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Have you Tried These 5 Ways to Build Referrals?

Some agents just can't bring themselves to plunk down their hard-earned money to join a network or an online service set up specifically to direct referrals to them.

"I grew up in the real estate industry because my mom was a broker, and I've been licensed in Georgia for almost 10 years," explains Lisa Harris, ABR®, SRS, an agent at RE/MAX Center in the Atlanta suburb of Braselton. "I've never been a big believer in paying for leads. I typically focus on no- and low-cost ways to build agent and consumer referrals."

If you're also finding that paying to belong to a referral entity or for online leads just isn't a good fit for your business, you need to shift to other ways to grow the share of your business that comes from word of mouth—and that all comes down to networking.

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Here, agents reveal five networking tactics they're using to lay the foundation for a thriving referral business.

1 DIY a networking group. Alex Cohen used to shell out a portion of his hard-earned commissions to belong to a large, formal, international networking organization. However, he was unimpressed.

"I don't want to say it was a pyramid scheme, but if you start a new networking group within the organization, you get financially rewarded," explains the lead commercial specialist at CORE in New York City. "It also had a very transactional approach: How many referrals are you giving out, and how many are coming in?"

Nearly two years ago, Cohen teamed up with a residential broker from another firm who was also dissatisfied with the group to create their own, taking the best of the group they were leaving and tweaking what they didn't like. No dues were necessary, though they agreed with the concept of trying to avoid duplication among members' professions.

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Their group has about 18 people who are consistent participants and another 10 who participate less frequently. They meet at the residential broker's office in a conference room overlooking Central Park every Tuesday at 7:45 a.m. Hence the group's name: 745 on the Park.



Alex Cohen, CORE, New York City, NY.

It's a no-nonsense meeting—with no food, just coffee and water—that takes only an hour. “We like to give everybody a chance to talk about something they're working on or something they need help on,” says Cohen. “There's also a presentation by a member of the group or a guest.”

Cohen can't quantify the amount of business he's generated from the group, but he can talk about the intangible benefits. “I think we've definitely generated a lot of business within the group,” he says. “We've all definitely built business with each other, and we've gone with each other on pitches. It's also enhanced my business in other ways.”

One member has her own public relations firm, and she did a presentation for the group on PR skills for people who aren't ready to hire their own PR person. That's where Cohen learned of Help a Reporter Out, a website where reporters seek sources and people like Cohen can skim the requests and offer to be a source on those they believe fit their expertise.

“I've gotten so much media exposure from it, and I wouldn't have known about it without her presentation,” says Cohen. “That media exposure has led to business for me. It wasn't that she referred business to me. But she gave me an idea, and I've been religiously pursuing it.”

Cohen's tip? “It's really important you set the tone for the group,” he advises. “We want



Lisa Harris, ABR®, SRS, an agent at RE/MAX Center, Braselton, GA.

everyone to be either their own business owner or to be a very entrepreneurial person. We didn't want people who do sales or business development for large organizations because we think they're generally not thought leaders or very creative. Be very explicit about your mission, and articulate it with every new member or guest. Also be very consistent—send reminders at the same time and do calendar invites.”

Adds Cohen, “One of our members said, ‘I love that the group gets me thinking of things early in the week and puts me in a good direction for the week,’” he states.

2 Push yourself to go where your potential clients are. Harris doesn't pass up any opportunity to network in her community, even if that means diving into activities she's never tried before.

She joined her local Chamber of Commerce, which she says is a great place to meet people. But she also found it to be heavy with other real estate agents; that diluted its benefit to her.

So Harris turned to tennis, which is huge in the Atlanta area. “It's so popular here that generally each neighborhood has teams at different levels of skill,” Harris explains.

She'd never stepped onto a tennis court in her life, but she marched in and joined her neighborhood's tennis organization. The events are very social, and they're typically all-day affairs—which means they're great for building strong personal relationships. "You get to know people because there are ladies' teams, men's teams, and mixed teams," she says. "My husband and I started on a beginner-level mixed team."

That willingness to risk embarrassment to go where others were meeting up has helped Harris strengthen her connections within her community, and it's something she plans to keep doing throughout her career.

"If you don't know how to do something, but people are there, at least give it a chance," she says. "Put yourself out there."

3 Start turning down business. Really. Surely, you've heard that one way to generate great referral business is to specialize in a niche.

Brand yourself as the expert in a very specific niche property type or geographic area, and when you have leads or opportunities that come through the door that don't fit your box, refer them to agents proficient in that area. It'll set the tone among your peers that you're a specialist and that someone looking to transact in your specific specialty should be talking to you.

—Matt Jones, Beacon Realty Group



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Grand Rapids, Mich.*

Matt Jones, a principal at Beacon Realty Group in Grand Rapids, Mich., is one of the people advocating that tactic. "Brand yourself as the expert in a very specific niche property type or geographic area, and when you have leads or opportunities that come through the door that don't fit your box, refer them to agents proficient in that area," he advises. "It'll set the tone among your peers that you're a specialist and that someone looking to transact in your specific specialty should be talking to you."

Be sure to get really granular, recommends Jones. "It could be by property type or by property type and geographic area," he explains. "I wouldn't want to just say 'I sell Chicago condos.' I'd want to say, 'I sell condos in the West Loop, South Loop, and Streeterville. You want to be able to market yourself by saying, 'I know every transaction that's happened in those neighborhoods, and before I walk through your front door, I know the price per square foot you condo will sell for, and I know the buyers who are looking for it.'"

Easier said than done. How many agents, especially new ones, can actually turn away business that doesn't fit a narrow sliver of the market?

Jones admits that's where many agents struggle as they try to establish their expertise in a niche. "There's not a simple answer," he says. "But to become a specialist, you have to have a mentor,

a senior agent. Whether that means getting on a team and working under a very experienced broker in the niche you have particular interest in or being an assistant to someone like that, I think that's the only way.

"People will disagree with me on this, but my take is that if you do everything and anything to make money, in the long term, that's a waste of time," he argues. "It doesn't push you down the path of what you ultimately want to do. It'll be hard on the front end to turn down business. But the message you're sending to both the potential clients you're referring to others and the other agents to whom you're referring that business is, 'This is what I do, and this is all I do.' If you're doing that well, when that business comes up, everyone in the world should know you're the best person for it."

4 Go back to school. As the head of commercial business at a primarily residential company, Cohen wants residential agents at his own company and within his market to know he's the pro they should immediately think of when they get a commercial lead. What better way to showcase his knowledge and stay top of mind than to teach a course introducing residential agents to commercial real estate?

The course will be to give them a flavor of commercial real estate but to also have them think about how we can work together to service their clients. We're in an industry where people need to do work with each other, and ideally this will generate business.

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Cohen recently became accredited to each continuing education courses to New York licensees. He also signed up to do that—starting this fall—through a title company that offers those courses for free to brokers and agents.

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5 Rely on tech to make reviews easier. Instead of waiting for the closing, Harris has been asking more clients for online reviews, and technology is making it much easier for her and clients.

"When you're having a closing and you ask, 'Would you do a review?' or 'Would you do a video testimonial?' clients say yes," she laments. "But they're moving and unpacking, and they're buried for the next month. This takes two seconds, and they'll take the time to do it."

Harris is referring to SocialSurvey, available at no cost through her broker, which walks consumers through reviews. "From the website, you can generate the request that'll go to the client," she explains. "They'll typically fill it out by answering two or three questions and filling in an open box where they can write what they like. It also asks them if it's OK to post the review on various sites."

When consumers complete the review, the program shoots Harris an email, and she'll follow up with the client providing links to the websites on which she prefers they post their review.

Harris says, "It's a very quick and easy way to get online reviews."

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