

## **Building A Referral Plan For Tough Times**

*By Chip Cummings, CMC*



Tough times are made for tough people. Or better yet, tough people are made *from* tough times. While many originators simply whine and cry, others thrive and embrace the challenge of a slower market.

As you know through the many great articles in MOM, referrals are at the heart of a long-term successful origination career. Period. Just sending a “Thank You” card, handing out business cards and waiting or hoping that the calls will come in, is **not** a referral system. Successful referrals come from a well thought-out, planned, regularly scheduled pro-active approach.

When I ask a new customer why they didn’t go back to their original loan officer, the response is typically the same – “I’ve never heard from them again”, “I don’t know where they are”, or maybe “they sent me a card about 2 years ago, but I haven’t heard from them since.” Or worse yet, they can’t even remember their originators name!

When conducting training sessions, I will ask loan originators to see their referral plan. Unfortunately, out of the small percentage that have one, only a few are creative, systematic and built for the long run. Over the years, I’ve developed, tried, and witnessed many referral techniques, and enjoy when others can put a fresh twist on the few we’ll talk about here.

### **Get Personal & Get Creative**

The trick in developing a referral plan is it has to involve some periodic *personal* contact, and it has to contain creative ideas that do things that other originators don’t. First you must understand that there are two types of referrals - Professional Referrals and Customer Referrals, and you must approach them differently.

**The Customer Referral** – Past customers *want* to help you succeed. They will tell their friends, family, co-workers, and even their ex-spouse about you, just because they like to know someone who’s good – and that they can impress people with knowing a top professional. The trick is caressing that feeling over an extended period of time, and continuing to make them feel special through direct personal contact. It would be nearly impossible and impractical to meet with each customer individually, so let’s do it in a group setting.

One method I love to use is a “Family Fun Night”. Once or twice a year, have a party and invite your past customers and their families to just come have some fun. Have a picnic with food, games, softball, and a clown or magic show. Schedule it on a weekend, and get help from co-workers or family to plan and run the event. Make sure *your* family

is there, and make sure your time is free to greet and mingle with your customers. This friendly informal atmosphere will build a strong personal tie, and not only make the personal referral feel much more comfortable about calling you in the future, but will turn them into walking advertisements for you! Rent out a special section at a sporting event or a concert. I've done semi-pro baseball games, hockey games and golf events where you can get special group rates and private viewing areas for a fun and relaxing time. Use tickets and/or special invitations, and make sure to follow up with a personal phone call to stress the importance of their being a part of the event. Plan well in advance, and reserve people on a first-come basis. Until you have a feel for the response, on the first event, make sure you have flexibility with your space and availability to accommodate a larger or smaller group based upon your response.

The key for you is the personal contact and doing something fun for the whole family that they would probably not otherwise do on their own. It doesn't need to cost an arm and a leg, but treat it as the investment it is. Plan it right, individualize their participation and add lots of personal touch to the event itself.

**The Professional Referral** – Business associates require a slightly different approach. While REALTORS®, attorneys, accountants and builders like to have fun too, they thrive more on the direct business networking aspect of an event. Again, periodic personal contact is the key. I enjoy having small one-hour breakfast roundtable sessions with select groups of professionals to network together and discuss key business issues. Take turns discussing each industry and their own successes and challenges. You'll quickly discover their priorities mirror your own, and many joint venture marketing opportunities will become available.

Use professionals you know to make short specific business presentations to your professional referral group. For example, use an attorney to present information about legal liability issues; an accountant to talk about year-end tax planning or payroll issues; or a medical specialist to talk about employee health concerns. The information will be appreciated, and the networking will produce numerous referral opportunities.

Keep the sessions short and not too frequent – maybe every other month or so. Go informal on the food, but use a nice restaurant in a convenient location, and use written invitations.

**Put 'Em Together** – Another successful technique is to combine the professionals and the customers every once in awhile. Put together an expert presentation or a panel discussion and get your customers in front of your professional referral base. Invite your customers to a tax-planning discussion with your top accountants, or host a home repair workshop with tips from one of your local builders. I have also sponsored "Lunch & Learn" programs with informative sessions around topics such as credit reporting and insurance planning. Use a clubhouse or community center for convenience, comfortable atmosphere and cost savings. Again, insure a successful turnout by using personal

invitations, and don't just mail them, call them up with a personal reminder. For certain sessions, allow them an extra ticket to bring a friend!

## **The Rewards**

Direct personal contact is just one component of an overall master referral plan, but clearly one of the most important. I teach companies and originators to use a multi-faceted 5-year customer referral plan, which develops a career of steady rewards – in good times and tough times. Getting satisfied customers together in a group for an entertaining or educating experience creates a synergy that's hard to duplicate.

Are you ready to survive the tough times? Build a referral plan that includes a consistent schedule of personal contact with both your professional and your customer base, and you'll never have to worry about "*toughing it out*".

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Chip Cummings, CMC is President of Northwind Financial Corp., originator and a national speaker, trainer and consultant to the mortgage industry. He can be reached at (866) 977-7900, or via e-mail at [chipcummings@northwindfinancial.com](mailto:chipcummings@northwindfinancial.com)

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