



GORDONMARKETING

COMMITTED TO HEALTH, SENIOR, LIFE, ANNUITIES & YOU!

SINCE 1980

FREE



Tactical REFERRAL *GUIDE*

**STRATEGIC
REFERRAL
GUIDE**

**How can other agents live off referrals
when you are still dependent upon
expensive leads?**

Learn their secrets and have the discipline to change your habits.

Included:

- ◆ Referral Script
- ◆ Referral Compensation Rules

Click here

OR CALL Gordon Marketing (800)388-8342

If you don't have time to read this whole guide, here is a distilled version:

- ◆ Ask every client for a referral.
- ◆ Most people are happy to help you.
- ◆ Even the most satisfied customer will *usually forget* to refer you to friends and neighbors *without you asking them to refer you!*
- ◆ People lose your business cards. Give them 3 at a time.
- ◆ If you ask, you usually receive. To entice them to keep sending you referrals, give them a gift card or lottery ticket or just a nice thank you note.

You now have saved a lot of time and don't have to continue reading this paper. Chances are, that you ALREADY have heard how easy it is to get referrals and you are just too (insert word that best applies to you here) stubborn, lazy, afraid, forgetful or uncomfortable to ask every client this simple question: **Do you know of any of your friends, family members or neighbors who I could also help?**

What is your excuse?

Are you just lazy? To a certain extent we all are lazy, or we get lazy, which is why we opt to be our own boss and set our own hours. Sure, we work hard, but we have a nice job and no one really pushing us. It's easy to go soft when you are your own boss.

Do you "forget" to ask? I'm an FMO and I train hundreds of agents a year, but I'm also an agent and sell about 50 cases a year. Do I ask every client for a referral? No. Why not? I'm generally in such a hurry to get on to my next task that I don't take the time. I kind of "forget" as I'm in a hurry. Since I've started putting my thoughts into this paper and talking to other agents about referrals, I've been very disciplined asking every client about referrals now.



Additionally, I'm at a point in my career that I'm no longer struggling to pay the mortgage. When I was younger and hungrier, I was more consistent and persistent about referrals. Chances are that new agents are reading this. Hungry new agents have bills to pay and a pipeline that is not full. Older agents who have been in insurance for 5 years or more have a natural pipeline of referrals that come in without them making any effort to gather referrals. Doing a job well, any job, results in some referrals. You just loved the guy who came to fix your water heater, he was funny and prompt, made you feel like you got a great deal and talked about his newborn puppy in a way that made you want to give him a hug when he left. It was a great experience and you, like the normal consumer, want to share this great experience. It's human nature. By being a solid agent for 5 years, you will end up with referrals without every asking...*but if you want referrals NOW, you have to ask now.*

One of the most satisfying parts of our job is receiving a referral. As attractive it is to get a free lead, most agents struggle with generating them *consistently*. Agents have a deep dislike of asking for referrals and act as if we are asking the agents to beg for money on a street corner.

When we talk about generating referrals, agents are universally interested in the concept and simultaneously opposed to changing their behavior.

Simply put: agents fear rejection. They feel like they are putting their clients out when they ask them to think of any friends, family or neighbors that might also need their services. Agents just hate to ask! Not some agent, but most agents. And you are probably nodding your head “yes” right now. You know you should floss your teeth, you have heard that it increases you overall, not just oral, health. It’s simple, takes only a minute and still most people just do not floss regularly. Here is the data – 50% floss daily, 18% do not floss at all. This is in the face of increasing evidence that flossing is more important than brushing your teeth!

Asking for referrals takes a lot of pressure off you financially. It’s good for your financial health (and mental health) the same way flossing is good for your health. You know it’s easy to do, yet you still won’t do it because, like flossing, you haven’t toughed through the awkward phase long enough to make it a habit.



It takes two weeks to form a habit

Can you commit to two weeks to increase your financial well-being? Of course, you can, and you *want to* or you would have already stopped reading.

Most agents are reluctant to ask because they feel that it’s being too forward. Don’t be hesitant about it, even if you secretly feel a little uncomfortable. The fact is, most customers won’t refer you unless you specifically ask them to. It’s not that they don’t want to be helpful, but they are busy too. People universally believe that agents are salaried employees of the insurance companies, they don’t realize how valuable a referral is to you.

The agents who get the most referrals, have been in business the longest and word of mouth generates enough leads that agents who have been in business 6-8+ years rarely ever purchase leads. Nor do they ever *ask* for referrals, but this time the sheer number of happy clients they have generates referrals without the agent having to be proactive.

Let’s talk about new agents and agents with under 500 clients, agents who spend a lot of money prospecting and purchasing leads. These agents are the ones who need referrals most and are the least likely to ask for them. Is this you? Chances are it, if you are reading this. I’m sure that you have been told many times to “just ask” every client for referrals and I’m betting that you have asked once or twice, but the majority of your sales end with a quick Thank You



and you end up kicking yourself later that you again forgot to ask for a referral. It hasn't yet become a habit and it won't if you don't tough through the awkwardness and force yourself to develop a habit.

Business Cards Are Cheap

I work in the Senior Market, where people tend to be more forgetful and often overwhelmed with paper. Too many agents hand out a single business card to their clients, acting like the cards are rare and precious artifacts. Clients are quick to lose or misplace the tiny business cards. How do I know? Because they end up calling into the Gordon Marketing home office (which is often printed on their policy) and telling us that they have forgotten the name of their agent. I've taken this call from people who say, "He was such a nice man and he was here last week, but I can't put my hand on his card. Can you tell him to call me?"



Shower clients with cards—they are cheap. I prefer to give them a magnetic card which I place on their refrigerator while I'm in the house. It is really cool to go back years later and see that card still on their refrigerator! Especially if you have a photo on your business card, this works wonders. Go to Office Max and buy a box of business card magnets and have a kid stick your card on them.

When you send your clients birthday cards, send them another 3 business cards.

If you send a semi-annual newsletter...you see where I'm going with this—send more cards.

I opened the letter one of our new agents was sending to his client and flipped out when I saw one business card included in his packet. Especially young/new agents are guilty of this. Cards are cheap. They only work if they are out in circulation and people are more likely to part with them if they have a few on hand.

<Obligatory Story About My Son>

I love to talk about my 24-year-old son, Elliot, because he is my only son and compared to his three sisters, adores me. Elliot began selling insurance at night and on weekends after he got home from his day job. His goal was to get 25 Medicare sales his first AEP. No one knew if he had it in him to persevere, especially when he was working on his own, at night, with no support network. My dad, Dick Gordon, couldn't have been more proud and excited with every sale that Elliot made. Dad was a constant source of help and motivation for Elliot and one thing my dad stressed was to always ask for referrals.

One night I got a call from my son, he was elated that he made his 25th sale. I said he should call grandpa, even though it was a little late, because grandpa would love to celebrate this milestone. Elliot hesitated. Clearly, he didn't want to make the call. I asked if he was afraid of

waking his 82-year-old grandpa up at this late hour and he timidly said, “No, I’m afraid he’s going to be disappointed in me because I didn’t ask for a referral and that is ALWAYS the first question he asks me!”

Fast forward a year. Elliot called me to share the good news that he just got his first *referral from a referral*. And you can too, so keep reading.

Many guides on referrals start with this, “**Know when to ask.** You wouldn’t ask your boss for a raise after you missed your annual goals and you shouldn’t ask a client for a referral when you failed to perform.” This goes in the “duh” category. When you under-deliver not only are you not gunning for a referral, you are praying the client doesn’t give you an anti-referral meaning, bad-mouth you around town. You can’t walk away from an unhappy client. You still have to work to fix the problem and get them to a place where they are happy with the outcome. We all know that a lot of the dissatisfaction in insurance is generated with the company, not the agent. **Take the blame if you are to blame but be quick to pass the blame if the issue was outside of your control. You must be willing to do damage control so that your client ends up with a realistic idea of what went wrong and what you did to fix it.** Sometimes we all just want to throw our hands up in the air and move on, but word of mouth is powerful and one person in your community that feels you did a poor job, is very likely to spread that news and save his friends and neighbors from the same bad result.



Set a trigger to remind you. Do not leave the client or end the call without explaining why you need referrals. Don’t be embarrassed to ask, as most agent are. Find some kind of trigger you can set for yourself so you ask. At some point, it will become part of your presentation but until then, force yourself. Set an alarm on your phone/watch. If you have a pamphlet or marketing material on you and your agency, set it aside with three business cards so it reminds you to talk about yourself and discuss referrals after your presentation. This or some other trigger to remind you not to leave without asking.

Be referable. Be the kind of agent that people are excited to share with their friends. Be a great agent and they will want to help you. This doesn’t mean there can’t be problems, but handle them promptly and professionally. The number one complaint I hear from the field is that agents do not respond to client calls or emails promptly enough. What is prompt to a busy sales person may not be the definition of prompt to a retired person with hours on time on their hands. Set realistic expectations with your clients. I tell them that I will always call them back the same day that I receive a call or text from them. They won’t get mad that I didn’t respond immediately, as many assume you will because we all have cell phones and in their minds, are able to drop everything and tend to their calls. Teach your clients how you work, what your family responsibilities are so they have realistic expectations for you.



Don't wait for your pipeline to dry up before you start trying to generate referrals. Do it consistently as part of your everyday routine. I like to say, "I love what I do and I hope it shows." People like to help happy people. You can find the best referral-generating habits from captive sales agents. *They are hamstrung into only selling for one company and have to be very aggressive to generate referrals.* One carrier requires every agent to end his presentation with a blank sheet of paper that he passes over the client and says, "Can you please share with me the names of a few of your friends that could use my help?" Then he hands the client a pen and waits. Most people will feel compelled to write at least one name. But these agents are trained to push harder, "Think about people you know if this community who are ready to retire or already on Medicare but struggling with their budget. I'd love a chance to help them save some money." You may not feel comfortable with this technique, and I'm not either, but it does work.



Use testimonials. My dad, Dick Gordon, helped start a life insurance company in the 1970s. He did it by getting a well-respected person in the community to endorse him and allow him to show the letter to others, and to serve as a referral for him. When you can go into a home and show a list of names of people in the community that you have helped and that are willing to be called to vouch for you, that goes a long way towards building a relationship with a prospect and turning them into a client.

Make it real. No one wants to help me buy a BMW M3 hard top convertible (my husband's dream car). But when I say, "I have four kids, two are in college and one is still in braces and I really need your help paying for them." People laugh. They can commiserate with how expensive raising kids can be. I found that I got the most referrals when I had little ones in diapers. DIAPERS ARE EXPENSIVE and I wasn't shy about sharing that fact. I never left a house without a referral (but then, I was a lot more motivated back then too.) Let people know that this is how you support your family. Yes, they should know that, but remind them anyway. Ask them for their help. They can help you and help their friends and family at the same time. If they thought enough of you to work with you, they will help you—if you ask. [The most powerful words you can take away from this paper are these: Will you help me?](#) People want to help you. Try out this phrase, it works!

I Just Moved Here

If you have clients who won't give you a referral, and there are people who don't have friends or family members to recommend, have another way for them to help you. *Ask them to give you a testimonial (on paper or video) that you can use on your website or marketing materials.* Just by allowing you to use their name publicly can help you. If you can go into a new home in the area and show a list of people who are happy clients that have agreed serve as a reference, it speaks volumes to your prospect!



Make sure that your clients know all the products that you can offer. Don't be in such a hurry to rush to your next appointment or to hurry back to the office to process your business that you neglect to explain all of your services.

DON'T SAY:

"I sell life insurance, annuities, dental and vision plans, health insurance and long-term care."

DO SAY:

"A lot of retirees lost their life insurance when they retired, I can help you with life insurance if you'd like to cover your final expenses. Medicare doesn't cover any dental and it can be very expensive, if you'd like to look as dental and vision plans later, I'd love to help you with that too. I sell a lot of health insurance to people under age 65 too and I can help you with a nursing home policy if that is something you are interested in. I sell a lot in the Medicare Market, but I am a full-service Life and Health agent."

Most agents assume that their clients understand more about our industry than clients actually do. They might assume you are on a salary, instead of commission. There is nothing dirty about talking about commission. For years I've offered to tell my clients which companies pay me the most commission, and so far, no one has ever asked me!

Add a link to your website for clients to send you a referral.

Stand Out. Make them want to refer you. Make their experience so good that they feel good about helping you. It can be embarrassing to refer you to their friend. What if they don't like you?

Provide a gift card for those who help you build your business



When I started selling insurance, I offered \$20 gift cards to Walmart for every referral who purchased a policy from me. I made a red sheet where they could list their friend's name, address and telephone number and a self-addressed stamped envelope for them to mail the list to me. To my shock, the people who sent me the most referrals, and were the most excited about the gift cards *were the upper middle-class clients*. Not the less well-off people who could really use the money.

I had people call me years after I stopped making that red referral sheet and ask if I was still giving out Walmart gift cards.

Be careful that you don't send out gifts with just a name or you could end up wasting a lot of money. Some states consider it an illegal for you to pay a fee only if the referral buys a policy, so make the fee contingent upon the person meeting with you or providing enough information to generate a quote—something more than just a name, but less than a sale.

Check with your state. In my home state, Indiana, we are allowed to give up to \$25, which seems to be the common amount allowable. As long as the gift is unrelated to the purchase or renewal of insurance it is not considered rebating.

Be careful trying to get creative. It is illegal in many states for an agent to donate money to charity in the name of a client! You can agree to donate the money, but not in the name of the client. Seems like a small detail, but the devil is in the details.

Utah requires the referral fee be *the same every time*. I often make it less than \$25, it just depends, but you can't do that in Utah.

Texas, Virginia and most states limit the amount to \$25.

In Connecticut, you can pay a referral fee to any non-licensed person. The non-licensed person cannot refer herself and cannot act in anyway as a producer. The referral fee can be any amount and can be paid on renewals

How about referral fees to other professionals (CPAs, attorney's, doctors and pharmacists)? In many states, it is illegal for those professionals *to receive* referral fees, so the onus is on them, not you. Most elder law attorneys are happy to send you referrals because they are in dire need of a professional they can hand off their clients to for Medicare.

A great way to keep getting referrals is to provide them with helpful content in your newsletters



One of the agents that I admire is fond of saying, "You have to give, to get." If you are consistently providing a service to your clients, they are more likely to refer you because you are keeping your name in front of them.

There are two major times to get a referral: when you have just finished your sale, and are still with the client, or when you deliver their policy or are checking on it and it goes into force. Calendar this date and calendar a reminder to ask for the referral.

What About CMS?

With the advent of Medicare Advantage and Part D drug plans, rules emerged to tightly govern referrals and referral fees from the federal level.

Without going in too deeply into CMS regulation on referral fees (because CMS changes frequently), know this:



1. Agent can give gifts up to a \$15 retail value, per year, to a client.
2. Agents cannot condition the gift on the referral purchasing a plan.

Advice from an agent in Ohio:

Agent, "I'm glad I was able to get you a plan that you like with all your doctors, hospitals and prescription drugs. AREN'T YOU? Sometimes it's not as easy as it seems and can turn out bad. Do you know for a fact that your friends and maybe even relatives have gone through this process yet and it turn out as well as yours? (Don't talk. Just look at your client and wait for their answer.)"

If your client says she doesn't know, then say, "Would you mind calling a few friends right now and asking her?"

Use Technology to Automate Requests

Include forwarding links in your emails, "There is no great compliment you can show me than to forward my contact information to one of your friends, family members, work colleges or neighbors who might be ready to retire or unhappy with their current insurance costs."

Film a referral video. People love videos and are more likely to watch it and be moved to help, than they are from an email. Videos are more personal and you can make it fun!

Make a "Refer A Friend" button for your website.

There are many other great ideas to generate referrals, but you don't have to get creative and you don't have invest a lot of money. Just ask. Keep it simple and ask. Every. Single. Client.

Please share your success stories with us sgordon@gordonmarketing.com
and Rebecca@gordonmarketing.com

Happy Selling,

Sylvia and Rebecca Gordon

P.S. If you found this article valuable, please forward it on to another agent who might benefit from it.