REFERRERS
the foundation of your business

Whenever I ask good brokers about how they established their business the answer is almost always the same. Referrers. A network of reliable, ethical referrers is essential if you want to build a strong brokerage.

Business has been pretty easy to get over the last couple of years and because its been plentiful, a lot of new brokers I know haven't had to put in the grind of establishing a referral network. With things getting tougher, the reality of not having a reliable network is starting to hit the back pocket.

A referral is a favour. You MUST earn the right to ask for a favour!

If receiving referrals is essential to the long term survival of a brokerage then building a strong referral base should be a priority. So how do you build it, who do you talk to and what do you say? The first thing I would suggest you do is take a little time to think about what kind of business you want referred to you. Being a specialist in a particular area has great advantages over trying to be all things to all people but that's a subject for another time.

Let's say you decided you wanted to build your business on first home buyers. Who would you speak to? Who would be in the best position to refer first home buyers to you? Once you've established that, you need to establish what it is you have to offer. Why would someone place their reputation in your hands by referring you one of their customers? What have you got that makes you better than all the other brokers out there? If you know that, then how do you get that message across to your potential referrer? These are all critical questions and ones you need to have answers to.

First of all let me say that cold calls suck. If you have ever had to make them then you know what I mean. I have a strong view that cold calls are not and should not be the realm of the professional broker. Establishing a strong referral base is too important to leave to the vagaries of random calls.

When I established my referral network I used a system called the referred call and the assumptive approach. When I came back to Canberra all of my referrers had gone cold due to lack of contact. I had to start all over again, so this is what I did. I rang the property advertising rep from the Canberra Times and arranged a meeting to discuss advertising. When she turned up I spent a lot of time talking about my business and why I was special and why my business was going to be successful. I then told her I needed some help in establishing my business and asked her who the best real estate agent in town was. She told me who she thought would be a good source of business and then without prompting offered to call him to arrange a meeting. She called him from my office and then proceeded to sing my praises. The agent agreed to meet me based on the reference from the Rep and it went from there.

The referred call is simply a matter of finding someone that you know that knows some one you want to meet. Then you ask for permission to use their name when you call your prospect. This is the referred call part. The assumptive approach is a mind set that says because this is not a cold call and the prospect and you have a common acquaintance, the likelihood of the prospect meeting with you is much higher.

Building a referral network is essential, building it the right way is professional.