and requirements. This research will help you decide if you want the business before you spend too much time.
3. Evaluate how large the transfer business is in your community. If it's a significant part of the market, forming a relationship with a relocation company may be worthwhile. Remember, according to the U.S. Census Bureau, 8.17 million people moved across state lines in 1999.
4. Know your state law. A few states prohibit any referral fees; others do not allow them once the purchase contract is signed.
5. If you received a referral directly from a company in another state, investigate the laws in that state on paying referral fees.
6. Provide the employee's company with weekly updates of activities on service you are providing to their employees to convey your professionalism and hopefully gain future business.
7. If any disputes arise—particularly with a relocation company—take your complaint to the Employee Relocation Council, which offers dispute-resolution services.

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Component 8: Other Resources

Search NAR's [Virtual Library](#) and [Proquest](#) databases on [REALTOR.org](#) to review articles on referrals.

Look for the following articles at *Realtormag.com*:

["Do the Right Thing,"](#) Ethics, *REALTOR® Magazine*, April 1996.

["How Does Your Referral and Relocation Business Stack Up?"](#), *REALTOR® Magazine*, May 1997.

["How to Get More Referrals,"](#) For Managers, *REALTOR® Magazine*, May 2001.

["Relocation and Referral Fees: Round II"](#), Elyse Umlauf-Garneau, *REALTOR® Magazine*, December 1997.

["10 Eye-Catching REALTOR Web Sites,"](#) *REALTOR® Magazine*, April 2001.

["Working with Internet-Empowered Buyers,"](#) *Sales Meeting Tool Kits*, Michael Russer.