

**Understanding**  
**Referral Generation:**  
**A Salesperson's Primer**

**Paul McCord**

## **Creating a Million Dollar a Year Sales Income: Sales Success through Client Referrals**



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## About the Author

**Author, speaker, trainer, consultant, and one of the country's leading authorities on prospecting, referral generation, and personal marketing,** Paul McCord has had a distinguished career in teaching, sales, sales training,



and sales management. A magna cum laude graduate of Texas A&M University, Commerce, with graduate studies at Texas Christian University in Ft. Worth, Paul began his career teaching literature at his alma mater. Though he enjoyed the challenges of teaching, his competitive nature led him to the business world where he could more fully utilize his selling and training talents.

Over the past two decades, Paul has excelled as salesman, trainer, and manager in the financial services industry. He has developed and lead sales teams wholesaling investment products to banks, credit unions, NASD broker/dealer firms, financial planning firms, trust companies, and major wirehouse companies; operated his own successful mortgage company; and recruited, trained, and lead sales forces for several mortgage banks. He has had the pleasure of training thousands of salespeople and managers from almost any industry one can think of, but all have one thing in common--a desire to become the best salesperson in their company.

Like most executives, Paul quickly realized the key to a successful company was the sales force. Finding, training, and retaining skilled, professional sales people is one of the most difficult and challenging issues facing any company seeking growth and financial success. Throughout his career, Paul has studied the major issues facing the sales management team: which candidates have the makeup to succeed? What training actually works? What recruiting methods produce effective, long-term results? How do you best coach and mentor professional salespeople? What are the key indicators of short-term and long-term success? Why do some sales plans work and others that appear to be just as viable fall flat? What do the mega-producers do that rocket their production to such heights?

Paul has developed some effective, exciting solutions to several of these vexing issues. In addition, Paul works with companies to analyze and fix their issues in finding, attracting, and retaining top people, developing sales plans that work, and performing crisis analysis to determine where the weaknesses are and how to turn them into strengths.

Paul is the author of *Create a Million-Dollar-a-Year Sales Income: Sales Success through Client Referrals* and *The Extraordinary Sales Manager: Real Solutions to Major Management Issues* (summer 2007) both published by John Wiley and Sons Publishers, and his third book, *Planning YOUR Success: The Ultimate Guide to Creating and Implementing Your Personal Marketing Plan* will also be published in late summer 2007.

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**Creating a Million Dollar a Year Sales Income:  
Sales Success through Client Referrals**

**Chapters 1-3**

## **Why Salespeople Fail**

(unedited, pre-publication version of Chapter 1 from the book)

One of the questions I hear most often from corporate executives and salespeople is, “Why do salespeople fail?” Generally speaking, salespeople fail because they lack desire, commitment, selling skills and/or training.

### **Lack of Desire**

A strong desire to succeed is a prerequisite for success in sales. Professional selling is a tough occupation. On most days, a salesperson will hear the word “no” more often than “yes.” At the beginning of a sales career or when changing jobs, each salesperson spends a huge amount of time prospecting for leads. In spite of the hard work that’s required up front, sales can also be a tremendously rewarding and lucrative career—if you begin with a sincere, heart-felt desire to succeed. You must have a passion to make those sales. This desire can’t be faked, but it *can* be fed. If the initial spark is present, training and encouragement will help it grow.

Many of us enjoy certain aspects of sales: signing a contact with a tough client; the final completion of a long-term sale; earning a good commission; and having a significant amount of freedom and control over how we spend our time. On the flip side, salespeople work long hours with no guaranteed income and face rejection, competition, stress, sales quotas, and many other issues on a daily basis.

Desire is the *need* to accomplish the goal of selling a product or service. One of the definitions of desire is “the feeling that accompanies an unsatisfied state.” Without the accomplishments of selling, the salesperson feels unfulfilled. The successful salesperson has an emotional need to be fed the fruits of sales success.

### **Lack of Commitment**

Unfortunately, desire alone doesn’t ensure success. I’ve talked with many former sales-

people who wanted to succeed, viewed sales as a noble and honorable profession, and had a strong desire to make a significant income. Yet they failed because they lacked commitment. They weren't willing to take the "punishment" of being rejected more often than not; they weren't willing to put in the time required; they weren't willing to invest in themselves and learn the profession; and they weren't willing to take the advice, constructive criticism, and guidance of their peers, managers, and prospects who chose not to purchase.

Desire is the *want or need to succeed*, while commitment is the *determination and willingness* to do whatever is needed to achieve success. Selling is a demanding occupation. Most professional sales positions require more than 40 hours per week. Generally a salesperson can expect to work longer and harder than anyone else in their company. Clients don't necessarily need you when it's convenient—they need you when they need you. And that can be any time—day, night, weekends, holidays, or during your vacation.

As mentioned above, selling requires the commitment to work through a number of activities most salespeople find difficult and even distasteful. The sales process must begin with a prospect to sell to—and prospecting is the single biggest commitment killer in sales. More than any other factor, lack of commitment to work through the initial failure and frustration of prospecting drives people out of sales. Though it's a cliché, the sales profession truly is a numbers game, and the successful salesperson needs to keep a constant flow of prospects in the pipeline. Most people who don't make it in sales fail because they lack the commitment and persistence to consistently initiate the beginning of the sales process—finding someone to sell to.

Salespeople have a number of prospecting methods at their disposal—cold calling, buying and working leads, paying for mass direct marketing campaigns, purchased advertising, networking, and—for a few—generating referrals from existing clients and prospects.

Cold calling is a time-honored method, and also the most difficult form of prospecting. Picking up a phone and calling a complete stranger who will most likely say “no” is the most terrifying and discouraging part of selling. And we get to do it over and over, every day, until we build our business. Whether the sales are business-to-business or direct to the public, cold calling flushes more people from the ranks of sales than any other single aspect of the profession.

Close behind cold calling is working sales leads. Despite what most lead supply companies’ claim, sales leads are virtually the same as cold calling, even though the prospect indicated some level of interest in the product. Unfortunately, other salespeople have already contacted many of these leads. Purchasing leads means you’ve taken one step forward in prospecting—you have reason to believe the person is interested in your product or service. You’ve also taken two steps back; because you know competitors will also come calling—and that will probably create a price issue.

***Referral Generation Tip:***

**Price Doesn’t have to be King:** If price is a hindrance to your selling success, you must begin to develop a large number of quality referrals. Referral selling is the only consistent prospecting method that eliminates price as a primary factor in the sale.

Most new salespeople can’t afford to create a marketing campaign through media advertising or direct mail. In a major market, a small newspaper display advertisement may cost well over a thousand dollars. Direct mail usually costs at least seventy-five cents per piece. Both marketing methods require long term exposure to generate results. Consequently, the average salesperson would spend thousands of dollars before generating a single prospect—tens of thousands before generating enough prospects to stay in business.

Another common prospecting method is networking through members of organizations,

family, friends, and acquaintances. In many cases, this is where the salesperson finds his early customers and clients. It's a perfect place to start, but that's exactly what it is—a beginning. Most of us don't have enough contacts to generate major sales activity, although these early leads may sustain our business for a month or two. When your family and friends go into hiding, it's time to develop new leads!

A few salespeople are lucky enough to have their company purchase leads, advertise, send out direct mail campaigns, and sell products and services where the salesperson gets a few walk-ins or call-ins. But even these set-ups have serious limitations. Leads purchased by companies are usually the same leads a salesperson would purchase himself, and the company divides these leads among a number of salespeople. Even industries usually considered “walk-in,” such as furniture stores and automobile sales, tell new salespeople up-front, “If you want to make money you can't rely on walk-ins alone.”

Other prospecting methods include trade shows, seminars, and conventions. These prospecting methods have the same problems and limitations as those outlined above, and may require a fair amount of experience, sophistication, and expense on the part of the salesperson or company.

The sad fact is, over 85% of professional salespeople rely on one or more of the prospecting methods outlined above for virtually all their prospecting generating activity. In my referral selling seminars, I ask attendees to list their top five prospecting methods in descending order, from most productive to least productive. When the lists are ready, I ask them to write every sale they made in the past year and which method generated that prospect. Almost without fail, an amazing thing happens. When we read these initial prospecting method lists, nearly everyone in the room has placed referrals in position number two. In other words, my seminar

attendees claim referrals are the second best method they have for generating sales. But when they do the actual list of sales and what method generated that sale, referrals turn up in last place—if they make the list at all. I find a serious reality gap between how salespeople *believe* they obtain sales and how they *really* generate new sales.

Why the disconnect? Since every person is told within five minutes of entering a professional selling position that in order to stay in business he needs to generate referrals, and since sales managers expect salespeople to have referrals, and since most salespeople ask for the occasional referral and often get a name and phone number or two, salespeople believe they're selling by referral. They believe because they're getting names and phone numbers, they must be getting referral business. Only when they actually see where their business is coming from do most recognize how little business they generate from referrals. Certainly, many get a referral sale or two here and there, but not nearly as many as they "feel" they're generating.

With over 85% of professional salespeople forced to dig on a daily basis for prospects to fill their pipeline, is it any wonder so many good people fail? Desire can only go so far. Commitment isn't easy to maintain when we face a lifetime of turning over every rock in the field to find a prospect. Most of us can only hear "no" so many times before our enthusiasm wanes and our prospecting activity slows to an eventual halt. And at that point, whether we recognize it at the time or not, we are out of business.

### **Lack of a Good Selling Process**

Strong desire and commitment won't prevent failure unless they're accompanied by a proven way to generate prospects and close business deals. The second most frustrating thing for salespeople is the feeling of being lost in the sales event itself. Most companies, from Mom

and Pop firms to Fortune 100 companies, do a good job of training their sales force on product. But they do a poor job when it comes to teaching the sales force *how to sell*. The two issues aren't the same, though many companies treat them as such.

Selling is the “how” in the sales process—how to get in front of and sell a prospect. Product knowledge is the “why”—why we sell and why they buy. Every salesperson needs solid grounding in each of these areas. Companies tend to view the why of selling as the crucial area, and to a certain extent they're right. Selling skills are transferable from company to company, industry to industry. Product knowledge is usually specific to an industry and a particular company within that industry. Consequently, the product and how to sell that particular product tops the training list for most firms.

But every salesperson needs a process to generate a robust pipeline of prospects and turn those prospects into customers. That proven process should include a prospecting method, a sales method, and a follow-up method that consistently generates fresh prospects. These prospects are converted into customers who receive a purchasing experience beyond their expectations.

A proven, reliable sales process will give you the confidence to tackle the most difficult client or the most demanding sales manager.

### **Lack of Training**

Though desire and commitment are internally generated, a good selling process comes from training, and then adapting that training to your personality through trial and error. Lack of training is second only to a lack of commitment in flushing salespeople out of the business. Sales training is the foundation upon which product training should rest. Many companies assume their salespeople and the salespeople they hire already have a solid foundation in sales

training. Salespeople who don't perform are simply written off as part of the 80% in the old 80/20 rule of selling: 80 percent of the sales force produces only 20 percent of the company's sales. Or, put another way, 80 percent of the company's sales are produced by only 20 percent of the sales force.

Studies show the top sales people in any industry produce almost four times the sales volume of the average salesperson and ten times the volume of the bottom dwellers. A survey of the top salespeople in your company would probably reveal a common denominator. Each of them either received serious, in-depth sales training early in their careers through their company, or they've heavily invested in themselves by reading sales books, attending seminars, listening to sales tapes, and discussing with one another what works and what doesn't. Virtually every top salesperson spends a significant amount of time and money on personal training.

This doesn't let your company off the hook. Your employer should hire outside trainers to hold on-site seminars; top producers within the company should hold training sessions; and the company should send their sales force to seminars. You and the other salespeople in your company should insist on being correctly trained.

Furthermore, it's in the company's best interest to spend dollars and time to train their salespeople. Is it any surprise most of the top talent work for, or came from, companies that spend a tremendous amount of money for sales and product training?

Whether you're beginning a sales career, haven't received sufficient training in the past, or you're a well trained, seasoned professional, every salesperson needs continual updates on both sales and product. If your company doesn't provide sufficient training (and most do not), you can invest in yourself by reading the best books on selling, attending sales seminars, using audio tapes and CDs, hiring a sales coach from one of the hundreds of sales training companies,

and acquiring a mentor.

No salesperson ever reaches the point where he no longer needs training. Every top producing salesperson I've met takes this aspect of the job seriously and spends a great deal of time on personal training. On the other hand, inexperienced salespeople often use training as an excuse to not sell: "I can't go out there yet – I'm not ready!"

On the job training makes it perfectly acceptable to begin selling *before* you have complete knowledge of the product or service. New salespeople can sell most products and services with only a basic amount of training. You don't need to have the answer for every possible question. Don't hide behind training because you're afraid of failure, and don't let training become a stumbling block that keeps you from doing your job.

Sales failure is actually an important training tool. In fact, we probably learn more from failure than we learn from success. Even experienced salespeople fail. But fear of failure, which afflicts the salesperson who insists on complete training before entering the battlefield, is a self-fulfilling prophecy that guarantees failure through lack of activity.

For more information about how to handle rejection as you develop a referral business, how to find and hire a coach, and where to find additional sales training, go to the PWWR Referral Generation System web site: [www.powerreferralselling.com](http://www.powerreferralselling.com). For a discounted fee, you can take a professional sales assessment developed by Profiles International, one of the leading sales assessment companies in the world. Simply click on the "Sales Assessment" link. The results of this assessment will provide an overview of your selling strengths and weaknesses, plus solid suggestions you can use for self-coaching or use with a personal coach or mentor.

## Referrals are the Solution

(unedited, pre-publication version of Chapter 2 from the book)

Referral selling is the solution to many of the problems discussed above. Though referrals won't give you the desire to succeed, they can feed that desire. Though they cannot give you the commitment for success, they can drive that commitment forward. Referrals are a vital part of a good sales process, and you can learn to generate them.

### What is a referral?

First we need to be clear on what a referral is, and what it isn't. Many salespeople believe the name and phone number of a person or business given to you by a prospect or a customer constitutes a referral. A name and phone number are not a referral—they are a name and phone number, period.

Let's go back a couple of steps and define what a prospect is. The purpose of prospecting is to find an entity—an individual or a business—with a need for and the ability to acquire your product or service. We can divide individuals and businesses into four groups, and each group gets us closer to the sale:

The first group includes all the people and businesses in existence. No matter what product or service we sell, we begin our prospecting activity with this group of entities as potential customers. However, we need to divide this huge number into something more manageable. Applying a few basic criteria will eliminate most of these entities: age, geographic location, business type, income bracket, company size, etc.

This gives us a much smaller group of people or businesses who may be likely suspects for our product or service. And that's exactly what these folks are—suspects. We suspect they might be able to use what we're selling. So far, they seem to match the basic criteria we've developed.

The next step is to determine whether these suspects are true prospects; that is, whether

#### ***Referral Generation Tip:***

**Know Whom to Prospect:** Analyze your last 100 customers. Can you find any patterns that can help you pinpoint your ideal prospect? If 73 of your last 100 clients were middle aged men suffering from male pattern baldness, is this by accident or is this group the market you relate to best? If you find patterns, try to analyze why they exist. If you determine these patterns indicate which group or groups you best relate to, use that information and target your marketing to individuals in these groups.

or not they actually can use our product. We do this in a number of ways, such as talking directly to the suspect or doing background research. In the end, we must answer the central question: Do they have a need for our product/service or will our product/service meet an unknown need? (In some cases, the suspects don't know they can benefit from our services).

Obviously, answering this question will eliminate more suspects. We're left with a group of prospects we have good reason to believe can use our product or service. Now it's time to narrow our pool of suspects into a list of qualified prospects by determining the answers to another set of questions:

Can the prospect afford our product or service?

Is he interested in acquiring our product or service, or can such an interest be developed?

Is he aware of our products and services and how these products and services can benefit him?

A prospect who can't afford our solution obviously isn't a qualified prospect, because no matter how much he wants to purchase, he can't. Likewise, a prospect who does not (or will not) recognize the need for our service is also a short-term dead end. Though this narrowing process eliminates many prospects for immediate sales, the prospects we eliminated may be worth staying in contact with over a period of time, because their circumstances may change in our favor. Perhaps they'll acquire the means to purchase, the need will become apparent to them, or—in the case of a company—personnel changes may open up new opportunities to revisit the company's needs.

Now we're left with a group of qualified prospects who:

can afford our product or service

have a genuine need or want for our product or services

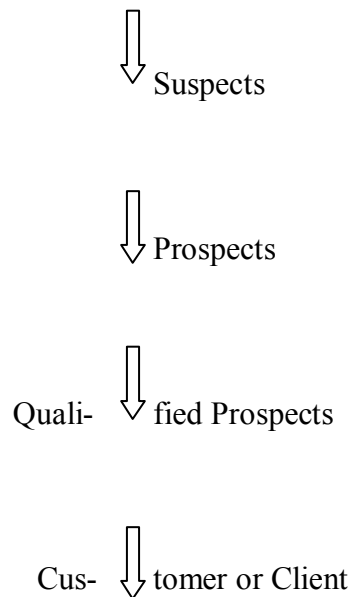
have some level of interest

are aware of our particular company and what we offer

are willing to consider acquiring our product or service.

In most cases, by now we've made direct contact with the person or business and are beginning to develop a sales relationship. Of course, the final cut is from qualified prospect to customer. Those prospects who actually buy from us become our ultimate group. We end up with a prospecting chain that looks like this:

## The World of Entities



Most “referrals” salespeople receive come from group one—names and phone numbers, the world entities. The referring party comes up with a name and phone number for someone they believe might have some interest in our products or services. This is usually someone they believe is “safe.” They tend to provide the name and number of someone who probably won’t meet with the salesperson. Or, they give the name of someone they don’t know well, so they won’t have to worry if things don’t work out. Only 10% of the “world referrals” a salesperson receives actually result in a sale.

Not all referrals fit into the world category. On occasion, a salesperson is blessed by a referral to a suspect. In such cases, we’ve narrowed the field a bit and now have a prospect who seems to meet our basic criteria, at least on the surface. He’s in the right geographic area, the right industry, the right sized company, and appears affluent enough to buy. The referring party has taken the time and has the confidence to give us a name and phone number that seem to fit our criteria. This time we have over a 15% chance of getting a sale from the referral.

Sporadically a client does refer us to someone he knows will benefit from our product or service. He’s given us a referral to a true prospect. At this point we don’t know if our product or service is the right choice for the prospect, whether or not he can afford to make the purchase, or if he’s aware of the need for what we’re selling. But at least we have a referral that does, in

fact, need us. Our chances of closing a sale with this referral are almost 40%.

On rare but glorious occasions, our referring party will provide a name and phone number for a truly qualified prospect—someone who needs what we’re selling, is aware of that need, and has the means to purchase. Our chances of generating a sale from this referral jump to well over 60%.

### **Referral Entities and Expected Closing Percentage**

The World: Less than 10%



Suspects: About 15%



Prospects: About 40%



Qualified Prospects: Over 60%

Let’s return to the original question: What is a referral? Again, a referral is much more than a name and phone number. If we divided the “referrals” most salespeople receive into categories, we’d find that over 60% of “referrals” (names and phone numbers) fall into the “world” category; about 25% fall into the “suspect” category, and only about 15% are true prospects, or qualified prospects. Is it any wonder the average salesperson doesn’t generate enough referrals to make a significant difference in his sales volume?

Yet most salespeople believe they’re getting referral business by obtaining names and phone numbers. Unfortunately, this practice isn’t much better than opening the phone book and picking names at random. Still, they “feel” they’re getting referrals.

A real referral falls into either the prospect or qualified prospect category. The further down the chain the referral is, the more likely you are to make a sale. A typical salesperson’s names and phone numbers translate into a 15-20% chance for a sale, whereas a salesperson who generates real, strong referrals will enjoy a referral closing ratio of 45-55% or higher. That

means, given the same number of referrals, a salesperson generating strong referrals will close three or four times more referred sales than the typical salesperson. And what happens if that salesperson generates two or three times more referrals than the typical salesperson? He'll close six to ten times more volume.

Our challenge, then, is to find a prospecting method that will generate a large number of referrals for the suspect and prospect categories. Better yet, we'd like to develop a method to consistently generate referrals that fall into the prospect and qualified prospect categories. In that case, we should dramatically increase our close ratio and sales volume—and possibly, decrease the amount of time we spend prospecting.

The obvious question is: “Why do we need to create a system? Why not just ask customers and clients for referrals?”

## **Simply Asking for Referrals Doesn't Work** (unedited, pre-publication version of Chapter 3 from the book)

By now I'm sure you're wondering, "How can I generate those important prospect referrals?" The traditional methods for gaining referrals is simple and straightforward—make the sale, do a good job, and ask for referrals. You'd think this method would be sufficient. What could be simpler than asking a satisfied customer for a referral to someone who might be able to use your product or service? The problem is, we've known for years this format just doesn't work. Using the "ask for 'em" and "get 'em" method of referral training (which is how most of us were taught) results in a large number of "world" referrals, a few "suspect" referrals, and hardly any "prospect" referrals.

Before we study the method of referral generation that *does* work, we need to explore why the traditional method of asking for referrals doesn't work. Understanding what's wrong with the traditional method will help us build a method that eliminates those issues.

One of the primary reasons for failure occurs with the basic referral question. Studies show most salespeople either don't ask for referrals, or they ask in such a manner that the customer doesn't understand the request. Despite what many salespeople tell their peers and sales managers, over 55% of customers surveyed claim their salesperson never asked for referrals. This doesn't necessarily mean the salesperson didn't ask—it could mean the customer wasn't asked in a manner he recognized as a request for a referral.

Customers surveyed often cited confusion regarding the referral requests they received from salespeople. They understood their salesperson's request as a secondary suggestion rather than a request. Examples of confusing requests were:

"Tom, if you happen to know anyone else who can my services, I hope you'll consider giving them my name and number."

"Bill, here are a couple of my business cards. If you run across anyone looking for a home, just give them one."

"If you think of anyone who could use me, I'd love to hear about them."

“Let me know of anyone I could be of service to.”

These are not referral requests. At most, they’re suggestions; at worst they’re nothing more than throwaway sentences your customers will forget almost immediately. Yet, these are the common methods salespeople use to generate referral business.

This actually reveals three issues we must deal with when constructing a referral generation system. First, we must ask for referrals. Rarely will a customer or client simply volunteer. Unless the client knows we need referrals and our business depends on referrals, he won’t think about giving them—much less actually volunteer the information.

The most common reason salespeople don’t ask for referrals is fear: Fear of rejection by the client, or the fear of irritating a client from whom they’re seeking additional business. Just as the fear of rejection can hinder your ability to prospect by cold calling, the fear of being rejected by a customer inhibits the request for referrals. The fear that keeps a salesperson from asking for referrals puts him in the position of finding other ways to get new clients—and this may lead to additional cold calling. All we’re doing is trading one fear for another.

Is the fear of rejection justified? Not if you’ve done a good job for your customer, from initial contact to the final delivery of the product or service. Assuming the process has gone well, you have no reason to fear asking for referrals. When I ask salespeople why they don’t ask for referrals, the usual responses are:

“My customers don’t know anyone who needs the products.”

“My clients are too busy to give referrals.”

“I don’t want to mess up my chances of doing business with these clients in the future.”

These are nothing but excuses avoiding asking for referrals. How do you know a client isn’t acquainted with someone who needs your product or service? Can you read your clients’ minds? Making the assumption for your clients is dangerous business, both during and after the sale. You don’t know who the client might know—and you won’t find out unless you ask.

Your client is too busy to give referrals? Again, this is a common excuse for not asking. I’ve received referrals from CEO’s of Fortune 50 companies, physicians, and others who are traditionally considered too busy to give referrals. Sometimes with this level of client, the referrals come in unusual ways. For example, a Fortune 50 CEO told me during our referral gathering meeting that he had to step into the other room for a few minutes, but if I’d go through his address book and pick out the names I was interested in, we could talk about them when he

came back into his office. I was delighted. I happily spent thirty minutes working my way through the address book and came up with 11 great referrals. When he got back, we went over each name while I took notes. He then pointed out additional companies I should contact—firms I was unaware of at the time. Seven of those referrals turned into sales, yet my client only spent 20 minutes with me.

The last most common objection—not wanting to irritate a client and jeopardize future business—may be legitimate. If the sales process didn't go well for some reason, then asking for referrals might be risky. Much depends on what happened during the sale, as we will discuss later. But assuming everything went well, this objection is another excuse to avoid asking for referrals. Asking for referrals after performing well should not offend a customer. In fact, it's a compliment. Depending on who the customer is, you may offend him if you *don't* ask for referrals. If your client is in sales, he or she may expect you to request referrals, and will wonder about your competence if you don't. Most top executives spent time in sales at some point in their careers. These executives will expect you to ask for referrals.

The second problem salespeople encounter in generating referrals is only asking once. Over 70% of clients surveyed indicated they either hadn't been asked for referrals, or the salesperson asked them only once or twice. Customers who were asked for referrals only once averaged giving 1.47 names and phone numbers; those who were asked twice averaged 2.03 names and phone numbers, and those who were asked three times produced an average of 3.28 names. These weren't referrals as we defined a referral earlier, but rather just "world" names and phone numbers. But at least those salespeople who asked for referrals twice received more names. Simply asking twice could double or triple your referral base. Using the referral generation method presented here can increase the average number of referrals to 4.84 per client—three times as many as asking once, and almost twice as many as asking twice. Plus, the referrals you get from this method are far more likely to purchase than the typical "referrals" most salespeople receive. That's because our method specifically targets referrals from the "prospect" and "qualified prospect" categories.

So now we know what should be obvious: It's important to ask. But why don't customers give us good referrals? This is a more complicated question, with several answers. In the end you'll need to analyze why each client gives poor referrals, but poor referrals usually result from one of the following issues:

The customer may feel you've put him on the spot. A typical referral request comes after the sale is made, during a post-sale discussion, and without any warning to the client. The discussion goes something like this:

Salesperson: "Well, Mr. Smith, I'm pleased, as I know you are, that everything went great."

Customer: "Yes, everything seems to have gone well."

Salesperson: "Do you know anyone else who might benefit from my products?"

Customer frowns and shrugs: "Well, I don't really know."

Salesperson: "It would really help me out if you could refer me to a couple of other companies that might be able to use me."

Customer scratches his head: "Well, you could call John Doe over at ABC Manufacturing. They're kinda small, but they might be able use your products"

Salesperson: "Great! Can you think of anyone else?"

Customer: "Try Glenda Buyer at Widgets Made to Order. She and I talked a couple of months ago and I think they just installed a system like yours, but maybe they haven't bought yet."

The customer has had about 15 seconds to think of referrals. He was put on the spot and only came up with two names and numbers—one for a company he believes may be too small, and the other for a company that probably installed a competitor's system. Two weak referrals. Of course you'll call and try to set up meetings, but these prospects don't look promising. Still, if you're a typical salesperson, you walk away feeling pretty good because you now have two referrals.

Trust is another major issue in gaining quality referrals. Is the relationship with your customer built on trust? Have you done everything possible during the sales process to instill trust? Even if the sale itself went well—everything was delivered on time with no installation problems and the system worked perfectly—did you do everything as promised? Did you call each time you said you'd call? Were you there on time, every time? Did you send everything? Did you make sure each promise was kept, down to the smallest detail? Many purchasing entities—individuals and companies—won't complain or even mention small instances where the salesperson didn't follow through. Maybe she called in the afternoon instead of in the morning; perhaps she was habitually a few minutes late for meetings, or took cell phone calls during meetings. Although your customers probably won't mention these incidents, they may hesitate

to send you to a friend or colleague they respect. After all, they don't want to embarrass themselves by recommending someone who won't live up to the next customer's expectations.

Expectation during the sales process is a prime area for customer disappointment. In the example above between the salesperson and Mr. Smith, the salesperson said he believed, the process "went great." Mr. Smith's comment was more reserved; he said the process "seemed to have gone well." A matter of semantics? Possibly. But it might also be a difference of opinion. Possibly Mr. Smith expected more than he received. Since the salesperson didn't inquire, we'll never know. But if we don't meet a customer's expectations, we can't expect to get quality referrals. Mr. Smith's salesperson didn't take the time to find out exactly what Smith expected or why he made such a lukewarm comment.

From the client's point-of-view, a referral makes a threefold statement to the referred prospect: He's recommending your performance as a salesperson, promoting your product or service, and making a statement that the referred prospect should trust his judgment. A quality referral depends more on your client's trust in you than on your actual performance. Your client is putting his credibility on the line. If you fail to live up to the referred prospect's expectations, your client's judgment will be questioned.

We must construct a system that:

- ensures the customer understands our need and desire for referrals
- informs or asks for referrals more than once or twice
- helps the customer by defining what a referral is
- ensures we perform exactly as the customer expects
- and generates a high level of trust in the client.

## **Articles**

Although written for various business and industry specific magazines,  
the concepts presented in these articles are universal

## Effective Client Communication

Whether you know it or not, your database of current and past clients is your best source of new clients. “Prospecting” for a new client is time consuming and expensive. If you can find a way to increase your sales without the time commitment and expense of cold calling, mass direct mail, advertising or purchasing leads, would you be willing to implement it? Of course, you would.

Taking the time and effort to keep in contact with past clients will grow your business through new direct sales to the client and generating referrals to qualified prospects.

Often originators complain that keeping in touch with past clients takes too much time, effort, and money. Considering the return on investment, this really is not true—at least for most advisors. The key is finding a way to communicate that is time efficient, relatively inexpensive, and, above all, effective.

Studies indicate that in order to keep your name at the top of your customer’s mind, you need to “touch” your customer a minimum of 12 to 14 times per year—more if at all possible. What is a “touch?” A touch is any communication from you to your client—email, telephone call, snail mail letter, postcard, holiday card, in-person meeting, or any other method of getting in front of your customer. If you are communicating with the client, you are touching them.

What is the most effective way to touch your past clients? Again, studies have shown that there is not a “best” way to touch the client, but rather, the most effective client communication programs enlist a number of communication formats.

Sending a quarterly newsletter does not meet the frequency requirement. Sending 14 emails, a year is better than nothing, but it is not the best way. Neither would be sending 14 snail mail pieces. Or, making 14 phone calls. Nor, sending 14 postcards during the course of the year. However, constructing a campaign using a combination of these methods could be a very effective program. For instance, setting a marketing calendar to send 4 quarterly newsletters, 6 emails, 2 snail mail letters, one phone call, and one holiday card during the course of the year allows you to touch your client approximately once every 3 ½ weeks during the course of the year.

But, what do you send? What do you say 14 times during the course of the year? The con-

tent of your communication is just as important as the fact that you sent something. When you communicate with a past client, the fact that you have something in front of a current or previous client is not necessarily a good thing, in and of itself.

Many traditional marketers will disagree. Much traditional thinking says that any time you get your name in front a client it is a good thing. However, is a 3-second trip to the trash for your expensive postcard or letter the best the use of your money?

Whether or not your communication campaign is effective will depend on what you are communicating. If you send junk, just to send something, your customer will quickly learn to ignore you and your communications and everything you send will take that 3-second trip to the trash. On the other hand, if your communications offer something of interest and value, you will train your client to pay attention to you.

Which would you rather have: a client that ignores you, or one that pays attention to you?

I assume you would rather have a client that pays attention to you. To train your clients to pay attention, and, therefore, to keep you at the top of their mind, you must figure out how to send them communications that give them value. Can you offer a special for them or someone they refer to you? If you are not currently doing it, can you provide them an annual update on their mortgage? Can you send or email them articles of interest that relate to something of interest of them? What you send does not have to be large or costly—it just needs to be of interest and value to the client.

A program such as this requires thought and considerable customization of content, but the payoff can be enormous. Think about what you are sending and what it will—or will not—communicate about you and your business. If you want your clients to think of you and not ignore you, then take the time and the effort to make sure you are sending value. If you are not sure it has value, it probably does not. Marketing to your client database should be at the top of your “to do” list and your campaign should be constructed with the thought and care as if you were marketing to the most important people in the world, because for you, they are.

And as a referral-based salesperson, you will want to make sure that each communication contains both a reminder of your referral-based status and a call to action to provide referrals.

## **Attention Sales Managers, Training Department Managers and Marketing Managers**

For many, the selling environment is getting to be tougher. Will your sales team members or the salespeople who sell your products or services thrive in the coming slowdown?

The only way they can make sure is if they learn the “secrets” to generating a large number of high quality referrals.

*This ebook is available in booklet form with your company name and logo printed on the cover. Makes a great, inexpensive give-away to your team, your brokers or your independent reps.*

Help your sales team and your independent reps grow their business—and yours by helping them learn the foundations of referral selling.

For information on ordering bulk quantities contact  
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or call  
281-216-6845

## Turn Your Client Database into Gold

Right this minute, you are probably sitting on tens of thousands, maybe hundreds of thousands of dollars worth of commissions. Most registered reps have a database of current and past clients whose potential referrals are worth several thousand additional commission dollars per month. Yet, this resource goes virtually untapped for most advisors.

Why? Simply because most reps have not learned how to successfully convert their client relationships into referral relationships. Acquiring referrals from clients is not as simple as “doing a good job” and then asking for referrals. Generating a large number of highly qualified referrals from a client is a process that starts from the moment the prospect is first met, not a one-time act after the sale has been completed. It requires an understanding of what a successful referral is based on, and how to exploit the referral to insure a successful contact with the referee.

Every referral involves the interaction of three people and four relationships among those three individuals. The strength or weakness of each of these interactions will influence the success or failure of the referral for the advisor:

1. **The Advisor/Client relationship:** In order for the client to be willing to give a quality referral, there must have been built a strong bond of trust between the rep and the client. A client may give a “referral” to someone they do not trust, but they will not give a referral to someone they know well and respect if they do not trust the salesperson. If there is only a weak bond of trust between the advisor and client, the “referral” the client is likely to give will be to someone the client either believes will not meet with the advisor or someone the client does not know well or respect.
2. **The client’s purchasing experience:** Clients will not give high quality referrals if their purchasing experience did not meet or exceed both their expectations and their priorities. All clients enter purchasing relationships with certain expectations and priorities. Expectations and priorities are not the same. A client may expect to be kept fully informed during the course of the sale and may have certain product or service functionality requirements as his top priority. In order to receive a large number of high quality referrals, the rep must make sure that they

meet or exceed both the client's expectations and priorities. Despite the current parroting of the buzz phrase, "exceeding the customer's expectations," meeting and exceeding client expectations is seldom accomplished. Few people take the time and effort to discuss with their client what the client's expectations and priorities are—rather most reps, and companies, assume they know. At best, all they can knowingly accomplish is meeting or exceeding their expectations of what they think their client should expect.

**3. The Client/Prospect relationship:** The trust and respect relationship between client and referee are of great importance. The stronger the bond of trust and respect between the client and the prospect, the easier it will be for the advisor to set an appointment with and then sell the prospect. In referral selling, a great deal of the rep's credibility, or lack thereof, is built on the trust and respect the prospect has for the client who made the referral. If the client/prospect bond is strong enough, the rep is virtually guaranteed a sale. On the other hand, if the bond is particularly weak, the referral is little better than a cold call. Consequently, it is of utmost importance for the advisor to know as much as possible about the client's relationship, and likely bond of trust, with the prospect.

**4. The advisor's initial contact with the referee:** based on the client/prospect bond, the advisor must determine how best to contact the prospect to produce the greatest opportunity to acquire a meeting. The weaker the relationship between the client and the prospect, the stronger the contact method the rep should seek to employ. If the client/prospect relationship is extremely strong, virtually any contact method, including a phone call from the salesperson mentioning the client's name will suffice, but for a weak relationship, the rep must strive to use the strongest contact method possible. In descending order, from weakest to strongest, possible methods of contact include a phone call to the prospect from the advisor, an email from the client, a client letter, a client phone call, a client/prospect/advisor lunch meeting.

Fortunately, the advisor can control most of the above interactions. Only the client/prospect relationship is completely out of the rep's hands. Even then, the rep can compensate for a less than ideal client/prospect relationship through using a stronger initial contact method.

If you understand the foundation of a referral, you can quickly increase your referral-based business and begin to mine that gold mine in your client database.

## **Know Who Your Client Knows**

One of the critical parts of generating a large number of quality referrals is, of course, getting *quality* referrals, as opposed to just getting names and phone numbers. But at times, despite our best efforts to get agreement from our clients that they will provide us with 5 or more referrals to people or companies that meet our requirements, we find when we sit down at the referral acquisition meeting after the sale that they aren't prepared with any referrals.

How can you salvage this meeting and come away with the number and quality of referrals you want and expect?

In order to make sure we get the referrals we want—and to increase the number of referrals the client gives us—we must do our own homework well before we meet the client at the referral acquisition meeting. Homework simply consists of putting together a list of people we have good reason to believe our client knows and to whom we would like our client to refer us.

How do we create this list? Knowing our client is the first step. During the course of the sale you need to be aware of everything you discover about your client. Does he or she have signs of membership in organizations in their office or home? Are there bumper stickers on their car? Photographs that might indicate involvement in organizations or clubs? Has the client referred to a meeting or some other indicator of involvement? Can you gather information about past employment, other vendors or customers?

All of the above are relatively easy ways you can investigate who your client might know. Let's look in detail at some of these possibilities:

**Memberships:** If you meet your client in their office or home office you will often have the opportunity to discover their memberships by simply looking around the room. Do they have plaques from the Lions Club or Chamber of Commerce? Membership directories from an industry association on their bookshelf? Photos of them with a vendor or customer?

**Bumper stickers:** Some people advertise their political or social associations on their car. Though not a guarantee, if you notice a bumper sticker it is often a sign that they have a commitment to the organization or movement represented by the sticker.

**Vendors/Customers:** Simply investigating who the individual deals with can give you great insight into whom the client might be able to refer you to. Does he or she or their company

sell to or buy from someone you are interested in getting in front of?

**Awards:** Are you aware of any awards your client has received from any group, association, client, or vendor?

**Emails:** Some clients will put you on their social email list where they send copies of articles, jokes, etc. that they think are of interest. Often these lists are sent to a large number of individuals and all of the recipients names are in your email header. Most people will simply delete these emails without a thought. Don't! Examine the names of the other people the email was sent to—sometimes you'll find some amazing names. I've received emails with the personal email address of nationally known sports, political, entertainment and business figures. Most of the time I have no reason to ask to be referred to these people, but if I ever want to be referred to Emmett Smith, Bill Bradley, Kobe Bryant, Terry Bradshaw, Tom Kite, Barbara Walters or any of dozens of high profile people, I know who to go to ask for the referral—and I already have their email address in my database.

**Family:** Are there photos of their kids playing sports? What school or team do they play for? Has your client mentioned anything about their spouse having to do something with an organization or association? Who does their spouse work for?

**Past employers:** This can be a particularly lucrative area to investigate. Most people have worked for several companies during their lifetime and often they will still have contacts at their past employers. If your client has worked in a capacity where they had the contacts you want, take note.

If you take the time and effort to do a little investigation, you should have at least a few areas to investigate further. Once you have your list of associations, vendors, past employers, etc., explore those organizations to determine who within the organization you would like to be referred to by your client.

If they are members of the chamber, make a list of several chamber members you'd want to meet. If they are a member of an industry association, what other companies would you like to sell? Who in that organization do you need to be referred to in order to have the best shot at selling them? Are any of your client's past employers of interest? How about your client's spouse's employer?

You will need to investigate each of the organizations, companies, associations, etc. to discover who you want to meet. You'll need to come to the referral acquisition meeting with a list

of 15 to 25 names to insure that your client will know at least a few of the people and will be comfortable referring you to them.

During the referral acquisition meeting, go over your client's referrals first. If, after your client has finished with his list, there are individuals on your list that your client has not mentioned, take a few brief minutes and ask your client about each person on your list.

Of course, you want more referrals from your client in the future. Start preparing for your future referrals during your client acquisition meeting. Note during the meeting how your client reacts to each of the people you bring up on your list. If, for example, you have three people each from three different organizations, but your client really doesn't know or is not comfortable referring you to any of the people from two of the organizations, but is willing to refer you to all three of the people from the third organization, make a note to approach your client about more individuals from the third organization at some point in the future. Also note where the referrals your client had prepared came from. Were they all family and friends? All business acquaintances your client only knows casually? Are they all vendors? All people within his company? Who your client refers you to will give you a strong indication of both how well he trusts you and where you might be able to make future suggestions about people you would like to be referred to.

Do not under any circumstances contact any of the people on your list by using your client's name without his or her explicit permission. Trying to manufacture referrals is a surefire way to lose credibility with both your client and your prospect. If you contact someone on your list your client has not referred you to, it is OK to mention you have done work for your client. Mentioning a name they know is fine as long as you do not imply in any manner that the client has referred you.

If you discover the personal email address of someone you recognize or would like to be referred to from one of the "friends lists" emails that you may receive from a client, do not under any circumstances use that address without explicit permission—even if you don't reveal where you got the email address. You may be tempted to send an email to that sports figure you admire or that politician or reporter you can't stand, but you can't. That address is their personal address and you came by it by accident. It isn't yours to use without permission from your client and then only to the extent your client has given you permission to use it. Again, the address isn't yours to use—its real value is in letting you know that if you ever have cause to want

to be referred to that person, you know someone who might be able to refer you to them.

Knowing who your client knows and knowing how to use that information can insure getting several high quality referrals from each of your clients—even when the client does not believe he or she has referrals to give you. A little detective work can fill your pipeline quickly.

## **Creating a Million Dollar a Year Sales Income: Sales Success through Client Referrals WORKBOOK**

**Hone your referral selling skills with a Workbook designed to enhance  
Your new referral based sales business**

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## **The PWR Referral Generation System Summary**

## **PWWR Referral Generation System Summary**

**The PWWR Referral Generation System is based on four simple rules: Plant lots of referral seeds during the course of the sale, Water the seeds constantly, keep the referral garden Weeded, and then Reap your referrals after the sale.**

### **PLANT Referral Seeds;**

**From the first contact with your prospect, let them know you're a professional salesperson and you work primarily from referrals.**

**During the course of the sale, consistently remind your customer that you work from referrals.**

**Let your customer know in direct terms that you'll be asking for referrals once the sale has been completed.**

**Remind your customer throughout the sales process that you will schedule a referral gathering meeting with him after the sale. Ask him to be thinking about who he'll refer you to.**

### **WATER the referral seeds:**

**Change your voice mail, email, and printed materials to include a statement about your referral based business.**

**Get your client's agreement to supply quality referrals after the sale if you perform well.**

**Make sure your customer knows exactly what a quality referral for you is.**

**Keep every single promise you make—no matter how small.**

**Make trust building with your client your primary goal.**

**The best watering is done when you seek to meet your client's exact needs and objectives, not what you think his needs and objectives are**

**WEED the referral seed garden:**

**Be proactive; make sure you understand your customer's exact needs, expectations, and priorities.**

**Address any problem or issue that arises during the course of the sale honestly and promptly.**

**Keep your customer fully informed every step of the way. Communicate with your customer on a regular basis—even if just to let them know all is well.**

**If at all possible, find creative ways to either mitigate the effects of a problem or issue—or better yet, turn problems and issues into opportunities to add value to the sale for your client.**

**REAP the rewards of a large number of quality referrals:**

**Meet your client at a separate meeting just for discussing referrals.**

**Have a “wish list” of possible referrals to ask your client about during the referral acquisition meeting.**

**The weaker the level of trust between your customer and the person they refer, the stronger the referral method you need to employ.**

## **Client Communication Rules**

## Rules for Writing Referral Letters

1. If at all possible, write the letters yourself for your client's signature. If you've followed the advice in the book and have had a full referral acquisition meeting, you'll be better able to construct a letter than your client.
  2. Use your client's letterhead. Even if the referral is personal, from individual to individual, use your client's letterhead if at all possible. Letterhead has more emotional impact than plain paper.
  3. Use the greeting that your client would use. If your client would use a formal greeting such as, "Dear John," use that greeting. On the other hand, if your client would use an informal greeting like, "Hi John," or "John," or "Hay John," use that. As much as possible--take on the personality of your client when writing the letter.
  4. Keep the letter to no more than one page—one half to three quarters is best.
  5. Be as specific as possible about the benefits your client received. Quote numbers and percentages if you can.
  6. Relate the benefits your client received to the prospect. If you know the prospect has the same issues and problems as the client, relate the client's benefits directly to the prospect—" . . . and I know he can do the same for you." Or, ". . ., you're going to find that what she did for us is exactly what she can do for you also."
  7. Leave a little something out and then stick it in a postscript. For some reason, postscripts are almost always read.
  8. Offer a personal testimonial by your client via phone—"If you would like more detail about Nancy Salesperson or the (whatever), just give me a call and I'll be glad to relate my experience in more detail."
  9. Have the client confess something: "I was really skeptical at first, but Nancy . . ."; "Our budget was gone for the year and I really didn't see how we could make this work, but we bit the bullet and it has really paid off in (whatever)."
- Relate emotional, as well as monetary, benefits—even in business-to-business sales. Pride of ownership, pride of accomplishment, increased status, improved chance of promotion, or anything else that appeals to ego and/or gratification.

## Rules for Writing Emails

1. Only allow your client to send an email if their relationship with the prospect is extremely close.
2. Write the email for your client then email it to them. They can copy and paste into their email to the prospect.
3. Keep the email short and to the point. No more than two, at the absolute most three, short paragraphs.
4. Emails are informal communications, so keep it informal.
5. Relate the benefits your client received to the prospect. If you know the prospect has the same issues and problems as the client, relate the client's benefits directly to the prospect—" . . . and I know he can do the same for you." Or, ". . . , you're going to find that what she did for us is exactly what she can do for you also."
6. Offer a personal testimonial by your client via phone—"If you would like more detail about Nancy Salesperson or the (whatever), just give me a call and I'll be glad to relate my experience in more detail."
7. Relate emotional, as well as monetary, benefits—even in business-to-business sales. Pride of ownership, pride of accomplishment, increased status, improved chance of promotion, or anything else that appeals to ego and/or gratification.
8. Make sure the subject heading addresses the prospect by first name
9. The subject heading must produce interest and/or curiosity.

## Rules for Writing Snail Mail Letters

1. Have a reason for writing—don't send something just to send it.
  2. This is a formal communication to a client. Write a formal letter.
  3. If at all possible, write a handwritten annotation somewhere on the first or last page using colored ink.
  4. If you have something of value to communicate, people will read letters more than one page in length.
  5. There should be a call to action somewhere in the letter, the earlier in the letter the better—and repeated twice is not too often.
  6. Make the call to action as easy as possible to perform. Ask your client to do as little as possible. Just pick up the phone and you'll do the rest; just email and you'll do the rest; just whatever.
  7. Don't use a fancy or hard to read font. Stick with something easy on the eyes—Times New Roman or such in a readable size (12 pt. is typical)
  8. If you use color, use it sparingly. A little color goes a long way.
  9. Be personal and personable. Keep it sex neutral—if you must use sex specific pronouns, use them both (his or her; he or she).
  10. When you call to action is a good time to pull out testimonials.
  11. If you use testimonials, get permission to use the person's full name. No one believes a testimonial signed "Brenda W." Rather, use Brenda Wilson. And if you cover a large geographic area, include where they live: Brenda Wilson, Denver, CO. If you sell to business, use the person's position and company affiliation if you can: Brenda Wilson, Director of Research, Johnson Dynamics, Denver, CO. Some companies will not allow endorsements using the company name and some individuals may hesitate to use their company's name. If that is the case, include the testimonial without the company affiliation.
  12. Make sure you have contact information on every page—and multiple ways to contact: phone, cell phone, physical address, email address.
  13. Ask for the specific referrals you want.
- Don't forget postscripts—they get read.

## **Rules for Postcards**

1. Use sparingly—no more than four to six per year.
  2. Don't send a postcard just to send something—it must have a specific reason, just like any other communication
  3. The front must relate a benefit or significant event: it's time to (whatever); announcing the opening of your new office; you've been awarded something; some important change in your business, industry or their purchase; etc.
- The back should have a call to action

## **Frequently Asked Questions about: Creating a Million Dollar a Year Sales Income: Sales Success through Client Referrals**

**Q. It seems a little presumptuous to promise people that you'll teach them how to make a million dollars a year by selling. How can you make that promise?**

A. I'm certainly not promising anyone that they can make a million dollars a year. The title comes from the content of the book: it teaches the techniques that the million dollars a year sales superstars use to generate their business. Anyone can, however, increase their production substantially by implementing these techniques. What would it mean to increase your income 200%, 300% or even a 1,000% in less than a year? That's the promise of the book. Moreover, that's a promise I can make because the techniques work--just look at the million dollar a year salespeople and you'll see that.

**Q. Isn't generating referrals the simplest part of selling? I mean, how difficult is it to get a referral?**

A. Unfortunately, it really isn't that simple. Studies show that less than 15% of ALL salespeople generate enough quality referrals to impact their business. That's an incredibly small number. The problem is that salespeople believe that that's all they have to do--ask for a referral. That's what they do. And over and over, they get nothing but one or two names and phone numbers. A name and phone number is NOT a referral--it's just a name and phone number. A referral, as we define it, is an individual or company who wants or needs and can afford the product or service. Very few salespeople get many referrals by this definition

**Q. Your discussion of getting referrals is really detailed. In the book you talk about changing all of one's selling materials to tell people they are a referral based salesperson, you stress having discussions with the customer about giving referrals, about what a referral is, about what the customer's expectations are, about how to communicate and follow up with the customer, about having a special meeting with the customer after the sale to get referrals, and we've still not finished the list of things you want salespeople to do. Is all of this necessary? This seems like a lot of stuff to do to just get referrals.**

A. Yes, there is a lot of detail in the book about things salespeople need to do to generate referrals. But, first, we're not interested in getting just a couple of referrals. The goal of all of this is to get a large number of highly qualified referrals. Secondly, all of the details are actually pretty simple to integrate into a salesperson's normal selling process. It does seem like a lot, and it is. But once you have integrated all of your marketing materials, you don't have to spend time doing that again. And the bulk of the book concentrates on the relationship between the salesperson and the client. The salesperson/client relationship—establishing mutual trust, making sure each party knows exactly what to expect and what the other party expects, and maintaining clear and open communication should be central to any salesperson's selling process. Unfortunately, it isn't a part of most salespeople's selling system, so, I've had to spend a great deal of time and lots of detail on how to build that relationship. Once the salesperson has learned to integrate these items into their sales process, they are seamless and don't require much additional time or effort on the part of the salesperson.

**Q. You mention in the book that there are two common mistakes that salespeople make that cost them thousands of dollars each year. What are they?**

A. In the simplest terms, communication and performance. Salespeople are notorious for not communicating negative news to customers. They believe, or at least hope, that the issue will go away and the customer will never know the difference. By the time the customer learns there's a problem, it is too late for them to react. Rather than a customer, the salesperson has created an enemy who will let everyone know how bad the salesperson is. The second issue is meeting the client's wants and needs. Unfortunately, the vast majority of salespeople have no idea what their client wants from a purchase. They THINK they know, but they don't. The problem is they never ask; rather they assume they know. In reality, what they know is what they think the client's wants should be. Today the buzzwords are "exceeding the client's expectations." The only expectations they can exceed, if they exceed any, are their own.

**Q. O.K. So why do you think salespeople are so unsuccessful at getting quality referrals?**

A. I don't think, I know. Generating a large number of high quality referrals requires the salesperson to develop a relationship with the customer where the customer knows the salesperson expects referrals; what exactly a referral for the salesperson is; why the salesperson believes he deserves the referrals; how many referrals the salesperson expects; in what format the salesperson wants the referrals; and at what point the salesperson will have earned them. There needs to be a complete coordination of all aspects of the relationship with the client, all their sales and marketing materials, and all of their communications with the client. It is a whole, systematic program.

**Are YOU Ready to Go Beyond the Basics of Referral Selling?**

*Are YOU Ready to Learn How to Create the Relationship with the Client that Results in a Large Number of Highly Qualified Referrals?*

Are You Ready to Quit 'Prospecting' and Start Selling?

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