CHAPTER 3

B2B NETWORKING: THE ALLIANCES OF SUCCESS

A lead-generation pillar that I see overlooked by many real estate agents across the country is the B2B (business-to-business) networking pillar. This is one of my favorite pillars, because I am able to relate to so many of the business owners in my community. We are all looking for new business. And we all rely heavily on repeat and referral business in order to keep our businesses going. Other business owners understand the importance of referrals. So when I ask business owners if they know of anyone looking to buy or sell a home, it is an easier conversation to start, and they are good sources of referrals.
Looking back over the years, I can see that the average sales price I have received from my business partners is much higher than the average sales price in our market. The reason for this is that business owners tend to know other professional business owners, which leads to a much higher sales price and sales volume.

The other reason that the referral from a business owner is a better referral is due to the relationship that the business owner has with that client. In other words, people do business with whom they know, like, and trust; therefore, if the client has a good business relationship with that business owner, when that business owner refers my name to the client, it carries a lot more weight. These clients are coming to me with total trust from the referral source (the business owner), and they tend to be a much easier client to work with versus a client off a cold call or from the Internet.

In order to take advantage of the B2B relationships you have, first you must build a business directory. Gather all the business relationships you are currently working with or have worked with in the past, starting with the professions that are most related to real estate. These might be roofers, mortgage lenders, attorneys, home appraisers, pest inspectors—the list goes on and on. As I said, there are more than 35 different professions that are directly related to any one real estate transaction.

Once you have an actual list, create an Excel sheet where you put the business vendor titles on one side, and then put their name, address, and phone number on the other side of the spreadsheet. Start with the names of people that you know. After that, reach out to your own client base. It is a great conversation to be able to pick up the phone and call your own clients to ask them whom they recommend. Let them know that you are building a business directory and that you are looking for a reputable name for a moving
company or whatever business is lacking from your list. Make sure they know you will be using the directory to help future clients with their business referral needs. Many times, your own customers will give you excellent recommendations.

In my database, I have included many other professions that are not as closely related to real estate, such as a florist or massage therapist. I also have chiropractic groups, because if you just moved an entire house, you might be in need of a chiropractor.

I want my business clients to know that I am trying to refer business to them. In turn, I hope they will refer business to me. I have close to 75 different vendors in my business directory. I don’t recommend just one to a client; I always mention two or three different mortgage lenders or attorneys whom the client can call and choose from. The first step is taking the time to compile that business vendor list.

Once you have that list created, then you can either prepare a Word document or put together a business directory that you can distribute to your clients. I like to hand out our business directory on an annual basis. I update it every year and provide it in a booklet form as well as make it available on our website for easy customer access. It provides them with everything they need to complete their move into a new community successfully. Years after the sale has been completed, I still find many of my clients calling me directly for referrals. That’s because I have become the hub for my clients, and they trust that I will send them a quality vendor that will do a great job for them. This is why it is important to build that alliance with each of your business vendors. You want to make sure that you’re the first name that comes to mind when a real estate need arises.

Once you establish the directory, you must let those relationships know exactly what you do in your profession and what constitutes a good referral for you. The best way to do that is to meet face to face
with these people. It requires a little bit of work, but the benefits are definitely worth the time that you take to build an alliance with these vendors.

Call each of them and offer to meet with them at their place of work. I prefer going to their establishment because it allows me to see behind the scenes of their business. It gives me a good indication as to whether or not I will want to refer my clients to those vendors.

Your goal should be to find out what a good referral is for them too, as I have never found a business professional who didn’t want to receive referrals. They have a good idea of what the sweet spots are in their business and what a good client is for them. After you establish that and talk to them about what their goals with the business are in the next three to five years, only then should you discuss your business with them.

Give them some background on your real estate business: how you got started and how you have grown. If they are good business people, which most are, they have experience with repeat and referral business percentages. In other words, once they have built up their clientele, they will notice a significant decrease in their marketing budgets as a direct result of receiving more referral business. They want your referrals, and we want referrals from them.

In closing, ask them for permission to add them to your business directory. I don’t ask for any money from them, but I do ask if there is any type of discount they can pass on to my clients. It might be just a flat dollar amount off a certain service, such as a coupon for up to $200 off their closing costs, or it could be a percentage—say 20 percent off on their next power washing. Thus, the directory becomes similar to a concierge service for your clients, and it provides a tremendous value to them.
Also offer some type of cross-promotion for the vendor's clients. For example, if they have a newsletter that they send out, ask if you can put in some type of offer for their clients (I offer a "$500 Willie Bucks" certificate to use during their closing). The vendor, when mailing out the newsletter, might include an endorsement letter that provides information about your business and lets their clients know they have had good experiences working with you. What better way to get a referral than from one of your business partners reaching out to their happy customers? It makes for a really good exchange and value for everyone involved.

I'll do the same thing with my monthly newsletter, where I will spotlight a business vendor in a half-page section. I'll add a photo of my business owner and talk about the benefits of using their services, mentioning how they have done a great job for me. This creates a win/win situation for both the business vendor and me.

Another way for real estate agents to network is to attend Chamber of Commerce events or belong to various leadership groups, such as Business Networking International (BNI). But don't just show up, put your name tag on, shake hands, listen to a presentation, hand out and receive a couple of business cards, and then go home and stick them in your top desk drawer. When you go to those mixers, start with a goal of collecting a minimum of five business cards. When you get home, don't just put the cards away in your desk or bureau drawer. Take the time to look through them for vendors that you might need to fill the gaps in your business directory or that may be a good referral source to exchange clients with.

Once again, the follow-up is key. The next morning, send out a personal note with your business card to let them know you enjoyed meeting them, and ask to get together with them over coffee to learn a little more about their business. Along with your business card,
include your personal brochure that will give them some background on your services as well.

I recommend following up again three to five business days later to see if they received your card and to set up a time to meet. Remember, you are not trying to sell them but rather to connect regarding an exchange of referrals. In my experience, I have found most business vendors are more than happy to meet for a short period of time. At the meeting, show them your business directory, and tell them how it works. Reinforce that there's no fee for being listed in the directory, but they do need to deliver exceptional service when called upon from our clients. Let them know they can expect the same exceptional service to anyone they refer to you. Leave the meeting on a positive tone.

After that encounter, send them a personal note thanking them for meeting with you. Include some of your business cards, and ask them to mail you their business cards if you don't already have them. Add them to your directory and monthly newsletter. The monthly newsletter is the glue that keeps your name in front of them so that when the conversation of real estate comes up, you are the first name that comes to their mind. This has been far more effective and resulted in more referrals from business partners than sticking their business cards in my top desk drawer.

Another way to deepen your relationships with your business network is by hosting a business mixer for your vendors. This can turn out to be your most profitable lead-generation pillar if done correctly.

The purpose behind the business vendor mixer is to meet and exchange business cards. But the other message you want to send is that it is a privilege, not a right, to be a part of this event. In other
words, they have to give your clients exceptional service in order to stay on that invite list year after year.

Prepare for the mixer four to five weeks prior to the event date. Make reservations at the establishment (you can hold it at a country club, golf club, restaurant, or store) and choose the menu. Have your lender pay or share expenses for the hors d’oeuvres and any food related to the mixer. Set up a cash bar from 5 to 7 p.m. This not only helps keep the expenses down but also keeps the liability down as well.

Then compose an agenda and generate your guest list. Reach out to the business owners in your directory and invite them to the actual mixer. First, send them a “Save The Date” email, and then follow up with a phone call to make sure they received it. Finally, send them a postcard invitation as well. Ask them to bring another business owner with them that they have a good relationship with who is not in your directory and who does exceptional work. They might bring someone who could be added to your business directory and be a huge referral source to you in the future.

A couple of days before the mixer, make phone calls to those who RSVP’d to remind them to bring their business cards. Because it is a networking event, look at the RSVP list and see who is coming so you can match people up at the event. In this way, they will get more leverage that will complement their business.

On the day of the actual mixer, arrive early. You want to be there to greet your guests as they arrive. Check them off the guest list as they come in, and give them their nametags. Collect their business cards so you can update their current information, and then add the cards to the raffle bowl.
You also want to make sure that you establish the date for the next mixer so that you can announce it that evening. Keep it around the same time of the year. I have found that fall (September or October) works best, usually on a Wednesday or Thursday evening after most get off work.

At the event, once everyone has signed in, play a “break the ice” type of game, such as giving each guest ten questions they must answer (i.e., find out who went to a certain university or who has a birthday that month). Then have people go around the room asking these questions. This will help to get everyone talking to each other and getting to know others they can do business with in the future.

After that, make an opening introduction, thanking everyone for coming and reinforcing why they are there: they are doing a great job, they are part of your referral directory. Let them know you appreciate them going the extra mile for your customers, and assure them that you will go above and beyond for their clients, as well. Keep it brief, five to ten minutes at most, and then have your lender speak, as he or she is sponsoring the event with you. Again, just a quick five minutes to talk about the bank and mention what the bank can do for these business vendors on a commercial level. The rest of the event consists of everyone networking with each other and passing out business cards for about an hour and a half to two hours.

The day after the mixer, it is important to make phone calls and thank those who attended the event, asking them for their feedback. This is also a chance to set up one-on-one meetings with vendors you haven’t met to learn more about their businesses. Then send out a personal note to thank everyone who attended, and include any photos you may have taken of them at the event.

Never underestimate the value and power of working your B2B relationships. All of us have tremendous resources within our own
databases to put together a very strong and powerful referral network of business vendors. It doesn't take long to do it, and it is simple to do. It is just a matter of making your business directory feel like a club or business community that they belong to: i.e., the Miranda Real Estate Business Directory.