

*Lead Generation*  
*36:12:3*

*Power Session 9:*  
*Agent-to-Agent Referrals*

Shannon Musgrove

Tapping into Unlimited Opportunity

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# *Power Session 9: Agent-to-Agent Referrals*

## **In this Power Session ...**

- [1]** *Introduction*
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Notes

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# *Introduction*

## Ground Rules

1. Arrive to class on time and return promptly from breaks.
2. Move quickly when you are instructed to form small groups or partner with someone to role-play.
3. Limit your side conversations.
4. Turn your cell phones and pagers to vibrate or OFF.
5. Feel free to stand and walk around if you find yourself getting tired.
6. Accept the reality of time and participation.
7. Respect the different learning styles and opinions of others.
8. Help each other learn. None of us is as smart as all of us working together to improve our skills and knowledge.
9. Consider everything we do in class confidential. What is discussed and role-played behind closed doors *stays* behind closed doors.
10. Have fun!

# How You Will Learn

## Learning Methods

- In this manual, you will find:
  - Models and systems** that are tested and proven ways of accomplishing Big Goals.
  - Exercises and discussion** that allow you to test new skills and clarify your thinking in a safe environment.
  - Stories, lessons learned, anecdotes, and advice** from top agents who offer invaluable insights.
- Your classroom learning experience will be enhanced by:
  - PowerPoint slides** to help keep you on track with the topics inside the course manual.
  - KWConnect videos** to enrich your understanding of the course material. Watch for the camera icon in your course materials.
  - Your classmates and instructor.** Don't underestimate the value of what you can learn from your peers, who ask great questions, who share their experiences, and who participate in exercises with you.



## Accountability Methods

Accountability is, in the KW experience, the most crucial part of goal achievement. To support your goal setting, we recommend you:

- Develop a Lead Generation Action Plan. At the end of this course, you will create a plan that outlines the specific actions you will take to achieve your lead generation goals. You will also create a calendar that helps you schedule your specific activities into your daily 3 hours of lead generation time.
- Select an accountability partner or program to help you measure, evaluate, and make adjustments to your Action Plan. Look to the following resources for an accountability relationship:



- KW MAPS Institute individual and group coaching
- Market Center Productivity Coach
- Team Leader
- ALC Members
- Peers



# Where You Are Today

## Exercise

Where are you today with your lead generation efforts? Get into the habit of taking accountability for your actions and your progress. Take time to share with your instructor and your peers your aha's, your challenges, and your next steps.

### Directions:

1. List the lead generation activities you completed during the last 24 hours.
2. What were your aha's?
3. What were your challenges?
4. Discuss what you will do differently in the next 24 hours.

**Time:** 10 minutes

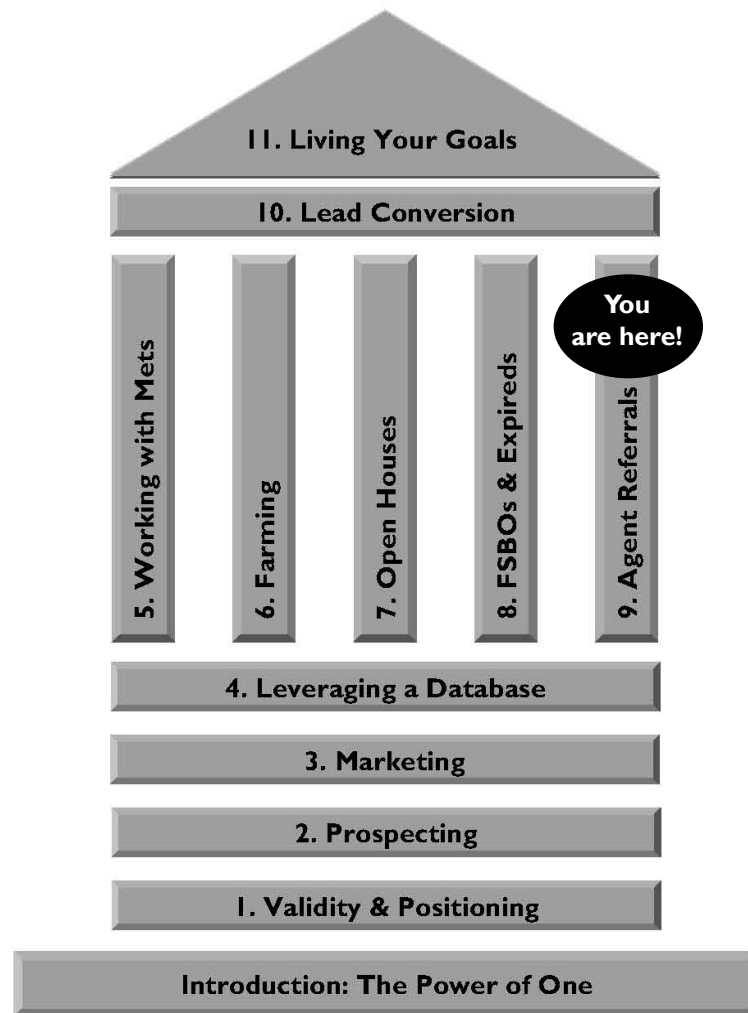
	<u>Time Spent on Activity</u>
1. Lead Generation Activities:	
2. My aha's from these activities:	
3. The most difficult part of these activities:	
4. What I will do differently in the next 24 hours:	

## Why You Are Here

At this point, you have built a solid foundation of understanding about Lead Generation 36:12:3—the critical mindset of a lead generator, the basic strategies of prospecting and marketing, the power of a contact database, “Networking,” getting a head start through your farm, generating buyer and seller leads through open houses, and taking advantage of the opportunities FSBOs and Expireds offer.

In *Agent-to-Agent Referrals*, you will learn how to tap into one of the greatest, but most overlooked, sources of leads: other real estate agents—all 1.3 million of them (according to recent NAR statistics). You will discover ways to ensure top-of-mind status with other agents so they consistently refer to you, discuss tools you can use to screen and qualify other agents so you are comfortable referring customers to them, and cover a variety of ways to prospect and market to other agents, thereby building your database and reaping the rewards of agent-to-agent referrals!

### Lead Generation 36:12:3 Course Map



## Mary Charters' Aha moment

Read, underline, and share ...

**F**or many years, Mary Charters, a highly successful agent in Gaithersburg, Maryland, knew agent-to-agent referrals were a good source of business, but one she rarely utilized.



“Mary Harker is the queen of agent referrals, and I always used to look at her and say, ‘What an awesome thing. We should do that. We should market to agents,’ but we never did. I was doing over \$1 million in GCI, it was very close to home, and it was easy.”

All of that changed for Mary in April 2006.

“We went to dinner with my favorite customer. I had done maybe five real estate transactions with him over the last five years. He explained he was doing a condo conversion about thirty-five miles away from my office and didn’t like the agent he was working with. I finally understood that he was looking for me to refer him to somebody, and I said, ‘I bet I could help you.’”

Mary checked with the Team Leader of the Keller Williams office that was local to the project. She found an agent from that office to work with her on the buyer side, brought in two of her own licensed staff members to help, and they split the commission on any of the 26 units they sold. Of the more than \$900,000 Mary made in 2006, \$200,000 was from this one project.

Currently, this same client has another project in a location out of Mary’s area. Mary has referred his last five listings to a Keller Williams agent in the project area, and she will receive five referral fees of 25 percent each as those units sell and close.

Mary is very proactive about agent-to-agent referrals as part of her lead generating. She actively seeks out other agents to build relationships with so she can gain insight into how they work, which in turn gives her a better idea of how to match customers and agents when the opportunity arises.

## What Will Make This a Great Training Experience

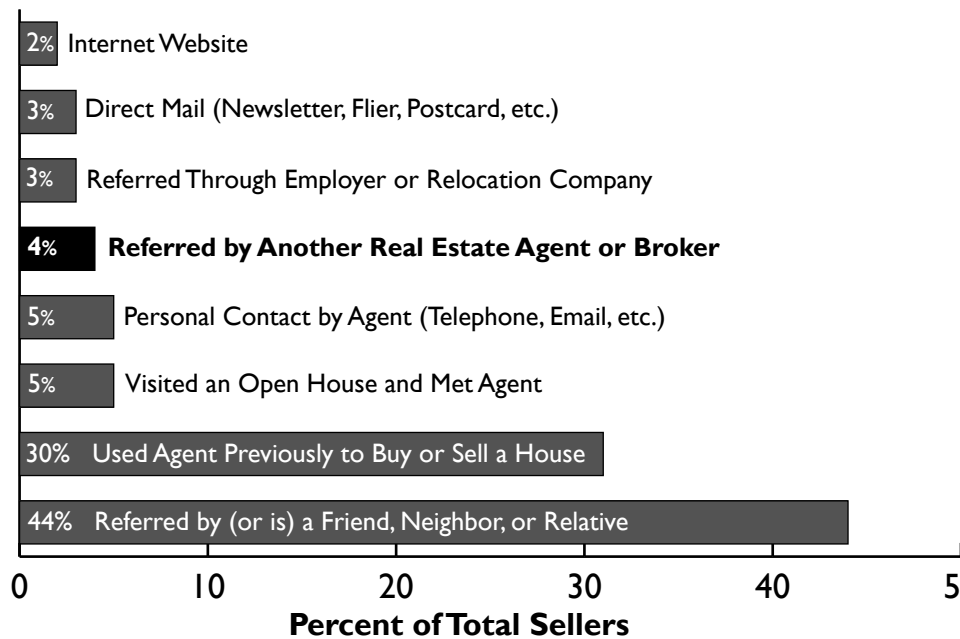
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# An Untapped Resource

Agent-to-agent referrals are gifts, yet they are one of the most overlooked and discounted of all lead generation activities.

One of the striking statistics in the “2006 NAR Profile of Home Buyers and Sellers” is that only 4 percent of buyers and 4 percent of sellers found their real estate agent through being referred by another agent or broker. One conclusion that can be drawn from this is that agents are not looking out for each other. NAR membership in 2006 stood at 1.3 million agents, and every one of them is a potential source of business for you.

## How Sellers Found Their Agents



Source: “2006 NAR Profile of Home Buyers and Sellers”

At this point in your career, you may not know many agents—either because you’re fairly new to the business, or because you haven’t focused on agent relationships prior to this. Your goal after this session is to meet and find agents who are well matched to you and your customers. Once you’ve gained key knowledge about identifying and cultivating your network of agent allies, you can take advantage of this profitable method of generating leads.

“One of the greatest sources of leads is other real estate agents.”

BOYD BROWN  
THE BOYD BROWN TEAM  
SALT LAKE CITY, UTAH

**W**hen you are not capitalizing on agent-to-agent referrals, you are “leaving money on the table,” says Doris Carlin, an Operating Principal in Joplin, Missouri. Doris realizes the importance of this resource. She recently listed a house for a customer who was moving from Missouri to California. Doris referred this same customer to a buyer’s agent in California. “If someone calls and asks you to list their house, never forget to ask if they need help with the purchase of their next home.” This is a classic lead generation question even if the purchase is local. And don’t hesitate to inquire if you can refer them to another agent if they are going to be buying out of your area. Just by asking this one question, Doris earned more on the referral fee from the California sale than she did the actual listing in Missouri!



## Exercise

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### Directions:

Estimate your answers now and follow up with actual numbers once you are able to analyze your database.

1. How many real estate agents are in your database? \_\_\_\_\_
2. How many of them do you touch on a regular basis? \_\_\_\_\_
3. What percentage of your business comes from agent referrals? \_\_\_\_\_

**Time:** 5 minutes

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Top-producing agent and KWU Master Faculty trainer Rick Geha talks about how he actually has a category in his contact database labeled “Realtors Who Can Give Us Referrals.” When adding other agents to your contact database, make sure you include not only the agents you’ve gotten referrals from before, but also all of those you can think of who *could* give you referrals, as well as those agents *you* can refer customers to.

## Why “Tap In”?

With agent-to-agent referrals, whether giving or receiving, you pocket less commission than from a Mets referral. So you might ask, why bother?

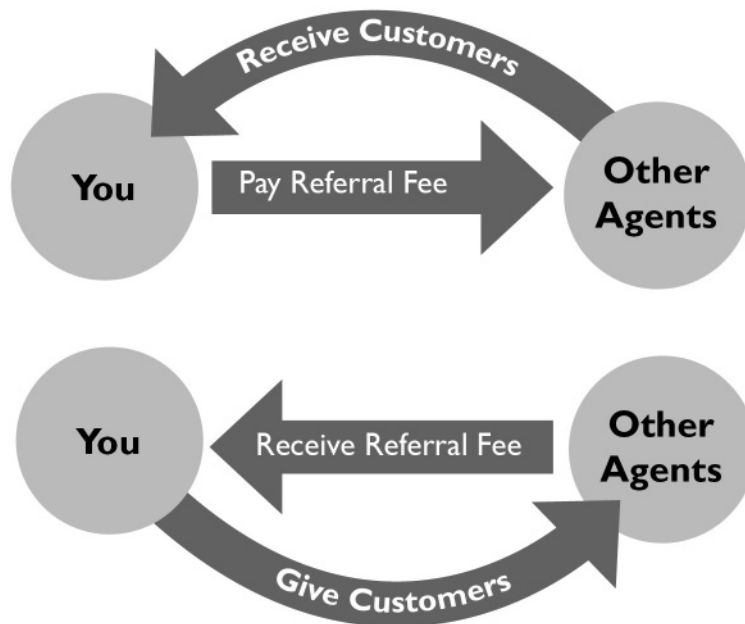
Well, a little bit of something is better than a whole lot of nothing, and with this mindset those agents who have learned to profit from agent-to-agent referrals have built a business around this type of lead generation.

*“To get referrals,  
send referrals.”*

BOB BURG,  
ENDLESS REFERRALS

### I. Giving and receiving referrals

A referral from another agent is almost always a “hot” lead, meaning that customer is in the market for an agent *now*. However, even if it’s simply “warm,” (the customer has already contacted an agent because he or she is thinking about buying or selling), it still takes less time than cold prospecting. You’re getting the business and the high pay with almost no prospecting effort. Additionally, once you’ve built your solid relationships with other agents, or learned how to identify an agent quickly when needed, giving a referral requires next to nothing of your time and money.



Which do you prefer, giving or receiving the referral? Let's look at the pros and cons of both, beginning with receiving a referral:

Pros of Receiving Referrals	Cons of Receiving Referrals
You receive a ready customer	You pay referring agent 15–30% referral fee
You earn 70–85% commission	
Customer is well served by you	
Customer becomes a Met and you have the opportunity to win all of customer's repeat and referral business	
Agent may continue to refer to you if all parties are satisfied	
Validity already established with customer because of the referral	

There are, of course, some responsibilities associated with accepting the referrals you receive—responsibilities to the customer as well as the referring agent.

If you accept referrals, you must

1. Respond to the customer immediately
2. Love to work with buyers
3. Want to provide solutions along with an awesome experience
4. Be committed to and capable of working with the referred customer
5. Know city, local history, schools, shopping, services, as well as resources such as auto service, hospitals, doctor, dentist, hair care, babysitter, restaurants, etc.
6. Know builders of new homes and subdivisions
7. Be patient and flexible and able to adjust to buyers' emotions and needs
8. Stay current on your market
9. Educate buyers about local price ranges if moving from area of different prices
10. Communicate with referring agent regularly and *always* pay the referral fee

Now let's look at the pros and cons of giving a referral to another agent:

Pros of Giving Referrals	Cons of Giving Referrals
You receive 15–30% referral fee for minimal work	You may lose customer's repeat and referral business to other agent
You choose the agent	
Your customer is served by a well-qualified and well-matched agent	
Agent may reciprocate and refer to you	

There are also certain responsibilities that go along with referring a customer to another agent, so don't do it without thought or careful planning.

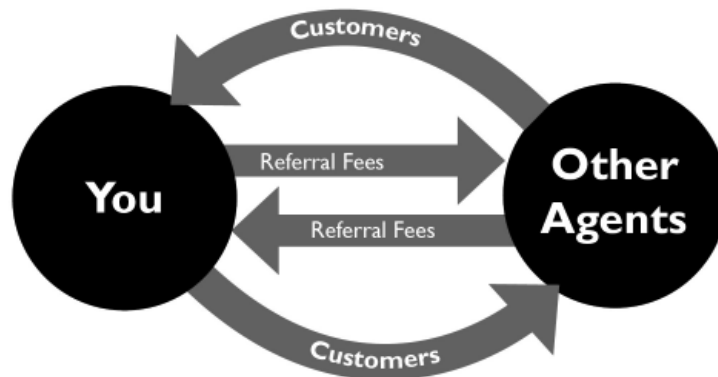
1. Thoroughly interview the customer to understand needs
2. Thoroughly interview one or more agents to find the perfect match for the customer
3. Clearly communicate to the agent the level and type of service you expect for your customer
4. Follow up with customer to ensure proper service
5. Follow up with agent to ensure proper service

As you can see, the pros far outweigh the cons in both giving and receiving of agent-to-agent referrals. While pursuing both business angles, you can make a clear decision to solicit, cultivate, and accept these opportunities. That's part of your being in control and choosing how to spend your time and money when lead generating.



## 2.A Win-Win Relationship

A side benefit of having agents in your contact database for the purpose of referrals is that you may develop valuable lifelong relationships with these agents. These are colleagues who will always be available to you to discuss issues, challenges, opportunities, and new ideas in your profession.



Make it a point to add agents to your database, and then treat those agents as you do other Mets.

## 3. Protection of agent interests

There's something else to consider if you do not stay in touch with other agents, and it affects the entire real estate industry. A large third-party lead generation industry has sprung up in recent years. These non-value-added lead generator companies are capturing the orphan prospects—people who are not already attached to a real estate professional—and selling them back to the real estate industry for a fee. These companies don't care about the quality of the agent they are referring or even if it's a good match for the customer. Buyers and sellers are easily persuaded by fancy television ads that promise the best deals. The cold hard truth is if all agents followed up, all buyers and sellers would already have an agent.

*“Dependent people need others to get what they want. Independent people can get what they want through their own efforts. Interdependent people combine their own efforts with the efforts of others to achieve their greatest success.”*

STEPHEN COVEY  
AUTHOR

*“Twenty percent of something is better than 100 percent of nothing.”*

DICK DILLINGHAM  
DEAN OF KELLER WILLIAMS  
UNIVERSITY – FACULTY  
KELLER WILLIAMS REALTY  
INTL.  
AUSTIN, TEXAS

#### 4. Reap the Rewards

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When you refer a customer to another agent, you can expect to net between 15 and 30 percent of any commission that is paid, and when another agent refers you a customer, your rate can be 70 to 85 percent of the commission (or whatever is negotiated). Agent-to-agent-referral lead generation requires only that you make a concerted effort to meet new agents, locally and from out of town, and establish relationships with them, also aiming to become the first agent they think of for your city or local area.

You have increased effort when you accept referrals, but the commission is increased as well. When you give referrals, the referral fee you receive is pure net, because there usually isn't any expense incurred for giving that referral.

#### 5. But wait, there's more ...

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Below are a few more reasons to tap into agent-to-agent referrals as a way to grow your business.

1. Real estate agents are plentiful and readily identifiable (1.3 million—2006 NAR membership)
2. Agents “get it”—already understand the benefits of referring
3. Provides an additional reason for attending educational, networking, and community events
4. Opportunity to develop long-term relationships with agents around the country

Stop and reflect for a moment. Can you think of any additional reasons why you should be tapping into agent-to-agent referrals as part of your daily 3-hour lead generation habit?

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# Getting Started

Now that you've learned numerous reasons why you should integrate agent-to-agent referrals into your daily 3-hour lead generation habit, where do you begin?

## Mindset and Mindshare

When you think of your business, who do you think of first? Sellers? Buyers? Agents? Probably not agents, at least not first.

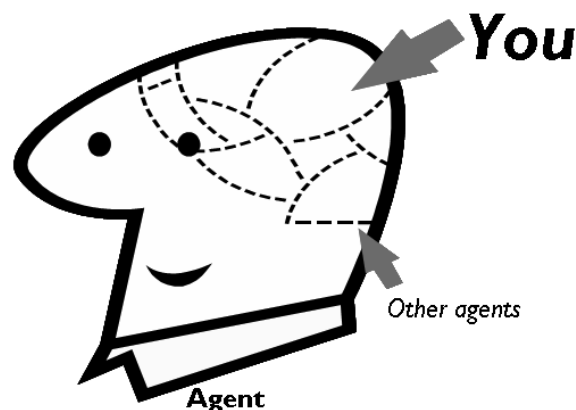
Agents, both locally and from other parts of the country, can be lucrative business partners, even those from other companies. Think of them as assets to your business rather than competitors.

**It's not who you know. It's who knows you.**

### To be remembered, be memorable!

How would you like your phone to ring with a steady stream of warm and hot leads? This can be your reality if you learn to work agent-to-agent referrals. Your goal is for other agents to remember you and call you with customers. In return, you gladly accept business and pay the referral fee back.

Think of other agents as prospects or conduits to referral business. Referrals will come from agents you know and agents you will meet. Your goal should be to make sure you are "top of mind" with agents so they think of you first when they need to refer. You are competing with other agents for their attention, and you should be constantly thinking of creative ways to stand out, be different, and be remembered!



How do you achieve top-of-mind status in the minds of other agents? You make sure agents know a few things about you that single you out from everyone else! You not only control who you meet, how often you stay in contact, and the direction of the relationship, but also how you are remembered.

## Exercise

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### Directions:

1. What makes you different or unique from all other agents competing for agent-to-agent referrals?
2. Here's an opportunity for you to differentiate yourself from other agents. Fill in the blanks below and be prepared to share with the class.

### What's unique about me

1. Years in business \_\_\_\_\_
2. Specialties/training \_\_\_\_\_
3. Prior jobs/experiences \_\_\_\_\_
4. Hobbies \_\_\_\_\_
5. School \_\_\_\_\_
6. Catchy motto \_\_\_\_\_
7. Other \_\_\_\_\_

**Time:** 5 minutes

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Now that you've identified a few items that make you unique, be sure to incorporate them into your relationship building with and marketing pieces to other agents. Achieving top-of-mind status with them means receiving more referrals!

## Screen and Qualify

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To maintain a healthy business relationship with other agents, you must reciprocate when possible with referrals to those agents who refer to you.

When reciprocating, you may feel a loss of control because you are turning a customer over. In addition, how well the agent performs reflects back on you, and this may be a source of anxiety for you.

You can minimize the risk of lost credibility by searching for like-minded agents whom you have prequalified and carefully matched with your customer. You want to find agents who care about the customer first.

When you refer a customer to another agent, you want to make sure he or she is going to receive service that is as good as, if not better than, the service you would give that customer. How do you find out if another agent will live up to your expectations when referring a customer? You've already decided what makes you "top of mind" to other agents, so now you need to identify what keeps other agents "top of mind" with you!

Below are some qualification questions you may want to ask agents to determine if they are a good fit for you and your customer:

1. What do you love about what you do?
2. Which do you like better, listing homes or helping buyers?
3. How long have you been in this business?
4. What is your area of expertise?
5. What geographic area do you serve?
6. What is the price range of most of the houses you deal with?
7. Can you give me a brief history of your town/neighborhood?
8. How do you stay current on changes in real estate?
9. How many families have you personally helped buy a home?
10. How do you establish rapport with customers?
11. How many homes do you preview in an average week?
12. What organizations do you belong to?
13. Can I speak with a customer who had a good experience with you?
14. When would it be appropriate for me to get an update on how things are going with this customer (once you have referred one)?
15. Do you pay a referral fee?

## Exercise

### Directions:

1. What important qualities do you look for in an agent to whom you would give a referral? Most agents prefer other agents whose values are closely aligned with theirs. The choice of the right agent for you and the customer is an important one.
2. Circle three questions on page 19 you think are the most important to ask OR in the space below add any questions you think are important that aren't on the list.

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**Time:** 5 minutes

**M**ary Charters, with Mary Charters and Associates in Gaithersburg, Maryland, is very conscientious when she refers a customer to another agent. One of her strategies—if referring to an agent she may not have worked with in the past—is to first talk with the Team Leader of that agent’s office. By taking this extra step, she can get the Team Leader’s thoughts on which agent might be a better fit for each referral. When Mary had to refer one of her most important customers—her parents—to another agent, she called the Team Leader of the Keller Williams office in Bradenton, Florida.



Mary told the Team Leader, “My parents are in their 80s. Let me tell you a little bit about the way my dad is, his personality. Who is it that could work with him?”

The Team Leader recommended a particular agent, and according to Mary, “My parents think she’s just like their third daughter now. Getting the right person for the right customer makes such a difference!”

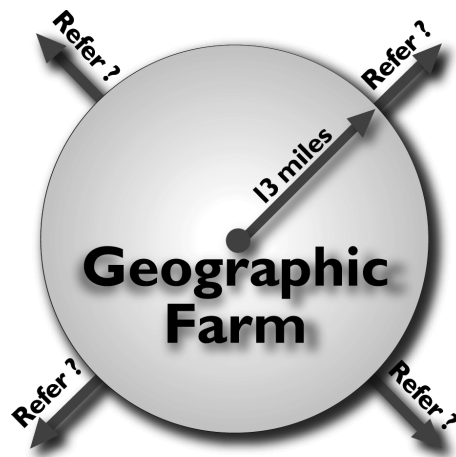
## Know when to refer

Now that you have a clearer picture of what qualities are important in agents you refer to, you are now ready to look at *when* to refer customers to them.

Below is a list of some examples of when you should refer customers to another agent:

1. When your customer has a buy and a sell and one of the transactions is out of town.
2. When the customer wants to buy or sell outside of your geographic area and they could be better handled by an agent from that area.
3. When an agent refers to you and you are not the right fit for the customer and you refer to another agent.

Know your bounds—that is, when you will refer a customer who is outside your geographic farm, even when it's within town.



*“The typical homebuyer buys 13 miles away from his or her previous residence.”*

NAR 2006 PROFILE OF HOME BUYERS AND SELLERS

For example, your marketing and prospecting focus is on a geographic farm, and you get a customer who wants to sell in your area and buy fifteen miles away in an area less familiar to you that is outside of your geographic farm area.

Your options are to work with them on both deals and risk spreading yourself thin taking them to see properties on streets you don't know in a school district you're unfamiliar with and where even the daily traffic patterns are a mystery to you, costing you time and money you may not have. OR you can interview agents who cover that area and refer your customer to someone who will take good care of them. This will reflect back on you and show your professionalism, honesty, and care for the customer.

“Get in the  
relationship river  
flow.”

MARY HARKER  
THE HARKER FIVE STAR  
TEAM  
DALLAS, TEXAS

A referral fee is better than handling a customer in an area you don't know. You would refer out of town/state, so why not out of the farm area or out of your main area of expertise?

Begin developing relationships with other agents by finding out where people who move into your area are coming from. If you are in a rural area near a large city, you may find that much of the home buying in your area is being done by residents of that city. Check with your chamber of commerce or with NAR to find out where the largest groups of newcomers are coming from.

Once you are clear about when to refer, and to whom, you will begin to develop win-win relationships with other agents outside your area. These agents can be experienced or new agents.

The downside of only going after experienced agents is they may already have strong referral ties with other agents and may be hard to get to “top of mind” with. On the other hand, experienced agents know their product and have strong reputations with customers and other agents.

It may be easy to connect with new agents who don't have many acquaintances or relationships yet. You help the new agent now with a referral and they may be a referral source for you for life! Before giving them the referral though, make sure the agent reflects your same values and expectations and will treat your customer as you would.

#### Fee negotiation and referral agreements

When both giving and receiving a referral, you should negotiate the referral fee up front. Setting expectations immediately avoids any misunderstandings later.

Referral fees are negotiable, with the average ranging anywhere from 15–35 percent. Some factors can affect that rate:

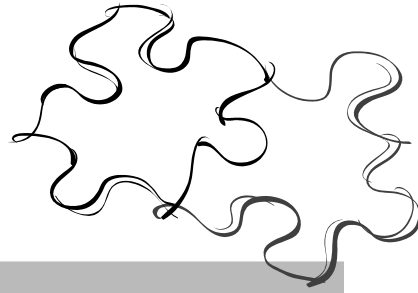
- Market conditions
- Multiple sales or listings
- Price range
- Number of referrals previously received from same agent
- Potential work/time involved

When we talk about agent-to-agent referrals, it is assumed that the payment of referral fees will be done by and through the brokers involved.

The usual procedure (in Keller Williams Realty) is that an agent in one Keller Williams Market Center makes a referral directly with the agent in another Keller Williams Market Center. Once there is a verbal agreement to handle the referral and pay a pre-agreed-upon referral fee, a referral form (see Appendix for samples) is completed and approved by each of the brokers involved. ***This form should be completed by both parties before either agent ever meets with the referred customer.***



# Prospecting and Marketing



## Myth

**I don't need to actively prospect or market to real estate agents.**

## Truth

**You must regularly add to and contact the agents in your database to reap the rewards of referrals.**

## Cultivate Your Agent Farm

*Power Session 6: Farming* defines demographic farms as a specific group of people who share some personal characteristic(s) other than where they live, allowing you to focus your message. Taking that information into account, aren't agents just another type of farm for you, categorized by their common occupation? When viewed this way, agents are a market you can narrow down (and have somewhat already, by doing the previous screen and qualify exercises) and dominate, i.e., a farm area you need to cultivate.

As with all lead generation activities, including farms, it's going to take both prospecting and marketing to grow your relationships with other agents. Agents are a subset of the people you know—your Mets, (see *Power Session 5: Mets* for more information) and you must also contact them on a regular basis so they'll remember you when they need to refer.

On average people know approximately 200 other people. Conversely, because of networking and being in the sales business, real estate agents should know more than the average person, and as many as 300–400 people. By connecting with more agents through prospecting and marketing, you are potentially connecting with the people they know and it grows exponentially from there.

At this stage in your real estate career, your lead generation activities should be prospecting based and marketing enhanced, meaning the majority of your relationship-building activities with other agents should include a variety of prospecting methods. With that said, how do you begin to sift through the more than 1.3 million Realtors nationwide (according to NAR) to find those you want to build relationships with? One approach is to put yourself in places where agents are, and where you can get to know them, to determine if they match your values and if you want to do business with them.

*“Pick a narrow market and dominate it.”*

GARY KELLER  
COFOUNDER AND  
CHAIRMAN  
KELLER WILLIAMS REALTY  
INTL.  
AUSTIN, TEXAS

## Prospecting: Meet Them at Events

### Myth

**Attending events takes time away from my business.**

### Truth

**Actually, it's smart business because you have an opportunity to enhance relationships and increase referrals.**

Attend events with a purpose! Know ahead of time who you want to meet. Your goal is to increase your referral base, so you want to collect information on as many agents as possible and make a positive impression with all. Avoid sitting or mingling with people you already know—branch out, get “out of the box.” Volunteer at events, asking for visible positions, such as at the information desk or the convention store. When you have a mindset that every activity you engage in is for a purpose, you will achieve this purpose.

**M**ary Harker, a Mega Agent with the Harker Five Star Team in Dallas, Texas, has capitalized on agent-to-agent lead generating at events, and it has become a very lucrative part of her business. She talks of one particular event.

Mary says, “I met a guy named Bob when I went into the lunch room where everybody was having box lunches. I picked a table where I knew no one, which is my style of doing things. Bob and I got to talking and exchanging marketing ideas. It wasn't a week later that he called with a referral, and asked if I could take care of this customer, and I said absolutely. Bob was so pleased with the service I provided to his referral that he immediately referred another customer to me. I ended up handling 35 referrals for him in the next three years, all from a box lunch with him at a convention.”



Keller Williams Realty offers several events throughout the year where you can really take advantage of networking with other agents, such as Family Reunion, Mega Camp, and Masterminds. Rick Geha, a highly successful agent in Fremont, California, says he has never gone to an international event and not gotten at least one referral within 12 months as a direct result of having attended that event. If the cost of attending events seems a bit daunting, keep in mind that the agent referral business you generate there could potentially cover the cost of attendance and then some.

Exchanging business cards is fine, but always make sure you get their card. It allows you to be in the power position. You now control when the next contact occurs and what you say. You also control how often you contact them, and what value you bring to them.

### Market after the event

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Once you've collected their contact information and entered them into your Mets database (ideally under a category you've established just for your agent farm, as discussed earlier), be sure to maintain systematic contact with them. This is where your prospecting-based lead generation segues into marketing enhancement.

When marketing to your agent farm, you might consider using the 8 x 8 and 33 Touch programs (see *Power Session 3: Marketing* for more information on these programs). Think about personalizing these programs for this group, making sure your message conveys how you can best meet their needs. After an event, Brad Korn with The Korn Team in Independence, Missouri, immediately puts any agents he meets on his 8 x 8 plan, sending them an introduction letter and giving them permission to use any material he sends them from that point on. By doing this, he gives them something of value, increasing his chances of being remembered and contacted for referrals in the future.

Remember, making contact first keeps you in the power position, which means you control whether you get referrals or not, and there's no one to blame but yourself if you drop the ball.

## Prospecting: Leverage Your Out-of-area Mets

Some of your customer contacts who are out of your area are of no use to you unless you are staying in touch with them on a regular basis, never forgetting to remind them you are a real estate agent who works by referrals. Be sure to tune into these out-of-area Mets as advocates for agent-to-agent referrals. Check with them to see if they know anyone who might need an agent. Make sure you continue to lead generate for your agent contacts so you are prepared when these customer contacts do send a referral your way.

*“We are constantly amazed at the quantity and quality of leads and referrals we receive from our Met group.”*

AARON ARMSTRONG  
THE AARON ARMSTRONG  
TEAM  
NASHVILLE, TENNESSEE

### Myth

**People who know you don't have to be reminded that you are in the real estate business.**

### Truth

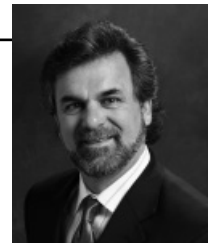
**People who know you and trust you are the most important group with whom to maintain regular contact.**

**W**hile teaching a session on lead generation at Family Reunion in February 2007, KWU Master Faculty trainer Rick Geha talked about tapping into your Mets, specifically your Core Advocates, for agent-to-agent referral business.

“For example,” says Rick, “let’s say people are buying and selling houses near someone you know, and you somehow keep missing the chance to refer them to a real estate agent.”

Here’s what Rick suggests: Call up one of these out-of-area Core Advocates; the example he uses is a parent or close relative. Call and say, “Anytime anybody on your street, the street behind you, the street in front of you, or anyone in your neighborhood is selling their home, you call me first.” Tell them part of your job is to help find the perfect real estate agent for anyone in the United States and Canada. If they have a name to give you, call that person up and let them know you don’t want them to end up with the wrong real estate agent, and you’d be happy to find someone for them who will be just what they need.

Rick recalls when he taught this concept to a young man from Pleasanton, California. “He went to Austin, Texas, and told his family about it. In the first year he got three referral fees—not a bad way to make a little extra money!”



## Exercise

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### Directions:

1. Have you educated your out-of-area Mets on agent-to-agent referrals? Think of five of your out-of-area Mets you can contact with this message.

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2. Call one right now and see if anyone in his or her neighborhood is selling, or might need an agent. After your session today, call the other four.
3. Find an agent you might be able to refer the lead(s) to in the area where they are moving.
4. Report your findings during your weekly accountability session.

**Time:** 10 minutes

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## Prospecting and Marketing: KW White Pages

The Keller Williams White Pages, available on the KW Intranet ([http://www.kw.com/webmore/Roster\\_Tools.do](http://www.kw.com/webmore/Roster_Tools.do)), is another great tool you can use to make contact with Keller Williams agents about agent-to-agent referrals. You can identify agents you haven't met but would like to contact, enter their information into your contact database, and put them on a 12 Direct program (see *Power Session 3: Marketing* for more information on this program) in order to begin building a referral relationship with them.

**C**ourtney Yates, of Team Yates in Murfreesboro, Tennessee, regularly uses the KW White Pages as a way to make contact with other agents as part of her lead generation.



“It’s really important that everybody knows it’s there and available. Agents need to fill in every item they can with extra information about themselves and their business. I go to the KW White Pages frequently to cross-reference, and it is amazing how some people don’t have anything, or have very little to describe themselves. It’s free and it’s available, so they need to do it.”

If an agent doesn’t have very much information, Courtney moves on and tries to find someone else to refer to. “To me, they’re not serious as an agent if they don’t fill out their White Pages. I am looking for people who are intense about this, because if I am referring a customer, that is important.”

As Courtney can attest, the KW White Pages is a good place to look for referrals, but it’s also a good way to receive referrals. Be sure to include as much information as you can in order to stay “top of mind” with other agents.

In order to update/edit your own profile for referrals, simply go to ([http://www.kw.com/webmore/Roster\\_Tools.do](http://www.kw.com/webmore/Roster_Tools.do)), and click on the Associate Information Search/Edit tab. You should then be able to search for and edit your own profile. Be sure to include the information from the top-of-mind exercise you did earlier on page 18, such as your specialties (i.e., first-time home buyers, investors, etc.) in order to grab the attention of other agents who need to refer a customer.

MC WebOffice | KW.com | Log Out |

Welcome | My Information | Resources | Marketing/Vendors | Reports | Goals | eAgentC | White Pages

**KW White Pages**

- My Profile
- My Rosters
  - KWRI
  - Roster
  - Photo Directory
- Regional Directors
  - Roster
- Referral Directory
  - Find a Referral
- Associate
  - Add KWRI Associate
  - Find/Edit Associates
- Market Center
  - Find/Edit Offices
- Region
  - View All Regions
- Printable Rosters

**View or Edit Referral**

Courtney Yates Murfreesboro, TN bus# 615-427-4071 courtney@myteamyates.com print show/hide

**Team Name:** Team Yates

**Specialties:** Residential Resale & New Construction, Relocation, First Time Buyers

**Designations:** ABR, GRI

**Slogan:** "Think Real Estate. Think Team Yates."

**City / Service Areas:** [milton, smyrna, woodbury, murfreesboro, arington, laveryne, rutherford county, bell buckle, christiana, eagleville, rockvale, shelbyville, lasocassas] [add service areas](#)

**Languages Spoken:** English

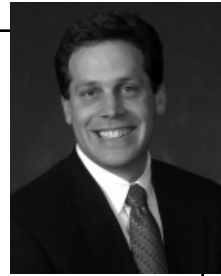
**Website:** [http://agent.kw.com/view\\_site.php?associate\\_id=158283](http://agent.kw.com/view_site.php?associate_id=158283)

**Referral Notes:** #1 Agent in Murfreesboro Market Center & #2 in Middle Tennessee. An experienced Team with over 37 years experience famous for their integrity, knowledge & client service. A Win-Win for you!

*Courtney Yates' KW White Pages information*

# Prospecting: Recruiting

**W**hen featured in a MAPS Role Model video, Boyd Brown, a top-producing agent and Operating Principal in Utah, speaks about recruiting as a way to make contact with agents for referral business.



“Networking with other agents is a source I never really pursued previously,” says Boyd. “But as we’ve grown this new business, I’m constantly talking with other agents. I have great relationships because of my recruiting efforts, obviously to help build Keller Williams. A lot of those agents are bringing me opportunities.”

Whether these recruits make the choice to join KW or not, Boyd thanks them for their referrals and honors them by providing great service. “I make sure they get the commission and earn money and get a win for them.”

This is all part of building strong relationships to benefit Boyd’s business and to benefit Keller Williams Realty. Though Boyd’s main focus in this instance was recruiting, he also discovered another way to lead generate for agent-to-agent referrals. Any time you come in contact with other agents, always keep in mind they are a potential source of referral business for you.

## Exercise

### Directions:

1. You have talked about many examples of ways to prospect and market to other agents for referrals. In the space provided below, list three more ways you can accomplish this.

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**Time:** 5 minutes

Notes

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# Focus Over Time

A relationship is a lot like a fire. You have to consistently tend it—adding fuel, stoking the logs—to keep it warm. Let it go untouched for a while, and it will die out. While you want to keep all of your relationships warm, there are some you will want to keep red hot—more personal and more interactive.

Agent-to-agent referrals are the type of relationships you want to keep red hot. You want to be the first person an agent thinks of when they need to refer. Just staying in touch consistently over time, using programs such as the 33 Touch and 12 Direct mentioned earlier, is a key way to distinguish yourself from others and remain in the minds of the agents in your database.

## Myth

**It costs too much to stay in touch with a large database of agents.**

## Truth

**It costs too much to NOT stay in touch.**

The cost of not staying connected with other agents is the loss of potential referral business. The costs associated with keeping in touch with agents must be thought of as an investment in this business. How many referral deals do you need to make to pay for the cost of mailing postcards or attending an event? When you calculate these costs and compare them to any money you make from a referral, you'll see that the up-front cost of staying in touch is well worth it.

Gary Keller believes everyone should have a database of 500–1,000 agents that you communicate to on a regular monthly basis. Do it continuously so they feel comfortable enough to eventually refer business to you. Remember, 30 percent of agents will become top producers, and if you have been communicating with them all along, they will refer to you.

*“The biggest mistake people make is they get some things going and then they*

*stop.”*

SMOKEY GARRETT  
THE SMOKEY GARRETT  
TEAM  
DALLAS, TEXAS

**M**ike Mendoza, a top-producing agent in Phoenix, Arizona, realized the potential of tapping into referrals from other agents and began building a database of agents that he met at both local and out-of-town events. Today that database is more than 7,000 agents strong.

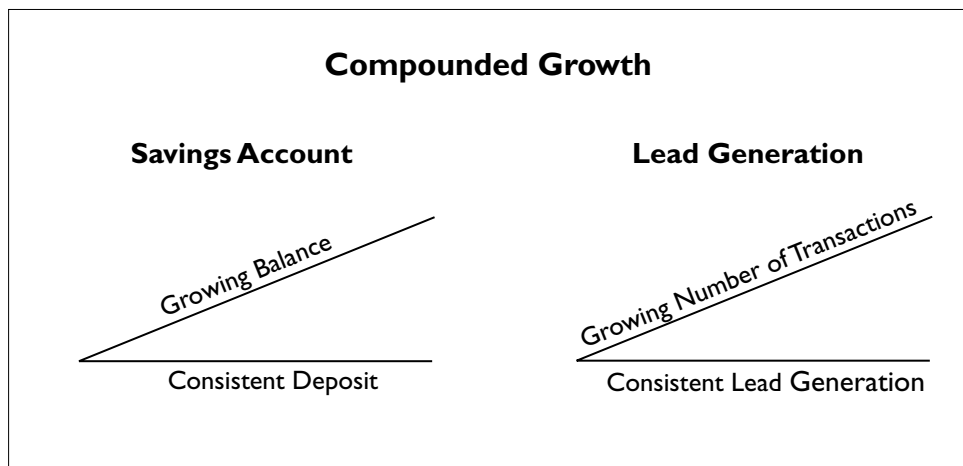


Every month Mike creates a newsletter that he sends to his agent database. His target is to get two to four leads per week from that effort. He continues to build and maintain these relationships, allowing him to consistently reap the benefits as well.

Through strategic marketing and consistent communication with the agents he meets, Mike has been able to add a significant amount of production to his business. He credits Mary Harker, a true master of agent networking, with inspiring his effort. “When I think of Dallas,” Mike says, “I think of Mary. And my goal is to get to the point where, when you think of Arizona, you think of Mike Mendoza.”

With his team, Mike has built a referral system that produces results and averages more than two referrals *per week* from referring agents. He creates special content aimed at getting referrals, and this kind of targeted marketing has allowed him to build a truly amazing business.

As a solo agent, you may not have the resources of a team, but you can still build a database of referring agents and keep in touch with them so you generate leads as well.



Like a savings account that experiences accelerated growth through regular deposits that remain the same, maintaining your agent relationships through consistent lead generation will result in more transactions.

# *Final Note*

Now that you understand more about agent-to-agent referrals and how they can be a lucrative part of your real estate business, requiring only a small investment with a big return, what are you waiting for? *Stop leaving money on the table* and make connecting with other agents part of your daily 3-hour lead generation habit. One of your goals in real estate should be to offer the best customer service you can. By incorporating this piece of lead generating into your business, you are well on your way to being the best real estate agent your customers will ever know!

***One Habit***  
... for Three Hours  
Every Workday

*“Pick anything,  
focus on it, and  
opportunity will  
find you.”*

GARY KELLER  
COFOUNDER AND  
CHAIRMAN  
KELLER WILLIAMS REALTY  
INTL.  
AUSTIN, TEXAS

Notes

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# Putting It All Together

## Power Session Aha's

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## Your Lead Generation Action Plan

Your success in the discipline of lead generation is dependent on your daily habit of action. If you focus your actions, you will propel yourself forward to 36 transactions or more per year.

Use the Action Planning Worksheet on the following page to record numbers from both your current lead generation program and your future goals. Then determine what actions you will take to “close the gap” (if any) between your current state and your goals.

These are your focused actions. When specifying them, consider:

- Adopting lead generation activities that complement each other and suit your behavioral style and interests.
- Mastering at least three reliable lead generation activities that you will be able to rely on in your business.
- Tracking your results with each activity and continuing to add new activities over time.

Note next to each activity how often you will conduct it—is it daily, weekly, or monthly?

### Lead Generation Action Planning Worksheet

	Current as of _____	Goal by _____	Activities to “Close the Gap”
<b>Annual GCI:</b>			
<b>Annual Closed Transactions:</b>			
<b>Annual Transactions from Agent-to-Agent Referrals</b>			
<b>Number of Agents in Database (both Mets and Haven’t Mets)</b>			
<b>Number of Agents Added to Database (daily)</b>			
<b>Number of Activities (monthly) (Events attended, leveraging Mets, etc.)</b>			
<b>Number of Leads from Other Agents (monthly)</b>			
<b>Number of Closed Transactions for Referrals Received from Other Agents (monthly)</b>			

## The 3-Hour Habit

### The Power of One

**Focus on just one thing—lead generation.  
Develop one habit—3 hours of lead generation every single  
workday.**

Of the activities listed on your Lead Generation Action Planning Worksheet, which will you add to your calendar for this week?

By adding items to your calendar, you are time blocking. Time blocking means that you always know what your most important job is every day and that you commit to getting it done. It means that you are going to do what you must do: generate leads. You're going to call and meet people, prepare marketing materials, network, host open houses, and prepare seminars. And it means that whichever of these actions you decide to focus your efforts on, you are going to get really good at them over time.

There are just three simple rules you must follow to put the powerful daily habit to work for you. But beware that these must be adhered to and not taken lightly.

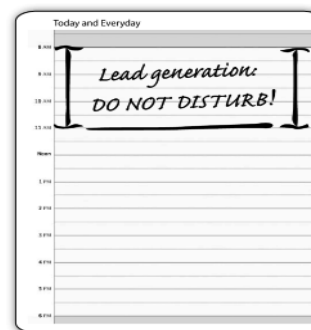
1. Time block 3 hours every workday before noon.
2. No skipping. If you must erase, then you must replace.
3. Allow no interruptions (unless they truly are emergencies).

Time on the task beats talent every time. And when you follow these three rules, you're making sure you put in the right amount of time on the right task.

Use the calendar on the following page to time block your lead generation activities. What did you learn during today's Power Session that you would like to incorporate into your regular lead generation program? What did you list on your Lead Generation Action Planning Worksheet that you can start doing?

This calendar is your flexible draft. Sketch out how you will handle your time here. Then, add these activities to your real calendaring system—whether it's an electronic calendar, like Microsoft Outlook, or a paper-based calendar.

#### The Daily Discipline Begins with Time Blocking



	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9
10	10	10	10	10	10	10	10
11	11	11	11	11	11	11	11
12	12	12	12	12	12	12	12
1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5
Evening	Evening	Evening	Evening	Evening	Evening	Evening	Evening



# Appendix

## Referral Information Form – SAMPLE

### KELLER WILLIAMS REALTY REFERRAL INFORMATION FORM

SECTION 1 – RECEIVING OFFICE	SENDING OFFICE
TO: Agent	FROM: Agent
Company Name:	Company Name:
Address:	Address:
City/State/Zip:	City/State/Zip:
Business Phone:	Business Phone:
Home or Cell Phone:	Home or Cell Phone:
Fax:	Fax:

SECTION 2 – SELLER INFORMATION	
Seller's Name:	When to make initial contact:
Address:	Property address to be listed:
City/State/Zip:	
Business Phone:	
Home or Cell Phone:	Additional Helpful Information:
E-mail Address:	

SECTION 3 – BUYER INFORMATION	
Buyer's Name:	Reason for Relocating:
Address:	
City/State/Zip:	
Business Phone:	E-mail Address:
Home or Cell Phone:	Must home be sold first?:
Fax:	Company buyout?:
Preferred Location:	Contact Buyer at this # first:
Size and type of home desired:	
Price Range: \$	Expected Arrival Date:
Number in Family:	Moving Date:
Adults:	Comments:
Children:	Age:
	Age:
	Age:

SECTION 4 – REALTOR'S ACCEPTANCE OF REFERRAL	
Prospect's Name:	Comment:
Date Contacted:	
Date of First Appointment:	
<b>WE ACCEPT THIS REFERRAL. WHEN THE SALE IS CONSUMATED, WE AGREE TO SEND A ____% (OF THE GROSS COMMISSION) REFERRAL FEE. WE WILL ENCLOSE A SETTLEMENT STATEMENT (HUD 1) WITH THE CHECK.</b>	
Receiving Sales Associate Signature:	Receiving Broker's Signature:
Date:	Date:

# Referral Agreement – SAMPLE

## BROKER-TO-BROKER REFERRAL AGREEMENT

This written agreement confirms that \_\_\_\_\_ hereby refers  
Referring Agent(s) Name  
 His/her client/customer(s) to \_\_\_\_\_ as a  
Receiving Agent(s) Name  
listing / buying / lease listing / leasing / tenant rep. referral.  
Circle Type of Referral

Client / Customer Name(s): \_\_\_\_\_

Property Address: \_\_\_\_\_  
(if Listing / Lease Listing Referral) Street Address  
 \_\_\_\_\_  
City / State / Zip

- In the event of a:
- Sale or Lease of the above referenced property due to a listing or lease listing referral
  - Sale or Lease of any property to the Client / Customer due to a buying or leasing referral

At the time the Sale / Lease closes and funds are disbursed, or any fee or commission paid by or on behalf of the Client / Customer is paid to \_\_\_\_\_  
Receiving Agent(s) Name  
 of Keller Williams Realty

The Receiving Broker agrees to pay to the referring Broker a referral fee of \_\_\_\_\_ % of the gross commission or fee received.

Agreed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Referring Agent(s)

\_\_\_\_\_  
Company / Broker

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City / State / Zip

\_\_\_\_\_  
Office # Fax #

\_\_\_\_\_  
Referring Brokers' License #

\_\_\_\_\_  
E-mail Address of Referring Broker

\_\_\_\_\_  
Tax ID. # or SSN of Referring Broker

\_\_\_\_\_  
Receiving Broker / Agent Signature

\_\_\_\_\_  
Company / Broker

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City / State / Zip

\_\_\_\_\_  
Office # Fax #

\_\_\_\_\_  
E-mail Address (Receiving Agent(s))

\_\_\_\_\_  
Tax ID # or SSN of Receiving Broker

SAMPLE