

# The **Advanced Sales Action Plan**

*Powerful Systems to Attract, Educate, Sell and Delight Your Customers... **ASAP***

## The Essential Referral Marketing System



**How to get  
all the referrals  
you can handle**

**[www.GetReferralsASAP.com](http://www.GetReferralsASAP.com)**

David Carleton  
P.O. Box 1448 • Poway, CA 92074  
858-442-3131  
[David@GetReferralsASAP.com](mailto:David@GetReferralsASAP.com)

## Table Of Contents

<b>Preface.....</b>	<b>5</b>
<b>The Essential Referral Marketing System .....</b>	<b>5</b>
Why I Wrote This Manual .....	7
Why Should You Believe Me .....	8
This is a Marketing Manual .....	8
Myopic Thinking .....	9
What You Will Find In This Manual.....	10
<b>Referrals: The Lifblood of Your Retail Business.....</b>	<b>12</b>
<b>How to Turn Ordinary Customers Into Raving Fans.....</b>	<b>13</b>
It Must All Starts With Great Customer Service .....	13
It's the People AND the Process.....	14
Here's a Simple Customer Service Test that Every Retailer Should Do.....	15
The Extra Mile .....	17
Moments of Truth .....	18
The 15 Point Customer Complaint Checklist .....	21
How Your Customer "Sees" You Has Little to Do With the Quality of Your Product .....	22
Great Customer Service Ideas.....	22
Ideas for Goodwill Freebies.....	24
Here's Some More Even Littler Things You Can Do to Make a Good Impression.....	27
<b>How to Make it Rain Referrals.....</b>	<b>28</b>
Good Customer Service Doesn't Always Equate to Lots of Referrals .....	28
Why are Referrals so Powerful? .....	29
The Referral Wheel Concept .....	30
One Word About Word of Mouth Advertising.....	34
Making it Rain Referrals Starts with Your Attitude!.....	34
Centers of Influence and the 80/20 Rule.....	35
What is Your Goal with Tier 1 Referral Givers?.....	36
Arm Your Tier 1 Centers of Influence With Special Reports .....	38
Tier 2 Centers of Influence .....	38
A Caution About Giving Referral Fees .....	40
Joint Ventures: Using Other People's Customers to Get New Business .....	41
Your Only Limitation is Your Imagination .....	42
How to Approach Your Soon-to-be Venture Partner .....	44
Handling Potential Objections .....	46
Take These Steps to Get Your Joint Venture Going.....	47
Potential Joint Ventures Are All Around You — Take Your Blinders Off! .....	48

<b>A Six-Step Process For Asking for Referrals That Works Every Time</b>	<b>49</b>
Narrow the Choices When Asking For a Referral .....	52
How to Handle Referral Resistance .....	53
Be Proactive – Don’t Leave Your Referral Program to Chance.....	55
Your Direct Mail Referral Letter .....	55
Always Thank Your Customer for Giving a Referral.....	57
Put Your Referral Program on Steroids Using the Team 100 Program! .....	59
Take a Leadership Role with Your Team 100 .....	64
 <b>Appendix A .....</b>	 <b>65</b>
Find New Customers from Old Ones...and Start a Customer Referral Program!.....	65
Sample Customer Referral Letter .....	66
Customer Referral List.....	68
 <b>Appendix B: Team 100 Program Sample Template .....</b>	 <b>69</b>

Published by:  
David Carleton  
P.O. Box 1448  
Poway, CA 92074  
David@GetReferralsASAP.com

All rights reserved. No part of this book may be reproduced or transmitted in any form by any means, electronic or mechanical, including photocopying, recording or by any information storage or retrieval system without written permission from the author, except for the inclusion of brief quotations in a review.

## Disclaimer

This manual is designed to provide information in regard to the subject matter covered. It is sold with the understanding that the publisher and authors and advisers are not rendering legal, accounting or other professional services.

It is not the purpose of this manual to reprint all the information that is otherwise available to authors, printers and publisher but to complement, amplify and supplement other texts. For more information, see the references throughout the text.

Every effort has been made to make this manual as complete and as accurate as possible. However, there may be mistakes both typographical and in content. Therefore, this text should be used only as a general guide and not as the ultimate source of publishing information. Furthermore, this manual contains information only up to the printing date.



© 2006 by David Carleton,  
First Edition.  
Printed in the USA

The authors, advisers and publisher shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused or alleged to be caused directly or indirectly by the information contained in this manual.

You might also find grammatical errors and a few misspelling of words. As I am not a grammar expert and I didn't pay the hefty price tag to have this document professionally edited, I hope you will please excuse any textual errors you might find. I trust that you will agree that the ideas and concepts presented are of far more importance and value than my grammatical errors.

If you do not agree with the above, you may return this manual to the publisher for a full refund.

# Preface

## The Essential Referral Marketing System

Thank you for purchasing **The Essential Referral Marketing System**©. You have taken one of THE most important steps towards driving referrals to your business and increasing your sales.

Just by purchasing this book, you are going to be WAY AHEAD of 99% of everyone else whom you might compete against in your market. By reading this manual and watching the video program, you will receive hundreds of ideas to help you “bullet-proof” your business and thrive in any type of economic cycle.

What you are about to learn is a culmination of 30 years of experience “in the trenches” sales and marketing.

There is an expression...”the harder you work, the luckier you get”. In the case of referral marketing, this is definitely true.

By following the strategies and recommendations of **The Essential Referral Marketing System**© contained in this book, referrals coming into your business will dramatically improve.

Once you get your systems in place and the referrals start coming in, I’d love to hear success stories! When **The Essential Referral Marketing System**© does help you drive customers to your business, please e-mail me and let me know. Your comments, ideas and suggestions are always welcome and will help me improve this manual.

Believe me, I know first hand how hard it is to bring new customers into your business. My advice is simple...Hang in there. Follow the ideas in this manual, stay focused and don't give up. There's a ton of prospects out there that want to buy what you're selling regardless of how the economy is doing. You just have to know how and where to find them. **The Essential Referral Marketing System**© can help you do just that.

I wish you the best of luck in your business.

Sincerely,

*David Carleton*

# Why I Wrote This Manual

For the past 30 years, I have created, sold and marketed to over two-dozen different industries in 30+ countries around the world. During that time, the one thing I noticed regardless of the industry, product or size of the store, was that every business owner or manager no matter how successful they were, was always looking for a fresh marketing perspective as well as some new and innovative ideas to supercharge their marketing efforts.

The vast majority of small businesses out there today are content to just do things the same way they've always done them – participate in some consumer shows, throw a few ads in the local paper, and put a couple of balloons out in front of their business to help increase traffic as people pass by. In recent years they are even creating websites. However, the top companies in every industry are hard at work trying and testing new and different marketing methods and that is why they are the top companies! Unfortunately, these companies only represent a small percentage of all business owners.

**The Advanced Sales Action Plan (A.S.A.P.)** was created for all businesses regardless of how successful they are. In each **A.S.A.P.** manual you will find ***Powerful Systems to Educate, Sell and Delight Your Customers*** that you can implement quickly or **ASAP**. Each manual contains a veritable wheelbarrow full of new and fresh ideas for you to use immediately to improve your sales and marketing efforts.

In addition to **The Essential Referral Marketing System©** that you have just purchased another part of the **A.S.A. P.** program is called **The Ultimate Lead Generation System©** and it shows you ways to create effective systems of getting a constant stream of potential customers (leads) through your front door.

# Why Should You Believe Me

I have been in marketing and sales for almost 32 years and have helped scores of businesses both large and small in many different industries. I know what works and what doesn't. It's that simple.

My first job was selling watch batteries to jewelry stores - I was essentially going door-to-door selling 50 cent products to small business owners who were more interested in selling \$3000 rings and watches. (if that doesn't build character nothing will). As my career blossomed, I became Vice President of Sales and Marketing for several prominent consumer goods companies. In addition, I was part of several start-up and "turn-arounds" where it was unique marketing that ultimately made the difference.

Having worked for "the man" for so many years, I decided it was time to bring my expertise back to the small business world where I am now the President of my own consulting firm - Street Smart Sales and Marketing. I specialize in taking the best marketing practices from different industries and sharing them with a variety of small businesses.

## This is a Marketing Manual

**"The Essential Referral Marketing System®"** is a marketing manual and when used with **"The Ultimate Lead Generation System®"** is one of the most powerful marketing programs available today. This manual doesn't contain information about what to do once a customer steps inside your front door (the actual in-store sales process), that's another one of my manuals. This manual is dedicated to teaching you how to persuade prospects and customers to **get to, and come through, your front door.** That's what marketing is all about. Marketing is positioning your prospect or customer to purchase from you without having to sell them. If you've done your marketing right, your



customer will come into your store and give you their money without all the unnecessary selling.

Statistics say that many prospects shop several similar companies (3-4) before they make their decision. That means, on the average, you have a 25-33% chance of landing a customer once they walk in your business. If you're only converting 33% of the customers that come through your door, this manual is for you. Why? Because, if you've done your marketing right, 80% of the serious buyers that walk in your company should buy from you. That's why I wrote a manual about marketing, not selling. If you do the marketing right you won't have to do as much selling.

## **Myopic Thinking**

As a consultant I get the opportunity to do something many of you probably don't get to do. I work with many different businesses in a variety of industries. I've worked with clients in over 20 different product, service, and professional industries.

If you're like many businesses in a variety of industries, your thinking may have become somewhat "myopic" or narrow. It's not something you planned to do, it doesn't even feel that way to you, but I guarantee you it's either happened already or is currently happening.

Does the following scenario describe you? You belong to a national association, totally made up of like companies and business people. You may belong to a state association, totally populated by people in your industry. You go to conventions, meetings, and conferences that are all organized by, put on for, and attended by people in your industry. If you go to a strange town, you look at the yellow pages in your section to see what everybody else in your business is doing. You read books written by people in your business.

Dan Kennedy, a famous marketer has a technical term for this. It's called "marketing incest," because it works just like real incest.

In a short period of time everybody in the industry seems to get more and more myopic until the whole industry gets stale, static, and boring. All great advancements in businesses come from thinking outside the box – challenging current thinking and taking calculated risks.

I am very fortunate in my consulting business because am exposed to so many different opportunities and experiences. I get to go over and work with industry A. While I'm over there, I notice something they're doing that's phenomenally effective yet hardly being outside their industry. So I borrow it from industry A and I modify, adapt and teach it to industry B.

Then while I'm over with my industry B client, I notice something they're doing that hardly anybody else is doing in industry A (but could be doing), and so I borrow from industry B and I take it back and teach it to industry A. That's how you keep your marketing fresh, vibrant, and effective. Many of the marketing practices I share in this manual come from the pool and spa industry, the professional services industry, and the Internet marketing industry. You will benefit from the best marketing practices and minds in these and other industries.

## What You Will Find In This Manual

**The Essential Referral Marketing System**© manual is jam-packed with ideas to help you outsmart, out-market, and outperform your competition. I talk about very specific strategies that you can put into place today to jump-start your business.

You will also find real tools you can start using today to jump-start your marketing program. I don't just give you the high level of what to do, I go one step further and in most cases tell you how to do it. What you don't need is a bunch of theory. What you do need is marketing tools that work.

Take some time to study each tool and see how you can use it to your benefit. Create your own variations from those samples. Be creative and use the best of what you see. If something doesn't work, modify it so that your end result is something that fits your particular business but includes the best practices embedded into the example.

Two things you'll notice:

- 1. I use very specific product examples in this manual to illustrate certain sales and marketing ads, programs, etc. To be consistent throughout the manual, I have used the same retail examples – ATVs, Snowmobiles, Personal Watercrafts, Go Karts, and a few others. You can just as easily substitute your own product and the ideas still work.*
- 2. My last “assignment” was in the pool and spa industry. Many of the examples I have used – ads, postcards, copy, etc. are taken from there. These are real life examples that have proven VERY effective to drive traffic that increases sales. Don't get too hung up on the idea that these examples are not from your Industry – that's the whole point – to look outside the industry for new ideas. Take the essence of what you see and adapt it to your own particular store.*

**Lastly, if this information has helped you in any way, please take a moment to write your experience(s) and send it to me.** I am a big believer in testimonials as you will soon find out and I need them the same as you do. So if you would take a minute to share with me how this material has helped you I would be grateful.

If you have any questions please feel free to call me at 858.442.3131 or email me at [David@GetReferralsASAP.com](mailto:David@GetReferralsASAP.com). I promise I will do my best to respond as fast as I can.

# **Referrals: The Lifeblood of Your Retail Business**

# **How to Turn Ordinary Customers Into Raving Fans**

The only way to receive a substantial amount of referrals is to turn each of your customers into raving fans. I could give you ideas about this referral program and that referral program (which I have devoted a whole section to), but in the end, you get referrals by turning ordinary customers into customers that are so happy with your product and service that they want to tell their friends and close associates about you.

This manual is about marketing and how to bring people through your front door. But according to some statistics, most of the people that walk through your doors are a result of someone's referral. Happy customers are your walking, talking marketing tools. As a matter of fact, many of the top small business owners point to great customer service as their number one marketing tool. So, I would have been remiss to not talk at least a little about the importance of good customer service.

## **It Must All Starts With Great Customer Service**

Generally, when you look around you in the retail world, customer service is pretty lousy. Think about your last experience at your local hamburger place or last weekend's shopping experience. Does anything special stand out in your mind about your experience with these retailers?

Probably not, as a matter of fact, you could probably name off a few things that really bothered you during your visit. Why? Because most companies don't have the budget to

attract higher quality people. However, generally speaking, institutionalizing specific customer service processes can make up for not having the highest quality people.

## **It's the People AND the Process**

Extraordinary customer service is made up of two elements, (1) people and (2) business processes. By this I mean that to exceed the expectations of your customers you must have extraordinary people and systemized processes that force you to exceed peoples expectations.

You can't have great people and bad processes. Geary Rummler, President of the Rummler-Bache Group once said, "You can take great people, highly trained and motivated, and put them in a lousy system and the system will win every time." On the other hand, you can have mediocre people and great systems and you will win most every time.

Your task as successful business owners or managers is to set up workflows, guidelines, procedures, and fail-safes that your people can readily manipulate to meet the specific needs and expectations of your customers.

I truly believe that eighty percent of customers' problems are caused by bad systems (i.e. rules, procedures, guidelines etc.), NOT by bad people. Your people can only be as good as your system allows them to be.

# Here's a Simple Customer Service Test that Every Business Should Do

Have you ever heard the phrase, “Easy to Do Business With” or ETDBW? Well, ETDBW should be your store motto (or something like unto it). Here is a quick test to determine your ETDBW quotient that was developed by Ron Zemke, author of “Delivering Knock Your Socks off Service.”

**Step 1:** Go out for lunch or coffee, or do something to get you out of the building.

**Step 2:** Call your own store, using the general phone book number (not the one you use to get fast action).

**Step 3:** Without identifying yourself (disguise your voice if you have to), ask for something you know to be difficult or strange, but do-able, from the person who answers the phone.

**Step 4:** Count the following:

- Number of times you are put on hold. \_\_\_\_\_
- Number of times you are transferred. \_\_\_\_\_
- Number of people who say, “Gee, I’m not sure we do that...” or some variation. \_\_\_\_\_
- Number of people who explain how your company works, who does

what to whom, why their day is going so badly, or why your request is such a bother. \_\_\_\_\_

- Number of people who tell you, “No, you can’t have that, “ in some form or another. \_\_\_\_\_
- Number of times you have to ask to speak to someone else or someone in charge. \_\_\_\_\_
- Number of times you have to repeat yourself. \_\_\_\_\_

TOTAL \_\_\_\_\_

**Step 5:** Multiply the results by 10 and subtract from 150 to arrive at your “ETDBW” quotient. Your ETDBW quotient is like an IQ: The lower it is, the harder you are to do business with.

#### *ETDBW Scores*

125-150      Genius – Your customer service systems are an asset.

100-124      Average – Your systems aren’t any worse than anybody else’s.

75-99        Slow – Your systems are a detriment to customer retention.

Below 75     Disabled – Your systems are probably driving customers away in droves.  
Immediate remedial action needed.

If you are not where you want to be then what should be your first step to improving your customer service system? Let me start by saying, don’t go out and buy a bunch of



computers or phone systems. Don't hire an expensive consultant. Don't start blaming and punishing your frontline people.

Do have a team meeting or series of smaller team meetings and ask your frontline to be brutally honest and answer two questions:

1. What do our customers like least about doing business with us?
2. What can we do to make it easier for you to serve the customer?

Now, sit back, silently listen while carefully taking notes. You probably won't like some of the answers but it will provide a good starting point to formulating the systems and processes you need to be customer friendly.

## **The Extra Mile**

Because, generally speaking, most customer service is mediocre at best, doing anything out of the ordinary to render service to your customer is going to stick like glue in your customer's minds. It's the same as the extra mile principle. Do something extra that your customer is not expecting and they will immediately respond.

This is especially true for "after-sale" acts of service. True customer service is revealed based on what you do to serve your customer after the sale.

With that said, there are certain "moments of truth" that can have a particularly big impact on your customer if you go the extra mile.

# Moments of Truth

Specifically, there are eight moments of truth that you can take advantage of to produce a customer for life. Pay close attention to watch out for these eight moments of truth and if you go the extra mile at the right time, bang, you have a lifetime customer.

**Moment of Truth #1:** Pre-planned moments when you thank a steady solid customer that never complains but always brings her business back to you whether its buying clothes, equipment, accessories, etc. These are the most neglected customers, but the most important to your business. Plan to do something special for these customers every quarter or six months. Consider just sending them a plain old thank you letter that may go something like this:

“Dear Steady Eddy:

All too often, we do business with nice people, such as yourself, and then go on as if nothing had ever happened or without giving you a second thought. We would like to take a few minutes out of a busy day to personally thank you for your business. Thanks for trusting us with your business. We know you have a choice and we are glad that you keep coming back.”

**Moment of Truth #2:** The moment your customer complains. In fact, your customer has done you a great favor by complaining. It’s not every day that a customer will take the time to let you know what they think. Complaining customers give you a chance to

regain their loyalty and goodwill. They also help you to spot and fix problem areas in your service system.

Technical Assistance Research Programs Institute conducted a study that found that on the average, 96% of unhappy customers never complain. The truth is that most customers don't like to complain – especially about little things. For every complaint heard, the average company has 26 other customers with the same problem.

The study also found that the average unhappy customer will remember the incident for 23 years. Wow, how many prospects could they tell over that length of time? Also, the average happy customer will talk about the pleasant experience for only 18 months.

Lesson: You need a whole lot of good experiences to make up for just one bad experience.

Fix your complaining customer's problem and then let them know that you appreciate them as much or even more than your other customers because they cared enough about you to take the time to voice their opinion.

Okay, just one last word about complaining customers. When a customer complains, it's time to hit the "jackpot." Look at the situation as an opportunity to make a customer for life. The most loyal customers are the ones that have "been through the trenches" with you and have emerged with satisfaction and delight with how you handled the situation.

**Moment of Truth #3:** The moment one of your new customers comes back to place a second order. It may be for an accessory, a helmet, whatever. However big or small the order is, they chose you to do business with again. They gave you their vote of confidence. Do something to thank them for their vote of confidence.

**Moment of Truth #4:** The moment a customer has thanked you. When someone goes out of their way to express their gratitude for something you've done, you have a

tremendous opportunity to deepen and strengthen your bond by responding in kind. Send them a coupon for their next visit or a free movie pass. Something to tell them thanks.

**Moment of Truth #5:** The moment one of your customers has been through a hard time because of a foul up on your (or their) part. Sometimes things don't go smoothly, but your customer hangs in there with you. This is a great opportunity to go above and beyond the call of duty to show them that you are sorry and that you care. When you fix the problem, take it one step further and do something extra, free of charge.

**Moment of Truth #6:** The moment a customer needs a favor from you. There are always times that your customer wants you to go the extra mile or they are in a jam and need your help. They might need a special order product quicker than you normally can provide it or they need it delivered on tomorrow morning. Let them know that it is against your policy and you don't usually do these types of things but for them, you will make an exception.

**Moment of Truth #7:** The moment you see your customer in public. Have you ever walked right by one of your customers without saying hello? This should never happen! Even though you might not remember their name you can say, "Hi, my name is David Carleton. I'm the fellow you bought your XYZ from. How's it going for you?"

**Moment of Truth #8:** The moment your customer brings in a referral. This is big! You have just acquired a new customer for no cost to you. You have just received a lifetime value of a new customer for free. Make sure you let your customer know your gratitude and how much it means to you. Send them a dinner for two to their favorite restaurant. If they were vocal in referring you the first time they will be even more vocal in referring someone to you the second time. This customer should have your highest rating.

# The 11 Point Customer Complaint Checklist

Not more about customer complaints? Yes! This is critical. I want to share with you an 11-point checklist for handling customer complaints. Use it, teach it, share it, measure it, post it, talk about it, honor it, and live it.

- ☒ Say I'm Sorry
- ☒ Listen and don't get defensive or argue
- ☒ Empathize and respect their perspective
- ☒ Don't make excuses
- ☒ Understand the problem by listening and asking questions
- ☒ Tell them how you're going to fix it
- ☒ Tell them when you'll get back to them
- ☒ Thank them for complaining
- ☒ Resolve the problem
- ☒ Tell them it's resolved
- ☒ Do something extra nice for them...NOW!

Every time you experience a customer complaint use this checklist. Include it as part of your employee's evaluation. Use it in your employee training sessions. Role-play using the checklist. Do whatever it takes to get these key elements into you and your employees' daily habits.

# How Your Customer “Sees” You Has Little to Do With the Quality of Your Product

Customer service studies have shown time and again that the quality of the relationship with your customer has more to do with how you solved their problem than the quality of the actual product itself. As a matter of fact, businesses that got the highest ratings from customers were the ones that had product defects.

How can that be? Well, the companies that got the highest satisfaction were the ones that saw their goofs as opportunities to give great customer service. Thus, their customers that experienced product problems turned out to be their most loyal customers. They were also the ones that produced the most referrals.

## Great Customer Service Ideas

Let’s run down a list of customer service ideas that you may consider implementing in your retail business.

**Greeting the Customer** – How long does it take you to get to a customer from the moment they walk in your front door? Even if you’re with another customer you should take a moment to greet your customer and tell them that you’ll be right with them.

**Answering the Phone** – What do you do when you’re with a customer and your phone rings and you’re the only one to answer it? Answer it. Excuse yourself for just one moment, get the callers phone number and promise them you will call them back. You

pay a lot of money for the phone to ring and your break might even give your customer a chance to soak in what you have told him so far.

**Returning Phone Calls** – Rapid return of a phone call by a customer lets them know how important they are to your business. Don't let 30 minutes pass without returning a phone call.

**The First / Last Principle** – People remember their first contact with you during their last visit, more than any other time. So the two key points in your relationship with a customer is the first time they walk in the door and the last time you see them. Last time that is, until they come back in.

**Your Attitude** – People can sense your willing attitude and whether you really want to be with them. To you business owners...it has been my experience that you can't teach attitude. Either someone has a good attitude or they don't. Remember this in your hiring process.

**Same Day Service** – If you have something in stock or that your customer wants, consider promising them same day delivery service. Go the extra mile to deliver it that night.

**Owner Visits** – If something goes wrong after the delivery of the customer's product, as the owner, perform the service call yourself and bring along a tech if necessary.

**Special Gift Package** – As soon as a customer takes home their new XYZ, send them a customized XYZ gift package. This could include an instruction video, free oil changes, cookies shaped like the initials of your store, etc. There are many specialty gift companies that specialize in this type of service.

**90-Day Survey** – Perform a customer satisfaction survey after 90 days of owning or using your products and services. Start your phone call with, "We know that our service

really starts after the sale of our XYZ so we are just calling to check up on you.” Don’t delegate this task to employees.

**Free Labor Warranty** – If there comes a time when you need to service a Mountain Bike, give your customers your labor for free and their parts at cost.

**In Home Training** – After selling a physical product like an, ATV set up an appointment to provide personal training on cleaning and maintenance.

**Free Lessons** – Offer 6-months of free lessons on how to use or maintain their purchase. This obviously works well for physical products like ATV’s.

## Ideas for Goodwill Freebies

**Car Wash** – Select one day a month and have the local Boy Scout troop come down to your store and wash your customer’s cars while they are being serviced in your store.

**Free Movie Passes** – Movie passes purchased in bulk are inexpensive and are something that everyone can use.

**Oil and Lube** – Partner with a local oil and lube business to offer a free oil and lube to customers who come to the store to take advantage of an advertised sale.

**Free Website Gift** – Offer a free gift on your website that is accessed using a secret password that you give to your customers when they visit your store. The gift can be a coupon that you can print out on a regular home printer.

**Customer Appreciation Night** – Hold an annual customer appreciation party. Roast a pig or have hot dogs and burgers and allow customers and their friends to try out different products.



**Presidents Lounge** – If your customer flies a lot, buy them a one-year membership to a “business lounge” situated in airports.

**Romantic Weekend**– Hotels usually sell weekend rooms for a song. You could give your customer s a weekend stay in a local hotel.

**Newsletter** – Send a periodic newsletter to your customers to let them know the latest news and comments and ideas from other customers.

**Kids Toys** – If your prospects have young children build a play area for children with a VCR and TV. Give the youngsters some small gifts when they leave.

**Free Calling Card** – Provide a phone calling card with the purchase of your product.

**First Year Anniversary** – When your customer purchases their XYZ have a picture taken with the sales person who helped them. When six months rolls around purchase a small “talking photo holder” and put your picture in it with a recorded message.

**Free Accessories** – Send a coupon the week after your customer buys your product or service for a \$10 - \$25 credit towards something else on his/er next visit.

**Kid’s Birthdays** – When your customer purchases from you get the birth dates of their children. Send their children small gifts when their birthdays roll around. (Go check out [www.1-800birthday.com](http://www.1-800birthday.com))

**Send a Harry and David gift** – After the sale consider sending a Harry and David monthly gourmet fruit basket gift. You can find Harry and David at [www.harryanddavid.com](http://www.harryanddavid.com). I received one of these gifts from a supplier. Every month I received my favorite juicy fruit, it kindled kind thoughts about the person (salesperson) who gave it to me.

**Postcard Useful Information Reminders** – Use a pre-printed postcard that simply reminds your customer of the impending time change. For example, “Just a reminder to Spring Forward on April 5<sup>th</sup>!”

**Product Safety Tips** – Use your customer’s email address to send a weekly newsletter on interesting information about the product they purchased. Automate this process using email autoresponder technology (There is an entire section on autoresponders in **The Ultimate Lead Generation System manual.** – <http://www.getleadsasap.com/>)

# **Here's Some More Even "Littler" Things You Can Do to Make a Good Impression**

- Stock your store/office with free munchies and drinks for your customers.
- Follow-up any visit with a short note and thank you card.
- Always help to carry out packages and other things to their car.
- Ask them questions about their personal life and find common interests to talk about.
- If you don't offer a product they are looking for, help them locate it.
- Give them a small novelty gift as they leave your office/store (especially if they have children).
- Give them your home phone number for any questions (they will rarely call).
- Open the door for them as they leave the store and their car door if appropriate.
- Give them a cassette tape/CD about how to buy a something else that you sell.
- Introduce them to the owner and show them around the store/office.
- Whatever they purchased, call them that night and thank them.
- If they are waiting for a salesperson offer them an opportunity to listen to a recorded message about purchasing a XYZ (using a walkman or built-in audio system with headphones).

Never let them wait for more than 15 seconds to acknowledge them after they enter the store.

# **How to Make it Rain Referrals**

## **Good Customer Service Doesn't Always Equate to Lots of Referrals**

Joe Stumpf, a referral expert, likes to make the following distinction. Customers are people who do business with you on an ongoing basis. Clients are people who do business with you and have given you one referral. But an advocate is someone who does business with you and has a habit of sending referrals your way.

We've already talked about the importance of customer service in the referral generation process. Customer service cannot be underestimated. It is the foundation of the referral process. But just because you give good customer service, it doesn't mean that you will get a lot of referrals. Receiving referrals on an ongoing basis is as much a function of deliberate planning as it is great customer service.

Many companies assume that referrals will happen by themselves. This isn't true. If you are not deliberate and proactive in creating referrals, the chances of you receiving as many referrals as you want are slim. And your best customers are ready and willing to give you referrals as shown in the statistics above, you just need to show them how.

# Why are Referrals so Powerful?

Referrals are the lifeblood of any business. When 30% to 50% of your business comes through your referrals, your business becomes self-sustaining allowing you to work on expanding your product line and service offerings and other value-added efforts.

The reason referrals are so powerful is because they come from a credible third-party that has experienced first hand the benefits of doing business with you. They are even more powerful when they come from a friend because you know that a friend has no ulterior motivations but to do what's in your best interest. You can believe what your friend is saying versus hearing a commercial from a salesperson whose sole purpose is to make money from you.

Referrals are also valuable because most of the time they are completely free. How would you like to receive the benefits of the most compelling sales advertisement on earth for absolutely nothing? You can through referrals.

Research shows the importance of referrals. According to Paul and Sarah Edwards (authors of *Getting Business to Come to You*), up to 45% of most service businesses are chosen by customers based on the recommendations of others. A recent Dun and Bradstreet survey found referrals to be one of the two most popular small-business marketing methods (the other one is advertising).

Lastly, and I think this is the most powerful reason of all. Customers that give referrals become more loyal to you and your business. Once someone stands up and makes a public statement about “something” they will become twice as committed to that “something.” If you can get your customers to go on record endorsing your products, store or services, psychologically they will become more loyal to you and your business.

# The Referral Wheel Concept



Sometimes, as business owners we get caught up in the details of what we're trying to do and have a difficult time seeing the forest from the trees. Understanding the referral streams wheel concept will help you to see the big picture when creating your referral systems marketing plan and it also gives you a glimpse of the powerful impact a good referral systems program can have on your business.

In your referral systems program you want to create unique referral streams by implementing different referral strategies. Once you've completed implementing the first referral strategy successfully you'll want to start implementing even more strategies. Every time you implement a new referral strategy it's like adding money to your bank account.

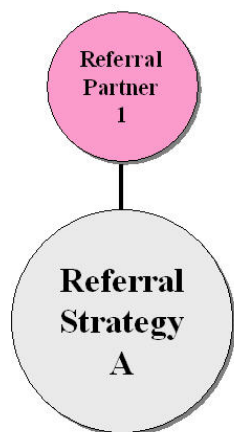
After going through the Referral Marketing System Video Program you'll be have more referral system ideas that will work for your business than you ever imagined.

Remember that the main goal of your referral-marketing plan is to create multiple streams of referrals. To do that you'll want to start with those referral systems that have the greatest potential with the least amount of effort first, so consider attacking those referral systems that you feel will offer you the best ROI – Time, money and resources.

Go slowly, step-by-step, implementing one referral strategy with one referral partner and creating a “mini-stream” of referrals. Once this is working, you can go start extending that one referral strategy to several partners resulting in multiple mini-streams of referrals.

As you create your referral systems marketing plan you'll want to be systematic about your approach to implementing each referral system.

And all the mini-streams of referrals from that one referral strategy combine to create a major referral stream for your business. Now lets suppose you were able to duplicate those results with a second major referral stream using a second referral strategy. That's the essence of creating multiple streams of referrals.



I want to demonstrate how powerful this concept is by putting some numbers to the concept that I just explained to you. Lets suppose you implemented a single referral strategy with only one referral partner and that referral system brought you 3 referrals a month. That is a super conservative number. Many of the referral systems in this program have to ability to send you tens of hundreds of referrals a month to your business, but to be conservative, let's use the number 3.

Now take that one referral strategy and approach 7 other businesses that all agree to participate in your referral program, with each one sending you just 3 referrals. That would result in 24 referrals a month being sent to your business.



Now let's implement a second referral strategy with 8 new partners with each partner sending you 3 referrals a month. By the end of the month you would receive 48 referrals. For some businesses like the realtors, you can retire off of that monthly referral stream.



And suppose that you set up a goal to implement one referral strategy every two months for the next 10 months. By the end of the year you would have 192 referrals streaming into your business every month.





Now let's just say that you could improve each referral system to produce only two more referrals a month. So now you're generating 5 referrals with each partner for every referral strategy instead of 3. That small change would result in getting 320 referrals a month. Imagine receiving 320 referrals month.

And that's using even the most conservative estimates. What would that mean to your business? What type of impact would that have on your monthly profit and loss statement? These referral programs might work so well that you might actually hire someone to be the Director of Referral Marketing with their sole job to be setting up and running your referral systems for your business

# One Word About Word of Mouth Advertising

Word of Mouth advertising happens when one of your customers or friends mentions you or your business in a casual conversation. It's not intentional or planned. It's just something that came out of their mouth. Imagine if you were able to develop a system for giving referrals, a system that has predictable results, a system that can be turned on and off at will. Your business needs word of mouth advertising but it also needs a system for referral prospecting.

## Making it Rain Referrals Starts with Your Attitude!

Time and again the same question keeps coming to me, "How do I get more referrals?" My answer is always the same, "You must ask for them." In reality, most business owners know that they have to ask for referrals to get more referrals but it's the fear of asking that impedes them from moving forward. This fear of asking is rooted in your attitude. If your attitude is one that believes that you are putting your customer out by asking them to give you referrals then you will always be battling with fear.

If you truly believe that it will be helping them if you ask them to give you referrals your fear would fade quickly. Your customers want to give you referrals. It makes them feel good to find a great source to recommend and they want to share their "little secret" (which is you) with their friends. They will be seen as a hero, or someone "in the know." And when their friend receives great service from you as well, your referring customer will feel as though he was able to do his friends a great favor.

# Centers of Influence and the 80/20 Rule

Your best referrers are your customers. The people who have experience with you and can vouch first hand for your product and service. However, there are many other people and organizations that you must include in your referral prospecting system. These individuals are people who know and mingle with many other influential people. These people are often known as, “Centers of Influence.” (COI)

Centers of Influence can multiply your marketing efforts ten-fold. They turn your marketing efforts from one-to-one to one-to-many. They are the heavy hitters that can have a profound multiplying effect on your business. A smart retailer will spend the majority of his referral prospecting time with the 20% of their Centers of Influence that will produce 80% of the results.

## Tier 1 Centers of Influence - Example

If you are a All Terrain Vehicle Dealer (ATV), your Tier one Centers of Influence could be dealers or retailers the sell following products:

- Happy Customers
- Recreational Vehicles (RVs)
- Personal Watercrafts (Jet Skis)
- Camping Supplies
- RV campgrounds
- Mountain Bikes
- Motorcycles
- Hot Tubs
- Boats

These are the people that can send you huge amounts of referrals. In this case, each of these Centers of Influence has a connection to a common customer because they provide complimentary products and services. Referrals coming from your Tier 1 Centers of Influence can be very powerful.

Suppose a Snowmobile Dealer suggests specific trails or mountains that caters to Snowmobile owners. From the new Snowmobile owner's perspective, the Snowmobile dealer's recommendation comes with a lot of weight because she thinks to herself, "Who would know better which areas caters to snowmobiles than an snowmobile dealer?"

## **What is Your Goal with Tier 1 Referral Givers?**

Your goal with Tier 1 referral givers is to be the first person on their minds when someone asks them about purchasing your product. With this in mind, you should sit down with your staff and come up with ideas about how to be the first person standing in line in the minds of your Tier 1 referrers.

Here are a few ideas to start you off:

- **Be their number one referrer:** Make sure that you also have a referral mindset. Before you get you must give, which means that in order to get lots of referrals from these people you must be giving them referrals.
- **Sponsor special parties for them.** Make sure you try not to invite competitors. Have a good cross section. You might hold several of these parties throughout the year so that you can invite several different potential referrers from the same industry.

- Put each one of them on your newsletter list. Give them helpful information that they can use to make product work better, faster, easier, etc.
- Invite them to an all-expense paid marketing association luncheon that has a great speaker. Rent a limo to pick them up, serve them wine or fine drinks, and treat them like stars. (I know a broker that does this with real estate agents and makes a fortune in referrals.)
- Purchase an information product about marketing in their business and give it to them as a free gift. They will thank you for your interest in wanting to help them grow their business.
- If it's a big potential referrer, send them a Harry and David ([www.harryanddavid.com](http://www.harryanddavid.com)) year round gift that they will receive every month. This will keep you in their thoughts and on their minds all year long.
- Invite them out to an afternoon of golfing at a nice course in your town.

If you don't have the time or inclination to develop a relationship with your Tier 1 Centers of Influence then don't even try. It's better to choose one health club owner and become close friends with him then try to be friends with 10 other businesses and do a bad job at it.

# **Arm Your Tier 1 Centers of Influence With Special Reports**

Arm your Tier 1 Centers of Influence with tools to help them to help their customers (and your prospects). You may consider giving your Tier 1 Center of Influence a supply of special reports that you have developed. When someone inquires about an XYZ your Center of Influence (COI) can give him or her a special report that will answer some of his or her questions. This will make your Center of Influence look good and it will also be an effective method of referring you.

Your special report could be titled, “Purchasing and Maintaining a Good Quality ATV: What You Need to Know” or “ATV Ownership: The Basics and Beyond.” What better way to get your Tier 1 Center of Influence to promote your services and receive kudos for his services at the same time.

## **Tier 2 Centers of Influence**

Tier 2 Centers of Influence are people whom you come in contact with on a regular basis. However, Tier 2 Centers of Influence are also people who come in contact with a large number of other people. They too can multiply your marketing efforts. Although Tier 2 Centers of Influence do not work in the home building and leisure industry, they nevertheless, have influence with many people.

Your Tier two Centers of Influence include but are not limited to the following:

- Neighbors
- Friends
- Clergy

- Small business owners
- Corporate business executives
- Accountants
- Financial planners
- Lawyers
- Pest control people
- Etc...

Your Tier 2 Centers of Influence are people that have access to a lot of other people. These people may have no idea what it is that you do. Take the time to clearly explain to them not only what it is you do but the importance of referrals for your business.

Go one step farther by inviting them to after-hours socials at your store. Tell them stories about some results that your customer's are experiencing since they've purchased their new products from you. Get them excited about what you do. Get to know what they do by asking them questions. Now each of you can get excited when you give valuable referrals, which in turn will be transferred to the new prospect.

If you decide to share referrals then make sure you tell each other how you would like to receive them. If you'd like to proactively call the new prospect, get your Center of Influence to sell the idea to the prospect of you making the first call.

When you go to networking events such as a Chamber of Commerce meeting or charity event, don't overlook Tier 3 and Tier 4 Centers of Influence who are people who may never give you a referral. Network with the best networkers! Networkers already know the value of a good referral and of networking. Serve them well. Let them know how you serve others and that you would value their help in growing your business.

# A Caution About Giving Referral Fees

Use a referral fee as your last ditch strategy. Money has never bred loyalty. Friendship, trust, and a positive relationship are what drive loyalty to you and your business. If you give referral fees you will undoubtedly run into a situation in which the referrer claims he gave you a referral and you disagree.

Or one of your competitors starts giving referral fees and you feel the need to continually match them causing a referral fee war (I've seen it happen). Another embarrassing situation is when your customer finds out that a referral fee changed hands which breaks the trust and confidence of the relationship.

It just seems that whenever money enters into the equation and there is no surefire way to track it, trouble is on its way. I've seen too many good relationships go sour because of a referral fee dispute. It breeds everything you don't want in a trusting relationship.



# Joint Ventures: Using Other People's Customers to Get New Business

Too many small businesses make the mistake of not looking beyond the walls of their own business to see the vast opportunities of business waiting for them through “joint venture marketing.” Joint venture (JV) marketing is the process of marketing to the customers of complimentary businesses.

I'm not talking about ruthlessly going after your competition's customers. Not at all. I'm talking about gaining access to new prospects with the express permission and cooperation of the business that acquired those customers in the first place.

In the picture to your right, the “common customer” is the center of the joint venture marketing concept. Your customers are also customers of other businesses that sell related products. For instance, suppose that you are a personal sports trainer. You help your customers get and stay healthy. Most likely your customers also purchase products and services from...

- Athletic shoe and apparel stores
- Athletic equipment providers
- Fitness centers
- Health-related mail order catalogs
- Health-related magazines and books
- Health food and nutrition stores
- Sports events
- Health-related television providers



**All these Businesses Share the Same Common Customers Making Them Potential Joint Venture Partners**

All these businesses market to more or less the same customers. As a personal sports trainer, do you have something of value to offer the customers of these other companies? Joint venture marketing is about developing a special offer and getting the company with the related product or service to present the offer to their customers, resulting in a win-win for both of you.

## **Your Only Limitation is Your Imagination**

To demonstrate what I'm talking about, allow me to share with you some great examples of smart joint venture marketing.

**Example #1** — Wallpapering or Deck Building Business - If you were a wallpapering business or deck-building business, you could offer to provide wallpapering and deck building classes at local do-it-yourself stores in trade for referrals and exposure.

**Example #2** — Men's Apparel - If you sold men's apparel, you could approach local dry cleaners to display your store coupons while you offer dry cleaning coupons to your store visitors.

**Example #3** — Hair Salon - If you were a hair salon owner, you might consider giving away free perms by allowing local nail salons to give them away as a premium. This way the nail salon benefits by offering their customers a valuable freebie, and the hair salon benefits by gaining free exposure and new customers.

**Example #4** — Transmission Repair - If you were a transmission repair facility, you could assemble a card deck with local tire companies, brake repair shops, lube and oil change businesses, collision repair facilities etc. Charge each participant a production fee for the card deck. Once the card deck is assembled, have each business send a deck to their customer list with a letter endorsing the other related businesses.

**Example #5 — Attorney** - As a lawyer you may want to approach your CPA and ask if he would be willing to do an “endorsed mailing” to his customers and allow you to do the same for the CPA. An endorsed mailing would include a simple letter endorsing the services of someone else, and perhaps even include a free consultation. This works very well for professionals.

**Example #6 — Chiropractor** - If you were a chiropractor, you may consider approaching local massage therapists and persuading them to give away free massage gift certificates to friends and associates. Once the customer comes in for their free massage the therapist will endorse your services and refer the customer to you. If the customer comes to you for a free screening, you could pay the massage therapist a fee for the free massage that the customer received.

You get the idea. There is no limit to the types of joint ventures you can profitably set up with other related businesses. Actually, you can even do joint ventures with unrelated businesses as well. Recently, on a vacation to Mexico, I was laying out by the pool. Suddenly I heard an announcement about a fashion show that would be taking place at poolside (right in front of us). The fashion began and a talented lady named Regina Roberts introduced us to a wonderful line of custom designed Caribbean fashions.

The models walked around the pool and allowed all the vacationers to get a good look at some beautiful clothing that was very reasonable priced. After the show the poolside guests were invited to shop right there (she brought her whole line with her to the pool). Ladies rushed to get first dibs on the popular pieces.

It turns out that Regina has a joint venture agreement with the hotels to provide fun fashion shows to the hotel’s guests while she gets to sell her clothing line.



This is Regina and Her Beautiful Clothing Line

## How to Approach Your Soon-to-be Venture Partner

The trick to getting potential JV partners is to “show them the money.” Your approach should be a simple proposition. “Mr(s). Business Owner, would you like to instantly make \$10,000 to \$20,000 or more without any effort, risk, or investment on your part?

What sane businessperson could say no to that proposition. As a matter of fact, they’ll probably be more skeptical than excited. Whatever their reaction is, they most assuredly will be curious.

Once you have their attention you need to calm their fears about the JV being a too-good-to-be-true proposition. Ensure that you address the following points:

- Your product or service is absolutely noncompetitive to their product or service. In fact, your product is complimentary to theirs and will be perceived as a caring gesture by the customer.
- The JV will not harm or take away any profits that they might ordinarily realize.
- They won't have to do any additional work or spend additional money to rollout the venture (you are prepared to absorb all production costs).
- You will indemnify and hold them harmless and you'll include an unconditional guarantee for all your products sold through them.
- You will have all the orders routed through them for verification and auditing purposes.

These statements will calm any fears that your related company may have. You've just made it a completely risk-free venture.

Unfortunately, many companies still won't understand the concept and how it will benefit them. It's good to have proven marketing materials and processes that will help you quantify the revenue they can expect from the venture.

For example, provide a proven sales letter that you have already tested. The sales letter has a proven respectable response rate. You can almost guarantee the amount of money your potential JV partner will make. This is a powerful tool that you can use to persuade your potential partner to say yes.

**Hint:** You should provide a discount or incentive as a unique, customer-only private offer. This will make your partner's customers feel as though partner is doing them a favor by arranging a special promotion just for them.

### ***To Our Valued Customer***

Sometimes we get so busy that we forget to let you our customers like you know how much we appreciate your business. So incase we haven't told you lately...**THANK YOU!**

It's customers like you who have made us who we are - we hope our appreciation shows in the way we do business. We work hard to be the most courteous and helpful men's wear service you'll ever find. We also find the absolute best values for you every day.

For instance, the suit you just purchased is of high quality and to keep it looking sharp we know you'll need great cleaning. So we found the best garment cleaning service in the area and purchased you a gift certificate worth \$18 worth of cleaning.

*"This Certificate Entitles You to \$18 in FREE Cleaning from (Name of Cleaner)"*

It's our gift to you with no catches or gimmicks. It's just our way of saying thanks. Use this certificate and let us know how you like it. Again, *Thank You* for your loyalty.

### **Protect Your Fine Garments**

## **FREE Dry Cleaning and Laundry**

***This gift certificate entitles the holder to each of the following services... one FREE service per visit please.***

- ☐ Free Dry Cleaning, Reg. Suit or Dress
- ☐ Free Dry Cleaning, Reg. Blazer or Sweater
- ☐ Free Dry Cleaning, Reg. Slacks or Skirt
- ☐ Free Dry Cleaning, Reg. 3 Reg. Shirts

**One Gift Certificate Per Household**

### **Example of Joint Venture Between a Men's Wear Store and a Dry Cleaner**

## **Handling Potential Objections**

**Objection #1** — "I don't feel comfortable having you interface with my customers. I don't like having someone else control the relationship with my customers."

**Response** — "That's fine. As a matter of fact, it would be better if you interfaced directly with your customers on our behalf. We are more than willing to do all the legwork, which will take the burden off you. We can have a JV meeting periodically to review how everything's going and to make sure that you're comfortable with the process."

**Objection #2** — "How can I be assured that I will get paid my share of the revenues?"

**Response** — "No problem. You can control all the money. You can pay me periodically. I trust that you'll handle the proceeds from our JV fairly and properly. If you would like we could set up an independent account and a third-party bank with escrow instructions. This way there's no risk for either of us."

**Note:** Be completely honest, open, and trusting. Your ultimate goal is to establish an ongoing synergistic relationship with your partner. This will only happen with a win-win relationship based on honesty and trust.

**Objection #3** — “How do I know your proposal is going to make me money?”

**Response** — “We’ll start off the project with a limited pilot test with a small group of your customers. After the results come in we can review our revenue targets and feedback from your customers. If you are comfortable with the results we’ll move forward.”

**Note:** When negotiating your joint venture deal always try to get an agreement to extend your relationship. For instance, get agreement at the start that if the test goes well, the joint venture will last for the next 12 months. You don’t want your partner company stealing your good idea and playing you against your competitors. (Yes, unfortunately there are some unscrupulous business owners out there that would do this.)

## **Take These Steps to Get Your Joint Venture Going**

**Step 1** — Understand your numbers. You’ll need these to demonstrate how much money your partner could make. For instance, if you’re a health club owner, know what your response rate is for a typical direct mail campaign and the dollar value of each new customer.

**Step 2** — Make a list of potential complimentary or related products and services. Don’t leave out products or services that aren’t necessarily related in which your customer might still be interested.

**Step 3** — Make a list of the businesses that sell those products and services. Specifically note those companies in which you know the owner or have contacts. Then send a letter to those people and propose a meeting to explain your strategy further. Always start by introducing yourself and asking if they would be interested in making money (use a specific amount) with little to no effort. Make a follow-up phone call to set up the appointment.

**Step 4** — Present a compelling fact-based case for a joint venture. You might even mention that you have a call in to one (or two) of their competitors to present the potential venture to them as well.

**Step 5** — Deliver on what you promise with integrity, honesty, ethics and enthusiasm.

# **Potential Joint Ventures Are All Around You — Take Your Blinders Off!**

As a small business owner, you should always be thinking about establishing joint ventures, even if it's just a lead generation joint venture. For example, I know a chiropractor has “drop boxes” in various business locations offering a free back massage and screening, in addition to a drawing to win a free service or product offered by the business hosting the drop box.

It took him less than a week to pull this off and the businesses were more than happy to help him. He gets lots of referrals without any effort through this simple JV.

Unfortunately, as small business owners we are taught to fight our competitors to win over their customers. In Joint Venture Marketing you partner with your competitors to win new customers. Potential JV's are all around you, waiting for you to take advantage of them. Stop thinking “competitor” and start thinking “opportunity”!



# **A Six-Step Process For Asking for Referrals That Works Every Time**

The following is a six-step process for attracting referrals. Read it and re-read it. Have it laminated. Review it before you go to any networking events. Use it and it will become a part of you. Hopefully, it will eventually become part of your lifestyle, the “referral lifestyle.”

## **Step #1 – Overcome Your Fear and Prepare for Your Referral Conversation**

You must step out of your shell and put on a different perspective. You need help building your business and you can’t do it alone. There is no shame nor should there be any fear in asking for help to build your business. When talking with your potential referrer start by saying, “John, I have an important question I’ve been meaning to ask you.” This sets the stage and gets John’s attention.

Be humble and let him know that you are trying to build your business and that you know that he (John) has a wide circle of influence. This is a compliment to John and puts him a step above you. Once he is feeling good about himself and is open to your need for help you can move to step two.

## **Step #2 – Ask For Help**

Asking for help is a sign of strength in the business world. It means that you’re smart enough to know that you can’t do it all alone and that you need help from the best. This means your potential referrer. If they like you and trust you, they will probably be more than happy to help you – you just have to ask. Another phrase you can use is, “I’m trying to expand my business and I need your help” or “I’m trying to build my business and I value your help.”

### **Step #3 – Explain How it Works**

Always explain what happens when you are given a referral. You can handle the referral process in several ways. My favorite is to ask my referrer (the person I'm asking for help) to call the prospect and let them (the prospect) know that they (the referrer) referred them (the prospect) to me (you). I call this, "greasing the wheels." You can also ask the referrer if its okay if you call the prospect directly. This way you know it gets done and can control the process. Whatever your process is, let your referrer know that it will be completely professional and you won't become a pest.

One of the biggest fears that referrers have is that you'll call the prospect and act like an idiot, which creates a bad reflection on him, the referrer. You must guarantee and assure him that you will handle the whole situation with professionalism and dignity and that you are sensitive to the fact that the prospect is a close friend or valued customer of theirs and will treat them with respect.

### **Step #4 – Ask for Permission to Speak About Potential Prospects**

Now that you have asked for help and talked about how the process will work you should ask to have a conversation about who might be a good prospect. Take some time to brainstorm. You can use a phrase similar to this, "John, I was wondering if we could explore who you know who might also enjoy an ATV so that I can send some information to them. Would you feel comfortable with that?"

Remember, it's important to get permission to use their (the referrer's) name in the letter or phone call. Once you've gained permission to have this conversation you'll both feel more comfortable with using this approach.

You may just ask if you could send the prospect some informational material about ATV's accompanied by a letter with the referrers name on it. It may start like this,

“Dear Mr. Smithfield:

I was speaking with Roger Daltry, my accountant, the other day and he mentioned that you might be in the market for a Dirt Bike. Roger told me that you were one of his best clients and that you weren't easily impressed. But I thought I would send some helpful information along to you anyway.”

### **Step #5 – Help Them Focus on Their Small List of Friends**

When you ask someone to make a short list of friends versus asking someone to make a general list, you'll find that you end up with a longer list from the “short list.” Why, simple. Because asking your referrer to channel his thoughts on a smaller group of people such as church members, Chamber of Commerce, or friends in his own industry. You may even want to get more targeted by asking for empty nesters over 55 years of age, owners of high priced homes, or owners of Jet Skis or touring motorcycles, is a good place to start.

### **Step #6 – Document Referral Names**

When your referrer starts throwing out names leave him alone to think about it and free wheel. Don't be surprised if he pulls out an association list or church directory. Record the names and when done, go back over each name and get some background information about each of them. Try to narrow down your focus on a few highly probable names that may be a good fit for your business. Think about your target market and their demographics when narrowing down the list. In reality, the quality of the referral is more important than the quantity of the referral.

# Narrow the Choices When Asking For a Referral

Has someone ever asked you for a referral? Did it go something like this: "Hey John, by chance would you know someone who could benefit from my services?" John starts to ponder and think about it and eventually says, "Well, not off the top of my head, but I'll keep thinking about it."

This is how 90% of all referral requests are asked and unfortunately, you might as well not ask the question. Rarely, if every, will you get a positive response. Why? Because you didn't ask the question right. "know anyone who..." questions are too broad for people to think about.

People need a frame of reference to help them narrow down the playing field of potential referral candidates. For instance, imagine that you are talking to one of your good clients who are pleased with your services. You ask her, "Mary, you're a member of the Women's Financial Planning Association here in Chicago right?" Mary responds, "Yes, I am." You ask, "Do you go to their meetings on a regular basis?" "Yes, most of the time." Mary says. "Is there anyone in your association that you believe could benefit from my services? Maybe one or two people you've known in the group for awhile or sit next to regularly?"

Did you see the difference? You gave Mary a narrow frame of reference from which to think about. It allowed her to "see" the potential referrals in her mind. This may be limiting the number of potential people that your associates might know, but it is far more effective than opening up the ocean of people that Mary may know, but can't remember. Your request will also stay in Mary's mind long after you've asked it because she visualized your services with much greater intensity.

# How to Handle Referral Resistance

Referral resistance is a touchy subject and should be handled with care. Collecting referrals from a friend is not worth ruining a relationship over. However, I believe with some coaching you can overcome most referral resistance by getting to know why your friend is gun-shy about giving referrals.

Most of the time people don't want to give referrals because they think it is very MLM-ish (MLM = multi-level marketing) and they are nervous about damaging a relationship with their friends. Sometimes you may be able to overcome this feeling and sometimes you may not. You never want to push or be aggressive but you do want to try to explore their feelings and perceptions.

Your friend's perception is their reality and any attempt to change their mind will be met with resistance. So you must start by validating their perception. "Yes, John I can see why you wouldn't want to share your friend's name and phone number. Can I ask why you may feel that way? It's okay if you'd rather not share your feelings about it, I completely understand."

Not only did we validate John's feelings and concerns but also we asked if we could explore them more. Once you understand their concerns, it will unlock the door to the solution. If their resistance is deep-rooted or if they become emotional, back off immediately.

If you find that they are scared the relationship will go south, you may consider inviting them to listen to your message themselves. Tell them what you would do with a typical customer referral. Reassure him that you will be completely professional and respectful of his customer or friend.

For instance, the conversation might go something like this, “I understand your hesitancy. I’ve been disappointed by a friend to whom I passed on a referral as well. Perhaps it would be helpful if I explained what I would do with your referral. Would you indulge me for a moment? First of all, I know your referral is a close friend of yours, so I will be extra careful to make a good impression. My intention is to send them a free report about owning an ATV and then follow-up to see if they would like any more information. That’s really all there is to it. Would that be okay?”

People want to know the “reason why” before they are motivated to move forward and allow you to contact their friends. You must give them an assurance of your intentions and rest their fears that you won’t hound them for weeks. Again, if they are your friends and they like you they will want to help you out.

Again, if you aren’t committed to visiting your Centers of Influence and staying “in front” of them it won’t be worth your effort.

# **Be Proactive – Don't Leave Your Referral Program to Chance**

How many times has a customer told you that he has a friend that is thinking about purchasing an XYZ and will bring him by to check to talk to your or check out your store? How about the customer that says, "I can't think of anyone right now, but I'll keep my eyes peeled," or something to that effect. The truth is that these customers may not want to confront their friends and even though they may be very satisfied with their purchase and your service they may not feel comfortable about talking to their friends.

Some customers might have every intention on telling their friends but forget because of their hectic schedule. Hey, we're human, and we've all got more stuff to do than time, in which to do it. I'm guilty of the same sin myself.

Instead of just asking your customers to tell their friends and family members about you, and then putting all the work on your customers and waiting for them to do something, you should be more proactive.

When you ask your customers if they have any friends or business associates that might enjoy owning a personal watercraft as they have, ask them for their name and address. Let your customer know that you aren't going to hassle them but that you're just going to send a simple letter and special report about the personal watercraft lifestyle.

## **Your Direct Mail Referral Letter**

In the letter you send to your customer's referral you want to include that their friend, Joe, mentioned to you that you enjoy the outdoors or have a high stress job (good hooks) and that you might benefit from owning an ATV. Include a special report on the fun and

benefits of ATV ownership and invite him to call your toll-free recorded message line to get more information. To hear an example of a toll free recorded hotline call 1-123-456-7890, ext 2100.

Here is a sample letter you may consider using to send to your customer's referrals:

November 15, 2008

Bill Jones  
1234 Main Street  
Anytown, CA 99999

Dear Jackie,

My name is David Carleton, a few days ago, I was talking to your friend, Bob Smith, and he was telling me that you've been suffering from lower back pain for the last year.

Bob purchased an ATV from us a couple of months ago to spend more time outdoors with his family and relax. He mentioned that it might be helpful if I sent some information to you about the fun and benefits of ATV ownership.

I have enclosed this information and hope you find it helpful and informative. If you are interested, you can get some more information about ATV's by calling our 24-hour recorded information line. There's a great video titled, "How ATV Ownership Can Bring Families Together" that you can order for free from the information line. It has a lot of valuable information that you might find useful.

Thanks for taking time to read this letter and have a great day.



Sincerely,

David Carleton

P.S. If you have any questions feel free to call me on my personal line at work, which is 123.456.7890, or you can send me an email at David@ATVCityUSA.com.

As you can see, several things are accomplished in the letter above. For one, you are explaining to your prospect that Joe, one of her friends told you about her because he cares about her well being. You are offering an information product to provide more education about the benefits of ATV ownership. Lastly, you gave her an opportunity to let you know if she is interested by calling the toll-free line to get more information.

You should consider sending a few follow-up letters to your prospect. Don't just do a one-shot deal. This is a mistake. Studies have said that a consumer needs to see a commercial at least six times before they respond. Keep that in mind when you are thinking about follow-up.

## **Always Thank Your Customer for Giving a Referral**

Referrals are magic, powerful, and completely free. You should feel obligated to personally thank each person who extends them self to give you referrals. If you treat you customer extra special after they have done a great service for you, you can expect to receive more referrals from that person because you have just reinforced why she referred you the first time.

Here is a sample letter you might send to your customer who has given you a referral:

Dear \_\_\_\_\_:

Thank you for suggesting to Bill Jones that he call me regarding a new ATV.

I met with Bill on Tuesday and enjoyed talking with him. I shared with him a lot of great information and I hope that he decides to purchase a Snowmobile from us in the near future.

Regardless of whether he purchases an ATV or not, I wanted to thank you for referring us. Bill mentioned how enthusiastic and complimentary you were in giving him my name. I truly appreciate your confidence in my staff and me.

Again, thank you for thinking of us.

Cordially yours,

David Carleton

You can obviously modify this letter to suit your personality. But the principle of gratitude is powerful and the act of expressing your gratitude in words is even more powerful.

Here is a **powerful “thank you” idea** that will keep your customers referring again and again. McAllaster & Associates, a financial services firm uses this technique with resounding success.

For every referral they receive from a client, they send them 1 beautiful crystal wine glass from Tiffany's (out of a complete collection of 6 glasses) and a hand written thank you card. The receipt of this elegant glass creates the impulsive desire for the complete set! Consequently motivating the client to provide more referrals! And that's not all...McAllaster & Associates also gives the referred client their first 10 stock trades free (no commission!). Up to date they are receiving 10-\$500,000 referred clients per week...impressive to say the least!

You don't have to send a Tiffany's glass, but you can find a unique "set" of something that can be a great giveaway and motivate your customer to get the next item in the set. I've seen this technique used with hand-signed baseball sets, china plate collections, tickets to local professional sports events, tool set, etc.

Never forget to thank your customers for their referrals!

## **Put Your Referral Program on Steroids Using the Team 100 Program!**

The "Team 100" referral program is perhaps the most powerful referral-generating program I have ever seen. It can boost your referrals 100 fold in just a short time. If done correctly, it will take no more than five hours of your time each month. I wish I could say that the Team 100 program was my brainchild; however, I borrowed it from a friend of a friend mine named Thomas Leonard who can be found at [www.fullpractice.com](http://www.fullpractice.com).

The idea is to educate 100 other professionals on exactly what you do. And ask them to educate you on exactly what they do. Tit for tat. No favors, no begging, no debt, no smiley facing, just a clean, fair, intriguing and powerful approach.

Why 100 other professionals? Because professionals know and come in contact with lots of other people, some of who are absolutely perfect to be your clients. It's just a matter of expanding your network to tap into the network of other professionals. Simple, do-able, easy. No selling required, just honesty.

Starting this process is really easy.

1. Print out the Team 100 form that you can find in the Appendix.
2. Take out your Rolodex, Palm, Day-Timer, business card file or that drawer in which you've stored those little slips of paper with people's names and numbers on them.
3. Start filling out the Team 100 form with those names.

The objective is to fill up your dance card of 100 professionals. That's the first step. You may not know 100 other professionals, but you probably know 20 or 30 or 50. Start there; write them down on the Team 100 form.

Once you have completed your Team 100 form as much as possible, send the following letter to each person on your team.

Dear Bob:

Wouldn't it be great if we both knew ALL of the best professionals to refer our clients for WHATEVER need they had?

I was looking through my Rolodex the other day, and I figure that I know about 50 other professionals --everything from chiropractors to divorce attorneys. I naturally refer my clients to these other professionals, including you!

What I've prepared is a list of the 50 best professionals I know and I've included a copy of this with this note to you; it's part of a process called the Team 100. I hope that it comes in handy for you and your clients should they need a professional resource. Kind of like a private Yellow Pages.

But, as you can see, I only have this filled out for 50 professionals. Within 30 days, I want to fill up this 'dance card' to a full 100 -- or more professionals.

Are you willing to help? All you need to do is to fill in about 10 or 15 blanks of professionals that you know, but that I don't. That will get them on this list, and when the list is full at 100, I'll send you -- and them -- a fresh/updated copy of this Team 100 list so you'll have it should you ever need to refer clients to one of the professionals listed here.

My goal is to have a professional resource for virtually ANY need that my customers might have. And I thought this Team 100 was an easy way to build this resource and offer something to share to you and the soon-to-be other 99 professionals in my network."

To your success,

David Carleton

Now I want to share with you how to 'convert' your network into a lifetime of referral revenue. Most professionals I've met agree that getting referrals from their professional network is a good thing because the referrals are prescreened and there isn't a lot of marketing effort required. The phone just rings and new referrals appear.

But how do you maximize the number of referrals you're getting, in order to have enough clients coming so that you can safely rely on your network to keep your business humming?

That's where the Team 100/250 approach comes in. Think about it... as you manage this team, you are, in effect, gaining access to 5,000-25,000 other potential referrals -- the clients of those in your network. And this access is what will help fill your business and keep it full for a lifetime.

Here are the steps to maximizing your referrals and revenue:

1. Appoint yourself as the host of this network of 100 or 250 professionals who you have put on your Team 100 'dance card.' In other words, be their leader. (No need to tell them, however.)
2. Now that you are the leader, ask yourself, "What do my constituents need most that I can provide for them at a very small cost to myself?"
3. The answer? Training in how to build their businesses via referrals, and the Team 100 in particular. 95% of professionals want and need new and/or better clients. And YOU can show them how.

It really is simple to get the ball rolling as 'leader' of your network. Over the next year, here's all you have to do...

1. Send a monthly note and updated Team 100 list to your network so they will have the most current 'yellow pages' of who's good in the various professions. You need to be

consistent with this mailing (or emailing) each month. In effect, the monthly list/email also works as an effective reminder that you are there! And it provides value to the recipients because they have the most current list/info and seeing themselves on this list hits home.

2. In your monthly note, include this type of info:

- A simple profile of two to three professionals on your list, written by them! This makes it newsy and helps to bond/connect the group.
- An update on YOUR business and the success you had, and with whom. Make it personal about you. Your network is curious.
- A couple of mentions of special offers made by those on the list/network. This adds a little more incentive for folks to read your note.
- A mention or two of how the Team 100 works and is working for folks. This builds credibility/evidence.

3. Offer special stuff, from time to time.

Personally, I'd offer a free TeleClass (you can rent a 30-150-person telephone bridge cheap at <http://www.coachu.com/> or get a 30 person teleconference service for free at [mrconference.com](http://mrconference.com)) where you teach something you know to your constituents and invite others in your network to do the same. This builds community and increases the profile of the 'members.'

Offer a hotline to folks one day a month where they can call you and others for free and get help on your subject of expertise. Ninety nine percent of your Team 100 members will not call on that day, but they will quickly form the opinion that you are accessible and generous. And, they will call or email you later. Wouldn't you rather support and manage your network and benefit from the resulting referrals than to constantly market for new clients?

There is a mortgage broker who hosts a monthly luncheon for his 50+ team of professionals (referral group). He charges each person a quarterly fee to cover the cost of the lunches. This is a great idea because once someone has prepaid for a lunch they are sure to attend. He will then take his referral group to the different businesses of referral group members and allow the referral group member to explain to the group about what they do and why they are worthy of a referral.

## **Take a Leadership Role with Your Team 100**

Expand your role with this group. Take a leadership position without asking for permission. Take the time to care and to find out what people in YOUR professional network most want and need, and then to find an ultra-low cost way to deliver on that.

This can take a little reorienting in your thinking to evolve into this larger role with your network. But once you see the impact you're making -- and when you receive your first referral from your Team 100 -- you'll be hooked and encouraged to continue. If you could work with just 1% the 5,000-25,000 clients of the other professionals in your Team 100 Network, how would that affect your business?

Here's a quick review of the Team 100 concept:

1. Develop your initial Team 100 list.
2. Send a letter to each person on your Team 100.
3. Call the best-connected 10 on your list to get more professionals to add to your dance card.
4. Get at least 25 more names/contacts from actions #2 and #3 above and fill these onto your Team 100 form.
5. Call or send a letter to each of these new folks.
6. Repeat process with these folks until you reach 100.



# Appendix A

## Find New Customers from Old Ones...and Start a Customer Referral Program!

Referrals are the backbone for many salespeople and can boost the clientele of any business. Encouraging your current clients and employees for referrals (and possibly providing incentives for them) is a smart marketing move.

You can start your Customer Referral Program very informally with this Customer Referral Letter below. Mail your customized version of the form letter to tried-and-true customers, and distribute it to employees who can direct new referrals your way.

**Food for Thought:** When asked for a favor, many of us enjoy and appreciate a pat on the back, so consider offering a reward for any successful referral a customer or employee provides. In this case their reward is a free vacation. Go to [www.myfreetravel.com](http://www.myfreetravel.com) and read about how you can make this available for only \$15 per person. This offer is not “too good to be true.” I’ve used it myself and it’s the real deal. (We had a great time!)

# Sample Customer Referral Letter

January 1, 200X

Bill Jones  
123 Main Street  
Anytown, CA 99999

Dear Bill,

For some time now, you have been a valued customer of ABC Company and we wanted you to know we appreciate your business very much.

We know you have been pleased with our service here at ABC Company, and we were hoping you'd be willing to refer friends, family members, and other colleagues so we can send them information about our products and services.

Your time and effort in participating in our Customer Referral Program won't go unnoticed! No way! We are prepared to sweeten the deal if one of your referrals decides to come into the store.

If one of your referrals comes into our store we will send you and your significant other on a wonderful vacation. Your referral doesn't even have to buy an XYZ. All they have to do is visit our store/office! We just want to show them what they're missing by not owning their own XYZ.

So, if you have any friends that are in the market for an XYZ include them on the attached Customer Referral List and return them at your convenience in the enclosed self-addressed stamped envelope.

We will not bother or pester your friends in any way. We'll just send them a short free report about XYZ ownership and invite them to our store/office. We'll even give you a call just to let you know that we've sent them some useful information.

We sincerely want to thank you for helping us grow. Your kind words to others on our behalf go a long way towards our success. Bon Voyage!

David Carleton

Owner

# Customer Referral List

Referral's Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

Referred by: \_\_\_\_\_ Date: \_\_\_\_\_

Referral's Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

Referred by: \_\_\_\_\_ Date: \_\_\_\_\_

Referral's Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

Referred by: \_\_\_\_\_ Date: \_\_\_\_\_

# Appendix B: Team 100 Program Sample Template

Team 100 Program			
Specialty	Name	Phone	Email
1. Acupuncturist			
2. ADD Expert			
3. Auto Mechanic			
4. Banker/Loan Officer			
5. Bookkeeper/Bill Payer			
6. Business Attorney			
7. Business Coach			
8. Business Strategist			
9. Career Counselor			
10. Certified Public Accountant			
11. Childcare			
12. Chiropractor			
13. Communication Coach			
14. Computer Consultant			
15. Corporate Coach			
16. Corporate Trainer			
17. Defense Attorney			
18. Dentist - Cosmetic			

# Team 100 Program

Specialty	Name	Phone	Email
19. Divorce Attorney			
20. Electrician			
21. Event Planner			
22. Executive Coach			
23. Executive Recruiter			
24. Feng Shui Consultant			
25. Financial Planner			
26. Florist			
27. Graphic Artist			
28. Handyperson/Fixit			
29. Healthful Food Delivery			
30. House Painter			
31. Housekeeper/Cleaning Service			
32. Image Consultant			
33. Insurance Broker			
34. Interior Decorator			
35. Internet Marketer			
36. Investment Advisor			
37. IRS Expert			
38. Manicurist			
39. Marriage Counselor			

# Team 100 Program

Specialty	Name	Phone	Email
40. Massage Therapist			
41. Minister/Clergy/Priest/Rabbi			
42. Movement Therapist			
43. ND (Naturopath)			
44. Networker/Knows Everyone			
45. Nutritionist			
46. Personal Concierge			
47. Personal Organizer			
48. Personal Trainer			
49. Photographer			
50. Physician – Cos. Surgeon			
51. Physician - Internist			
52. Plumber			
53. Printer			
54. Psychic			
55. Realtor			
56. Refractive Surgeon			
57. Reiki Practitioner			
58. Rolfer			
59. Skin Care Specialist			
60. Spiritual Advisor/Coach			

# Team 100 Program

Specialty	Name	Phone	Email
61. Stockbroker			
62. Tax Attorney			
63. Therapist - General			
64. Therapist - Recovery			
65. Travel Agent			
66. Travel Agent - Adventures			
67. Venture Capitalist			
68. Veterinarian			
69. Virtual Assistant			
70. Voice/Speech Coach			
71. Web Designer			
72. Web Hosting Company			
73. Web Programmer			
74. Web Writer			
75. Writer			
76. ??????			
100. ?????			