THE REFERRAL SYSTEM

Developing a Sales & Service Strategy!

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TOPICS

- **What is the best lead source?**
- **Where to begin?**
- **Getting resales and referrals**
- **Implement a customer acquisition and retention strategy.**
- **Tracking and analyzing referrals**
- **Create and keep satisfied customers.**
- **Final recommendations.**
- **Appendex**

WHAT IS THE BEST LEAD SOURCE? “REFERRALS”

- <u>Building Strong Client Relationships</u>
  Is the foundation of a successful referral marketing program.
- By providing exceptional service and establishing a personal connection with your clients, you increase the likelihood of them recommending your services to others.
- <u>Developing a Structured Referral Program</u>
  Create a structured referral program with clear incentives for clients who refer new business to you.
- These incentives can range from gift cards or other rewards.
- <u>Communicating Your Referral Program</u>
  Ensure that your clients are aware of your referral program and how it works.
- This can be done through regular communication, such as phone calls, emails, newsletters, or during policy reviews and meetings.

WHAT IS THE BEST LEAD SOURCE? "REFERRALS"

- **<u>Referral marketing</u>, is a powerful yet often underutilized tool, can significantly boost life insurance sales.**
- **We will explore effective strategies for creating a successful referral program, helping you expand your client base through trusted word-of-mouth recommendations.**
- **<u>Understanding the Power of Referrals</u> are potent because they come with a built-in level of trust.**
- **<u>When existing clients recommend your services</u>, Their endorsement serves as a powerful testament to your expertise and reliability in the life insurance industry.**
- **<u>Tracking and Analyzing Referral Success</u>**
  Keep track of your referrals to understand which clients are most engaged in your program and which incentives are most effective. Use this data to refine your referral strategy over time.

Where to begin?

- A well-structured referral program can be highly effective for life insurance sales by leveraging the power of word-of-mouth marketing.
- By encouraging existing clients to refer new customers, agents can expand their reach, build trust, and increase their client base.
- Key Components of a Successful Referral Program:
- Clear Referral Process:
- Make it easy for clients to refer others. Provide a simple referral link or form, and clearly explain the process.
- Incentives:
- Offer meaningful rewards for successful referrals. These could be gift cards, discounts or other perks that align with the client's interests.

Where to begin?

- Benefits of Referral Programs:
- Increased Sales: Referrals often convert at a higher rate than other marketing methods.
- Lower Acquisition Costs: Referrals are typically more cost-effective than other forms of marketing.
- Stronger Client Relationships: Referral programs can strengthen the bond between agents and clients.
- Enhanced Brand Reputation: Positive word-of-mouth can boost an agent's reputation and credibility.

WHERE TO BEGIN?

- **<u>Recognition and Appreciation</u>:**
- **<u>Acknowledge and thank your clients for their referrals</u>, even if they don't immediately result in a sale.**
- **<u>Timing</u>:**
- **<u>Ask for referrals at the right moment</u>, such as when a client expresses satisfaction with your service or after a positive interaction.**
- **<u>Educate Clients</u>:**
- **<u>Inform clients about the benefits of your products and services</u>, so they can effectively recommend them to others.**
- **<u>Client testimonies</u>: Have your clients write and post comments on how your products and services have helped them.**

The Following Story is True!

- The following is true story about how "Sales through Service" can be very beneficial!
- In the spring of 1988, I was canvasing for new prospects and sales, I was met at the door with a "very upset person."
- Are you an insurance agent? I replied yes sir, how can I be of service?
- He was complaining about a health insurance claim that was declined by the Insurance Company.
- I was familiar with the Company and their product sold to him; I asked him if we can have a glass of iced tea and allow me to review the information he had received?
- After reviewing the information, with his permission, I called the insurance company to discuss the claim.
- I identified the problem; the insurance company was requesting medical records from the wrong medical facility. I provided the correct contact information for the health care provider that treated him.

The Following Story is True!

- I provided the contact information for the health care provider that treated him.
- He thanked me for helping him with his claim, I asked him if would help me by referring potential prospects in the area.
- He provided me with names addresses and details.
- To my surprise, as soon as I approached the referrals, they greeted me and said, The "Reverend" called them and told them they should purchase insurance from me and what I had done for him."
- By helping a person with a problem, in exchange I made over 20 new sales, earning over $30,000 in annualized commissions from that one initial cold call.
- I made additional sales from referrals from the initial prospects.
- The stranger that I met with a claim problem, was a highly respected man in the community.

GETTING RESALES AND REFERRALS

- **The very best sales professionals implement strategies to acquire customers and keep them for life.**
- **Your goal must be to develop long-term customer relationships and hold on to them.**
- **By continually thinking in terms of "customers for life," your success in sales will be assured.**
- **Your goal is to build a solid customer base of repeat sales and referral source!**

GETTING RESALES AND REFERRALS

- **Sales are "Harder" than ever before.**
- **It takes "more calls" to find qualified prospects.**
- **It takes more "call backs" to make sales.**
- **There is more "competitions" for the business than ever before.**
- **Your aim is to get your "customers" selling for you!**
- **By providing outstanding customer service is key to getting referrals from your customers!**

GETTING RESALES AND REFERRALS

- **Our customers are tougher to sell to than ever before.**
- **They are more "knowledgeable" about products and services available.**
- **They are more "demanding" with regard to quality, service and value.**
- **Customers today have more "choices" and therefore they have less urgency to decide.**
- **Customers are "impatient," " they want everything now!**

CREATE AND KEEP SATISFIED CUSTOMERS

- **What is the key purpose of a business?**
- **“To create and keep satisfied customers!”**
- **The first sale is the “hardest” and most expensive!**
- **The second sale is the most important, it is “proof” that you have delivered on your promises.**
- **Re-sales are “10 times” easier than new sales, they require only 1/10 the time and effort to achieve.**
- **Referrals are 15 times easier to sell to than cold calls, they require 1/15th of the time and effort to make.**

TRACKING AND ANALYZING REFERRAL SUCCESS

- You need a system to manage your referral workflow.
- What should be managed and tracked from start to finish?

A) Planning:

1. Sales & Marketing Plan – Annual Sales & Income Goals Projections.
2. Monthly Activities Planner – Record and Track your Daily, Weekly Activities for Prospects, Appointments, Number of Prospects, Sales Results.
3. Contact List – Master list of Prospects & Customers.

B) Productivity:

1. Application Register – Track Sales Results, and Outcomes.
2. Track application progress.

C) Results –

1. Master list of Planning & Productivity Outcomes.

EXERCISE

- **Write your answers to the following questions and discuss them with your piers and family.**
- **List three actions you can take with every customer to increase their likelihood of buying from you again:**
- **Why is it that the second and third sell are more important than the first sale?**

FINAL RECOMMENDATIONS

- Now that we understand how effective and cost-efficient referrals can be.
- Currently how many customers do you have?
- If your new to the business complete a market identifier also known as a project 100.
- A copy of the Market Identifier can be found on our training website at www.producerresources.com.
- Analyze your current customer demographics, such as age, gender, income, occupations, products you have sold to them in the past?
- Send out questionnaires / surveys to help identify what your customers concerns and interest they may have?
- Conduct "Annual Policy Reviews", Birthdays, Anniversaries, Holidays.
- Newsletters, Seminars, Participate in Local Events.
- Get involved in your Community!

APPENDIX

Who Do You Know?

- ❑ Who is designated as guardian(s) of your children?
- ❑ Who is the most successful person you know?
- ❑ Who is the most financially successful person you know?
- ❑ Who is the wealthiest person you know?
- ❑ Who is heavily invested in the stock market?
- ❑ Who owns a lot of real estate?
- ❑ Who owns a business?
- ❑ Who owns more than one business?
- ❑ Who owns a business where their children are involved?
- ❑ Who owns a family business which has been around for two or more generations?
- ❑ Who recently started a business?
- ❑ Who may start a business?
- ❑ Who are community leaders?
- ❑ Who is on a board of directors?
- ❑ Who is on several boards of directors?
- ❑ Who are some top sales persons?
- ❑ Who do you do business with?
- ❑ Who is your printer?
- ❑ Who is your stationer?
- ❑ Who is your car dealer?
- ❑ Who does your dry cleaning?
- ❑ Who are your suppliers?
- ❑ Who are your competitors?
- ❑ Who do you play golf with? Tennis? Cards?
- ❑ Who are members of clubs and associations of which you are a member?
- ❑ Who recently received a promotion?
- ❑ Who has potential for great success?
- ❑ Who are your attorneys?
- ❑ Who is your accountant?
- ❑ Who are your family doctors (yourself, spouse, children)? Specialists?
- ❑ Who are your family dentists?
- ❑ Who is your chiropractor?
- ❑ Who gives a lot of money to charities?
- ❑ Who has inherited a lot of money?
- ❑ Who expects to inherit a lot of money?
- ❑ Who are your neighbors?
- ❑ Who are your friends? Your spouse's friends?
- ❑ Who are your family members?
- ❑ Who is your closest friend?
- ❑ Who is your spouse's closest friend?
- ❑ Who would you invite to a party in your home?
- ❑ Who would you invite to a small dinner party in your home?
- ❑ Who did you go to school or college with?
- ❑ Who recently had a child?
- ❑ Who is expecting a child?
- ❑ Who recently married?
- ❑ Who is planning on marrying?
- ❑ Who has a lot of children?
- ❑ Who lives with someone but is not married?
- ❑ Who has adopted children?
- ❑ Who goes to your church or temple?
- ❑ Who has children at the same school?
- ❑ Who are your business associates?
- ❑ Who has an office near yours?
- ❑ Who takes care of your home? Landscaper? Pool service? Pest control service?
- ❑ Who is your architect? Builder? Plumber? Electrician?
- ❑ Who owns the grocery store you do business with?
- ❑ Who recently moved into your neighborhood?
- ❑ Who recently moved to a new neighborhood?
- ❑ Who recently bought or built a new home?
- ❑ Who recently bought a vacation place?
- ❑ Who travels a lot?
- ❑ Who owns a yacht?
- ❑ Who owns horses?
- ❑ Who owns a plane?

APPENDIX

General Purpose Referral:

Hi, (Clients Name), I hope you're doing well,

I am expanding my (Business Name) and am looking for new clients who could benefit from (Specific Service).

If you know anyone who might be interested, I'd be happy to offer them (incentive).

Would you be open to connecting them with me, or perhaps sharing my contact information?

Prospect Name	Telephone	Address	Email address
Notes:			

Prospect Name	Telephone	Address	Email address
Notes:			

Prospect Name	Telephone	Address	Email address
Notes:			

Prospect Name	Telephone	Address	Email address
Notes:			

Prospect Name	Telephone	Address	Email address
Notes:			

Prospect Name	Telephone	Address	Email address
Notes:			

Prospect Name	Telephone	Address	Email address
Notes:			

Prospect Name	Telephone	Address	Email address
Notes:			

APPENDIX

I/R Codes: 86.12
9963.01

PROJECT 100

A Market Identification Guide

PURPOSE

The purpose of *Project 100* is to help you identify the types of markets in which you may be prospecting and selling should you enter the insurance business. It will also help management determine the training that will benefit you most. The names that you enter should represent people whom you know today. Later, you will learn proven ways to meet new people and to expand your natural markets.

INSTRUCTIONS

1. Read the sources listed on the upper left-hand corner of the forms. Select one source that suggests many names of people whom you know and begin to list their names in the spaces provided at the top of the form. Above each name, write the letter that indicates the source that suggested the name to you. Continue writing the names of people whom you know from that source until you have run out of names.
2. When you have listed all of the names from the first source, return to the first name and indicate with an X in the boxes below each name your best estimate of the information requested. When you have completed this information for the first name, go on to the next name and follow the same procedure. When you have completed the first source, go on to the next one. Should an additional name from a source that has already been entered come to mind while you are working on another source, add the new name and identify it with the proper source letter. Do not repeat names, even if they may fit more than one source.

GENERAL RULES

1. There is space in this booklet for 100 names. Please fill in all 100 spaces — no more, no less.
2. Do not list names that have been preselected on any basis; for example, the need for life insurance. Simply list the names of those who come to mind most readily.
3. Complete all of the information requested for each name. Your Christmas card list, personal telephone list, alumni directory, club membership roster, and similar sources may be used to help you complete the list.
4. When you have listed 100 names, enter the totals on page 13, Summary by Source.
5. **Occupation:** *Project 100* purposely has no catchall "other" category. When defining occupation, you must place the person's occupation in one of the following groups:

Student

Homemaker

Professional, Technical, for example:
accountant, engineer, doctor, lawyer, teacher, sales representative

Proprietor, Manager, Executive, for example:
contractor, sales manager

Clerical, Kindred Workers, for example:
mail carrier, real estate agent, secretary, shipping clerk

Sales Workers, for example:
cashier, sales clerk

Crafts, Operatives, Laborers, for example:
baker, mechanic, bus driver, plumber, electrician, truck driver, printer, gas station attendant

Military Service

Service, Farmers, for example:
barber, police officer, farm laborer, waiter

Retired

SOURCES OF NAMES
A. School friends
B. Friends of family
C. Neighbors
D. Known through spouse
E. Known through children
F. Known through hobbies
G. Known through church
H. Known through social groups
I. Known through community activities
J. Known from past employment
K. Newly married persons
L. New parents
M. New homeowners
N. New job or job location
O. People with whom you do business

	Source Letter	H	H	H	H	H	H	H	H	A	A
	NAMES SUBMITTED	John Doe	Karen Dunn	Scott Smith	Jim Jones	Ted Johnson	Roy Brown	Jack Green	Bill Thomas	Ken Gray	Tom White
YEARLY INCOME	Under $25,000				X		X				
	$25,001 – $50,000							X			
	$50,001 – $85,000	X	X						X	X	
	$85,001 – $120,000			X							
	Over $120,000					X					X
AGE	Under 25		X		X		X	X			
	25 – 34 years	X		X		X			X	X	X
	35 – 44 years										
	Over 45										
OCCUPATION	Student				X		X				
	Homemaker										
	Professional, Technical					X					X
	Prop., Mgr., Executive		X	X							
	Clerical, Kindred Workers									X	
	Sales Workers	X						X	X		
	Crafts, Operatives, Laborers										
	Military Service										
	Services, Farmers										
	Retired										
MARITAL STATUS	Single, Divorced, or Widowed		X		X		X				
	Married	X		X		X		X	X	X	X
	Children		X	X		X			X	X	X
LENGTH OF TIME KNOWN	More than 5 years	X	X	X		X		X	X		X
	2 – 5 years				X		X			X	
	Less than 2 years										
HOW WELL KNOWN	Close friend	X	X	X		X	X	X	X		
	Casual friend				X					X	X
	Speaking acquaintance										
HOW OFTEN SEEN IN LAST YEAR	More than 5 times	X	X	X				X	X		
	3 – 5 times				X	X					
	1 – 2 times						X			X	X
	Not at all										
COULD APPROACH ON BUSINESS	Easily	X	X	X		X	X	X	X		
	Fairly easily				X					X	X
	With difficulty										
	Probably not										
ABILITY TO PROVIDE REFERRALS	Excellent		X			X		X			X
	Good	X			X				X	X	
	Fair			X			X				
	Poor										

Summary by Source from Pages 2 – 11

	Source Letter	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	TOTAL
Total names listed in each source																	100
YEARLY INCOME	Under $25,000																
	$25,001 – $50,000																
	$50,001 – $85,000																
	$85,001 – $120,000																
	Over $120,000																
AGE	Under 25																
	25 – 34 years																
	35 – 44 years																
	Over 45																
OCCUPATION	Student																
	Homemaker																
	Professional, Technical																
	Prop., Mgr., Executive																
	Clerical, Kindred Workers																
	Sales Workers																
	Crafts, Operatives, Laborers																
	Military Service																
	Services, Farmers																
	Retired																
MARITAL STATUS	Single, Divorced, or Widowed																
	Married																
	Children																
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	2 – 5 years																
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HOW WELL KNOWN	Close friend																
	Casual friend																
	Speaking acquaintance																
HOW OFTEN SEEN IN LAST YEAR	More than 5 times																
	3 – 5 times																
	1 – 2 times																
	Not at all																
COULD APPROACH ON BUSINESS	Easily																
	Fairly easily																
	With difficulty																
	Probably not																
ABILITY TO PROVIDE REFERRALS	Excellent																
	Good																
	Fair																
	Poor																

THANK YOU!