

Praise for *Endless Referrals*

“If you’re serious about your sales career, whether you are selling a product, service, or yourself, master the contents of this book and you will practically guarantee your future success.”

—Tom Hopkins, author of *How to Master the Art of Selling*

“Bob Burg opens the floodgates to Fort Knox with this book. I like the simple, easy to understand, practical way he outlines the exact way to find endless referrals. A treasure.”

—Dottie Walters, author of *Speak & Grow Rich*

*“Bob Burg has long been the authority on connecting with clients and building win-win relationships. *Endless Referrals* should be required reading for sales professionals and entrepreneurs everywhere.”*

—Gary Keller, Founder and Chairman of the Board of Keller Williams Realty Intl. and New York Times best-selling author of *The Millionaire Real Estate Investor* and *The Millionaire Real Estate Agent*

“A no-nonsense approach to building your business through relationships.”

—Jane Applegate, syndicated Los Angeles *Times* columnist

*“Bob Burg’s masterful understanding of how to leverage professional and personal relationships will challenge your most basic assumptions about selling, and transform the way you think about building your business. *Endless Referrals* is a rare gem, and essential reading for anyone who wants to generate a stream of high-quality prospects and referrals.”*

—Miriam Lawrence, Director, Horseshoath LLC (an online publication serving financial advisors) and author of *Automatic Referrals: How to Instill Discipline in Your Referral Strategy and Guide Your Clients to Deliver Perfect Prospects Every Time*

“As a former vice president for the Long-Term Care division of a Fortune 100 company, I brought Bob in to help our Agent Staff increase business and market share. We asked him to help us change our marketing approach to include a Referral Mindset. It isn’t easy to make that adjustment for an Agent Staff used to working exclusively with direct mail leads and existing clients.

“Through Bob’s personal involvement and techniques, we had “Great Success” immediately! Business volume to our new targeted market increased by 300% in just 3 MONTHS! Bob’s program continued to be so successful, we brought him in to speak to our entire national sales force, and took his program Company Wide! Bob really helped us change how we were doing business!”

—Dave Brandt, Principle, Financial Visions, LLC

“After reading Endless Referrals, never again will any salesperson in your dealership have to depend on ‘ups.’ Instead, they can meet people wherever they go and form friendships and relationships that create a steady stream of referrals. Burg has put together a primer for developing, what he calls, personal walking ambassadors. And, it works!”

— Sam S. Edelsberg, #1 Mercedes-Benz Salesperson in the Southeast Region of U.S. 2003 and 2004

“The title of the book says it all. In a clearly written, well organized, easy-to-follow format, Bob Burg shows how anyone can become a master at the art of business networking. Most important, his strategies and techniques are in step with the present and future world of successful selling. Follow Burg’s advice and you’ll get what the book promises—a steady and growing number of endless referrals.”

—Michael LeBoeuf, author of *How to Win Customers and Keep Them for Life* and *The Perfect Business*

“Using Endless Referrals helped my team sell over \$10 million worth of Avon last year! THANK YOU, THANK YOU, THANK YOU!”

—Lisa M. Wilber, Avon Senior Executive Unit Leader, “4th leading money earner in the country”, Owner, The Winner In You

“I put one suggestion of this terrific book into action and landed a \$2,000,000 account . . . He called me and became the third largest client my company has for four years running. The principles in Burg’s book are sound.”

—Steve Kaiser, Regional Sales Coordinator, AFLAC

“A quick and powerful read packed full of value. This is great! These are the time-tested, simple things that really work! All of our sales leaders will own the book.”

—Richard B. Brooke, President and CEO, Oxyfresh USA, Inc.

“Bob and his work, Endless Referrals will open your eyes to all kinds of new opportunities. Not only a must read, but a must have for every library.”

—Tony Jeary, Mr. Presentation(tm), Author, *Life Is a Series of Presentations*

“I have read over 250 sales and marketing books. I earn a nice 6 figure income selling and when I read a book that reveals timeless truth I can feel it. This book teaches a priceless skill that is needed for becoming successfully profitable in sales; how to work with prospects that are already open to your message. The referral is already open to you because the referrer has transferred the trust they have established to you, the valued professional. This book will show you how to tap that trust that others have built and set you up for a successful, and profitable, sales experience. Buy this book, take it chapter by chapter, internalize all that it teaches and, most importantly, ACT on it! You will see commission checks growing larger and it will be easier than you ever imagined.”

—Sean Woodruff, Vice President, Henley Manufacturing, Inc.

“Burg is known by those in the personal development business as the master of Networking and Referral-based marketing and for good reason; his information works, and works big! This revised version is his best effort yet. Buy this book, follow what he says and you will profit greatly.”

—David Riklan, Founder, SelfGrowth.com and Author of *Self Improvement: The Top 101 Experts Who Help Us Improve Our Lives*

*“Bob Burg has an uncommon gift for turning everyday contacts into a wealth of resources. Bob’s journey and personal track record make him a trusted guide and friend to anyone who aspires to become well-known in any industry. Take it from one who knows. I read the original version of this book many years ago so that I too, could grow my business. I followed his suggestions word-for-word and today have very three successful businesses because I put the principles shared in *Endless Referrals* into practice. I am very excited about this newest version. Inside the pages you will find cutting-edge advice interwoven with the thoughts and quotes of some of society’s most successful leaders.*

*Bob Burg gives the reader an honest look at what networking and building your referral base is all about. He is able to share his life experiences as well as those of countless others, and within those stories, find common nuggets we all relate to. *Endless Referrals* is practical, well thought out and easy-to-apply. While comprehensive in scope, is easy to read and most importantly, easy to implement. It is a must-read for anyone with a passion to grow a successful business.”*

—Heidi Richards, Author, Business Coach, Inventor, “Helping Small Business Bloom”

*“With more than forty years in the financial services industry, I truly believe that referrals are the most profitable and persistent source of clients. In his latest edition of *Endless Referrals* Bob Burg has hit a home run! Whether new to our business, or a veteran needing an uplift, this is a ‘must read’ to show you step-by-step how to have a continual prospect flow.”*

—Rick Denton, CLU, ChFC
Baystate Financial Services

*“The world of selling is changing so improved methods and approaches are necessary to succeed. If you want to succeed in any kind of sales, you had better learn how to increase your number of quality prospects. Bob’s book is the standard for networking for success and creating an endless supply of referrals. This newest version of *Endless Referrals* is just what anyone in the business of helping other people get what they want, needs in order to get to the next level of sales success.*

—Harry Crosby, Regional Sales Manager for Genworth Financial and author of *Long-Term Care Insurance: The Complete Guide*. (Former Number One Producer in the U.S. of Long-Term Care Insurance Policies)

“I loved this book. I have read many books on Networking and this is clear, concise and very easy to read! The ‘10 Networking Questions’ are right on the nose! This book will help you with your career and every relationship you have.”

—Rick Frishman co-author, *Networking Magic* and *Guerrilla Publicity*

“Reading Endless Referrals was worth the price of a Harvard MBA. What a great way to have new business beating a path to your door! Free advertising, free pre-sold prospects, free business! A true breakthrough in real world prospecting.”

—Tom “Big Al” Schreiter, author of *Big Al Tells All*

“Bob Burg has a knack for connecting with people. In Endless Referrals he lays out his techniques in a simple, easy-to-follow format so that you too can develop a knack in connecting with people. This book is well written, well researched, and absolutely practical. I highly recommend it.”

—Jim Cathcart, author of *Relationship Selling* and *The Acorn Principle*

“Bob Burg has just taken away all the excuses for not finding clients by showing you step-by-step how to find ‘diamonds’ in your ‘acres.’”

—Danny Cox, author of *Leadership When the Heat’s On*

“Bob Burg knows what he’s talking about, and shares that knowledge clearly and generously with the reader.”

—Rabbi Harold Kushner, author of *When Bad Things Happen to Good People*

“Networking is more than a buzzword for Bob Burg. In his book, he shows how to build and train a networking team that makes prospecting more effective and profitable for everyone.”

—Homer Smith, Editor, *Master Salesmanship*

“Bob Burg is the greatest teacher of networking in the world.”

—John Milton Fogg, author of *The Greatest Networker in the World*

“Bob Burg’s book is a masterpiece! A must for anyone in sales and for anyone wanting to expand their financial and relationship resources.”

—Anne Boe, author of *Is Your Net-Working?*

“I find Bob Burg’s networking principles an essential and useful system in an age where soft touch must match high tech.”

—Robert Rosenberg, CEO, Dunkin’ Donuts

Endless Referrals

Network Your Everyday Contacts
into Sales
Third Edition

Bob Burg

McGraw-Hill

New York Chicago San Francisco Lisbon London
Madrid Mexico City Milan New Delhi San Juan
Seoul Singapore Sydney Toronto

To Mom and Dad—Your love, support and encouragement have kept me going for 47 years. Words will never be able to describe how much I love you and what you mean to me.

*To Samantha and Mark, my beautiful niece/goddaughter and handsome nephew.
I love you!*

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Gender Usage

The author feels very strongly regarding the utilization of gender equality in his writing. The pronouns his and her, he and she, etc., have been used interchangeably and randomly throughout the text.

This book is printed on acid-free paper.

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Preface

From the on-the-street salesperson to the attorney, from the entrepreneur to the accountant, endless referrals are important. From the financial advisor to the architect, from the automotive sales professional to the Realtor®, endless referrals are crucial. From the home-based business owner to the insurance agent, and from the network marketer to the software consultant, endless referrals are the cornerstone of business. Without being solidly based on endless referrals from our customers, clients, and everyday contacts, the fate of any business becomes a nerve-wracking mystery, dependent on the whims of current economic conditions and buying moods.

In this book, I show you a system for putting together the marketing aspect of your business in such a way that you'll never again have to ask yourself that age-old question feared by salespeople and entrepreneurs everywhere, "Who do I speak to next, now that my original list of names has run out?"

Why is this so crucial? Because without a list of names of people to contact and offer your products or services, *you have no business*.

I call this names list your "inventory." Most people think of their *business inventory* as the excellent products or services they sell. That is certainly a legitimate definition of inventory, but it's not what I'm talking about here. In fact, I'd rather refer to the actual products and services you and I sell as "commodities."

The purpose of this book is not to discuss your particular commodity. Of course, the commodity itself should be excellent, and you want to be able to stand behind it and fully guarantee it. That goes without question. But when I say *inventory*, I'm talking about *the number of quality names on*

your list—names of people to whom you have easy access precisely because you’ve formed the types of relationships we’ll be discussing in this book.

Every business person knows that no matter what your business, without inventory, you’re *out of* business. And this most certainly holds true for this definition of the term. Having quality names on your list is the lifeblood of your business—and having an *endless* supply of quality names makes for a vibrant, healthy business!

One reason this is so important is for the impact it has on your confidence level. Without a strong list of names, every time someone tells you, “No, I’m not interested,” you panic a little and lose just a bit of your “posture.”

What is posture? I define posture as “when you care...but not that much!” In other words, while you would certainly prefer that the person be interested in doing business with you, you’re not emotionally attached to the results. If he’s interested, great. If he’s not interested, that’s okay, too. You’re prepared to end the conversation in a very polite and gracious manner and move on to your next prospect. That’s posture.

Prospects respond positively when a salesperson has posture, because they assume that if you value yourself enough to act in that manner, your product or service must also be of value.

What is the best way to develop true posture? Simply by having such a large list of quality names that you never, ever have to be concerned by someone not being interested in doing business with you. You’ll always remain polite, but again, you won’t be emotionally attached to the results. You’ll know that making your product or service available and presenting in the right way is your job; the decision as to whether or not to purchase is your prospect’s job.

Please remember this key statement:

The amount of posture you have and the amount of posture you display is directly proportional to the number of quality names on your list—your inventory.

There is practically nothing worse for your business than constantly worrying about how to find that next person to whom you can present your product or service. Yet that is usually exactly what happens when you have no system for acquiring new prospects.

A business without a steady flow (or even better, a flood!) of referrals always keeps you on the defensive, knowing that it’s up to you to come up

with new people to talk to. On the other hand, a business based on endless referrals fills you with peace of mind. Having a system for acquiring endless referrals means going to sleep at night knowing you'll have new business waiting for you the next day, and the next, and the next—for as long as you desire.

“So if we're talking about endless referrals, are we talking about endless prospecting?”

No. Prospecting is certainly one element in generating endless referrals, and always will be; but these days, the rules of the game are changing. Standard prospecting techniques no longer work the way they once did. The average consumer today is more knowledgeable, is less trusting, and wants to have a *know you, like you, trust you* relationship with her salesperson. Nowadays, in order to build that business based on endless referrals, we do it another way. *We network!*

Unfortunately, the term “network” is often misunderstood. Does it mean handing out business cards? Or aggressively shaking hands with everyone who comes within three feet? Do we tell people we are networking? Where can we do it? Exactly what is networking, anyway?

In essence, networking is the mutual give and take that results in a winning situation for everyone involved.

The idea of networking has always existed in some form, as in the “old boys’ network,” for instance, or “the grapevine.” It came into prominence as a business strategy only during the 1980s and has since been finely honed as an art and science. Yet most people are not aware of this development.

I realized this as I listened to the great humorist Roger Masquelier tell a story about networking at a National Speakers Association convention. “Of course,” Roger added after bringing up the term, “in the old days, we just called it *talking*.” This brought laughter from the audience, and thousands of heads nodded in agreement.

At that moment, I realized that this is what most people actually believe. That networking is merely “talking,” jabbering incessantly to anyone who will listen why they should be doing business with you, along with indiscriminately handing out business cards.

It isn't.

As misunderstood as networking is, there is a real need for individuals and companies in modern business to use it effectively.

Why? Because in today's tough business climate, where competition is so incredibly fierce and many markets are already saturated, people are re-

alizing that it's vital to be able to cultivate new business without spending a lot of money doing it.

Here is how I define networking:

Networking is the cultivating of mutually beneficial, give-and-take, win-win relationships.

One result of this process, and the one that directly concerns us in this book, can be the development of a large and diverse group of people who gladly and continually refer a lot of business to us, while we do the same for them.

Throughout this book you will have the opportunity to meet and learn from people who have successfully developed businesses based on referrals by using the principles and methods described. Do each use all of them? Not at all. Certain people find that some ideas are more applicable than others to their particular profession or method of operation.

Endless Referrals, in other words, is based not on theory or on ideas that just look good on paper. It is based on a system of time-tested, proven principles and ideas that have worked for many, many people.

As you read through these pages, you may find yourself saying at times, "That particular idea wouldn't work for me," or, "I could never see myself doing that," or, "It won't work in this part of the country or with my particular customers." If that occurs, you have two choices. One is to not even try it. The other, more profitable choice is to mold the principle involved to your particular business style and type of work. Don't let the particulars get in your way: The system I'll be describing is based on foundational principles—and they *work*.

If you follow this system with a ready, willing, able, and open mind, you too will soon find yourself cultivating a network of endless referrals!

Bob Burg

Note on the Revised Edition

Well, here it is, 2005, six years since I last revised this book (the original was published in 1994, the revised edition in 1999), and people have been suggesting that it's time for another revision. I agree. Why? Because in the past six years, business and the various methods for acquiring more of it have continued to evolve.

Please, don't get me wrong: the principles haven't changed. Not a bit. The essence of selling and of the Endless Referrals System® remains the same:

All things being equal, people will do business with, and refer business to, those people they know, like, and trust.

But as technology continues to evolve at lightning speed, strategies also continue to change, and more and more people continue to fight for what appears to be an ever-shrinking piece of the same business pie. (Actually, my own belief is that we live in an abundant, limitless universe where lack never need appear—but for now, this is the way of the world and we need to know how to work effectively within those parameters.)

For the 1999 rewrite of *Endless Referrals*, I wrote (with the help of experts in the field) an entire chapter on using the Internet, explaining much of the basics involved in this technology, which had just reached its “tipping point.” Today, of course, we've learned a good deal more about the Internet, and its use in business has reached the stage where its importance is self-evident: practically everyone reading this book either has an Internet presence already or is at least using e-mail to a significant degree. In this new edition, therefore, while I have again included a chapter on “Using the Internet to Help Build Your Network,” the influence of the online world has spread throughout the book.

We also provide examples from businesses not mentioned in the previous two editions. As I've grown in my own speaking, writing, and consulting practice, I've had more experiences myself and wish to share these with you.

We will look in some detail at the mindset of the salesperson as it relates to referrals—a topic I didn't discuss in either of the first two versions, and which in this edition attained such importance that it grew into two chapters (Chapters 11 and 12). In working with several companies who wanted to move from a dependency on company-generated leads to a “referral

mindset,” I discovered that the most difficult part of the whole process was just that: the mindset of the salesperson. The methodology is simple; repositioning the salesperson’s thought process turned out to be crucial. Happily, the results were often spectacular, and it seemed too valuable a tool not to share with you. So, why is it that so many salespeople don’t ask for referrals? We’ll find out why, and what to do about it.

How to network effectively to find a new job or career, another topic that was not in the previous two editions, is something we’ll discuss in Chapter 16. I can’t tell you how often I’m asked about this, and because it seems more and more relevant with each passing year, it seemed a worthwhile subject to provide some guidance in here. Along with my own observations, I also share advice from a couple of the top people in that field.

In this edition we also look more at what is known as “Attraction Marketing.” In past editions, I’ve taught readers how to “go out and get the business” (by building mutually beneficial, give-and-take, win-win relationships). Now we’ll also explore another tack that’s worked for me and many others, by providing a method for prospects to “identify” themselves as such so that you can then build the relationship from there. This will save you a lot of time while ensuring that you always have good, qualified prospects waiting to fill your “sales funnel” or “profit funnel.” Be sure to check this out in Chapter 14.

Even in this chapter, however, we are in no way abandoning the Endless Referrals System®. No way, no how. The basic premise of *know you, like you, trust you* applies just as much in this aspect of marketing and selling as in any other. We are simply providing more options and allowing for a richer mix of really good methods for developing new prospects, customers, and clients.

After all, the name of the game is to continually develop more and more business, and to have a lot of fun while doing it. My goal with this revised edition of *Endless Referrals* is for you to be able to use this information more than ever as a foundation to help you reach your personal and business goals and achieve your dream of financial freedom.

Acknowledgments

There are so many people I need to thank that it would take a separate book just to list them. Instead, let me thank several groups of people and apologize in advance for the many, many friends and teachers along the way that I'm not able to acknowledge here only because of limitations in my allotted space.

One is the National Speakers Association, which has more than 3500 of the nicest, most supportive, sharing and caring people in the world.

Also, my fellow speakers, authors, and salespeople who were so willing to lend their ideas and success stories to this book for the benefit of my readers. Thank you so much.

Those who gave me moral and written support when it was needed (which was always). Lloyd Jones, a wonderful agent and entrepreneur and a true salesperson, and Donya Dickerson at McGraw-Hill: your knowledge of the publishing business, encouragement, and professionalism were a guiding light. And you were incredibly great to work with, as well.

I must thank my office staff, who throughout the years have helped make my speaking habit possible by keeping me on the road constantly. (Come to think of it, that's probably where they like me best!) Thank you for your loyalty, love, and support.

Thank you to Thom Scott, who worked hard to make the chapter on Attraction Marketing the chapter it is (and it's a *good* one!). It's mainly his expertise that is featured there.

John David Mann, my editor on several projects now and co-author on another: thank you, my friend, for helping to polish this edition and make it shine. You write my stuff better than *I* do.

Thank you to my clients, without whom I would not have an audience nor the pleasure of being involved in such a wonderful, rewarding career.

And, of course, my thanks to you, the reader, for your participation, feedback, and help in making this book a best-seller.

To each and every one of you, I wish you the best of success—
and great networking!

Networking: What It Is and What It Does for You!

The late Og Mandino was an extremely successful man. A renowned speaker and storyteller, he is probably best known as author of the classic best-seller, *The Greatest Salesman in the World*, a book that has sold more than 30 million copies. Yes, that's 30 *million* copies! And that was only one book. His others—many of them classics in their own right and all with powerful, life-changing lessons—also continue to sell extremely well.

Earlier in my career, and just a few years before Og passed away, I had the honor on several occasions of presenting just before he did at large public events. At one of these events, I told him it was one of my biggest thrills to be his “opening act”; he just laughed and said the honor was his. He was a very kind and humble man.

A year or two earlier, in July 1992, Og was the keynote speaker at the annual National Speakers Association convention. For about 45 minutes he talked about the fact that nobody who is truly successful ever does it alone. He talked about his wife, his family, his associates and friends—all the people who had helped him through the rough times and over the hurdles. And, if you're familiar with Og's story and personal transformation, you know those rough times and hurdles were many.

But What Does That Have to Do with Networking?

Let's go back to the definition of networking from the Preface: the cultivating of mutually beneficial, give-and-take, win-win relationships.

Now let's take a look at how Webster's dictionary defines the term *network*: 1. Any arrangement of fabric or parallel wires, threads, etc., crossed at

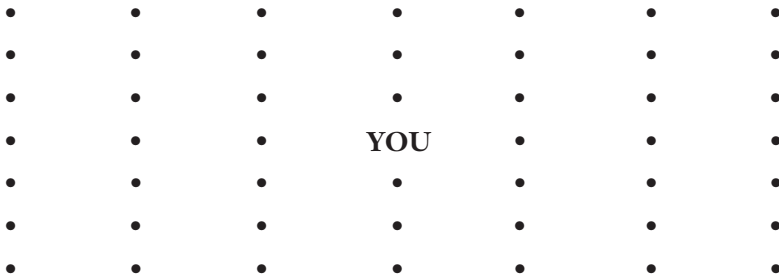
regular intervals by others fastened to them so as to leave open space; netting; mesh. 2. A thing resembling this in some way.

Now, for the purpose of this book, let's leave out the words and thoughts in both definitions (mine and Webster's) that don't apply and keep those that do. Oh, and let's substitute the word *people* for the words *fabric*, *parallel wires*, and *threads* in Webster's. Here is what we get:

Networking: An arrangement of people crossed at regular intervals by other people, all of whom are cultivating mutually beneficial, give-and-take, win-win relationships with each other.

The Basic Setup

Let's look at the first part of what we have.



Just as we are each positioned at the center of our own particular universe, each of us is also positioned at the center of our network. We realize, of course, that all the other people are positioned at the centers of *their* networks, and that is as it should be.

Each of the people in any given network serves as a source of support (referrals, help, information, etc.) for everyone else in that network.

Those who know how to use the tremendous strength of a network realize this very important fact:

We are not dependent *on* each other; nor are we independent *of* each other; we are all interdependent *with* each other.

The true strength really comes through realizing that all the people in our network are also part of other people's networks that we ourselves don't

personally know. And that, indirectly, makes each of *those* people part of our network, too.

Sphere of Influence

Are you familiar with the term *sphere of influence*? Sphere of influence simply refers to the people you know—people who are somehow, in some way a part of your life, directly or indirectly (and sometimes even *very* indirectly).

Your sphere of influence includes everyone from immediate family members to distant relatives, close friends to casual acquaintances, the person who delivers the mail, the plumber, the tailor, the person who cuts your hair—practically anybody who in some way touches your life and whose life you touch.

Have you ever heard of Joe Girard? Based out of a Chevrolet dealership in Detroit, Michigan, Joe Girard was one of the world's most successful car salespeople. Actually, he was officially the *most* successful car salesperson in the world—for 14 consecutive years! That's how long he was listed in the *Guinness Book of World Records* for selling the most cars in a year's time. And not fleet sales either, but individual new car sales. Joe Girard sold oodles and oodles of cars. My feeling, and I hope it's yours too, is that anyone with that kind of record has wisdom we should be willing to listen to, if he's willing to share it.

Happily, he is. In his book, *How to Sell Anything to Anybody*, Girard explains what he calls Girard's Law of 250, which states that each of us has a personal sphere of influence of about 250 people. According to Girard, about 250 people will attend your wedding and your funeral. Here's how he arrived at that number. He once asked the funeral director at a funeral he was attending, "About how many people usually come to pay their respects?" "On average? About 250," was the response. Soon after this, Joe attended a wedding where he and asked the caterer the same question, only this time, about wedding receptions. The answer? About 250 from the bride's side and another 250 from the groom's side.

In other words, according to Girard's Law of 250, everyone knows about 250 people in his or her life important enough to invite to their wedding and have show up at their funeral. Now, even if that figure seems high (and given that not everyone in our sphere of influence will necessarily be invited to our wedding or attend our funeral), the numbers do work out, and quite well.

Here's an exercise you can do to prove this to yourself. As you're doing this, don't prejudge, prequalify or for any other reason leave someone off the list. We're doing this only to make a point. You'll understand in a moment

how it ties in. By the way, the following is not meant to limit you in any way; it's just a suggestion to help get you started.

First, take a pencil and paper and write down the names of those people you know who immediately come to mind. Everybody! Don't worry about whether they qualify to purchase your product or service; that's not important for right now. Write down as many of these names as you can think of. If you're like most of us, you'll find that not many people readily come to mind. You'll learn why that is in the segment, "How to Ask for Referrals (So That You Actually Get Them)" in Chapter 6.

After you've exhausted this list, then turn to your local Yellow Pages telephone directory. Go to the letter "A" and notice all the job classifications that begin with A. Go through these one by one and write down the names of anyone and everyone you know who works in those industries or professions. Now do the same with B, then C, D, E and all the way through to Z. Examples from each would be, "Who do you know who is an A—Actuary, B—Banker, C—Chiropractor, D—Dentist...?" and so on. Write them all down. Again, no qualifying. Just write them down.

Now go to the White Pages directory to look at people's last names, beginning again with A. Who do you know with the last name, Aaron? How about Abbot, Acheson, Adair, Atkinson? And then B: Baluk, Bass, Brenner, Burns, Byers and so on. And yes, do the same with C, D, E and so on, all the way through Z.

Next go through first names. There are just over 50 male and female first names; actually there are probably many more, depending on how fancy you want to get, but even going just with the most common names: Who do you know by the name of George, Debra, Tom, Tammi, Steve, Barbara and so forth?

Now think about associations and religious, political, and business organizations in which you might be involved and write down the names of those within that framework who come to mind. If you actually have a directory, use that.

Keep writing down the names of *everyone* you can think of. Yes, your list is now growing and growing. When finished, you'll discover that the number of people you know will at least come close to 250, and that's before knowing how to effectively network. Without even trying, most of us have a sphere of influence of about 250 people.

And more importantly, so do most *other people*.

Why is that "more important"? Because, although not everyone on your initial list is a qualified prospect for whatever it is you sell, there's a good

chance that those on your list know of other people who are. And those people will know of still others who are, too. Sure, there will be some crossover, that is, people whom both of you know, but that's not a problem.

And this is only the beginning. Again, this is without doing any sort of proactive networking wherein you'll meet new people and form new relationships. And many of those people, people you've never met before, know 250 or more other people you'd have no other way of ever knowing, or who would have no other way of knowing of you.

Hang on: this is about to get truly exciting.

You see, this is where, for most of us, our most lucrative sphere of influence comes into play—the one developed via the Endless Referrals System®.

Why? Because even if the new people you meet are themselves only “average” (meaning, of only mild potential value to your business), they each probably know at least 250 other people well enough that those people will attend *their* wedding and funeral, 250 people they know in some way or other. And by utilizing the Endless Referrals System®, you'll learn how to successfully meet the “above-average” contacts—those people who themselves have *very* valuable spheres of influence to which they can eventually introduce you.

Now let's tie this all together. Keeping in mind that every time you successfully go through the process of making a new person a part of your network—just one new person—you actually increase your personal sphere of influence by a potential 250 people. And since each of those 250 people also has a sphere of influence of another 250 people, adding this one new person to your network has indirectly put you into potential contact with 62,500 people! It's not hard to see how you can quickly amass an enormous sphere of influence that can soar to incredible heights.

(Of course, again, there will be some crossover and overlap, so cut that number in half, and just to be safe, cut it in half again. Come to think of it, let's cut it in half one more time. At more than 7800 people, the numbers still look pretty good, don't they? And again, that's just from one person!)

This Network Will Increase Our Sales

These days, buyers are different than they used to be. They are educated, trained, and skeptical. They are backed by consumer protection laws, as it should be. The adage *caveat emptor*, “let the buyer beware,” is no longer apropos.

Probably the biggest change of all is that today's buyers are much more relationship-oriented. People want to buy from people they know, like, and trust.

That's where our network comes into play, but in a different way than you might imagine. You might be thinking, "Those people in our network already know us, like us, and trust us. They are our buyers."

No! You'll recall that not everyone on that list is a potential buyer. However, they may well be *potential referral sources*. And they are only the tip of the iceberg. All things being equal, the people who know us, like us, and trust us will tend to buy from us or refer us. But if we stop there, we are walking away from a lot of potential business.

Remember, those people are at the center of their own individual networks. They themselves can connect you to a potential 250 or more other people. Keep in mind, those 250 have their own 250. Knowing that, and knowing how to work the situation, will result in a ton of new business.

The Golden Rule

The following statement is the central premise, the foundation, of the entire Endless Referrals System®. I certainly didn't make this saying up; it's as old as the hills. And for good reason: it's an immutable law. Here it is:

All things being equal, people will do business with, *and refer business to*, those people they know, like, and trust.

This is the bronze, silver, golden, and even platinum rule of networking. In other words, if two people both have similar or equal products, price, know-how, or any other determining factor that could possibly come into play, *it's the man or woman who has personally won over the prospect or referral source who will earn that sale or referral.*

The intent and theme of this entire book is to show you how to get people to know, like, and trust you.

Let's take this one step further. We also want these people to *want* to see you succeed and *want* to help you find new business. You might say, we want these people to be your Personal Walking Ambassadors. And that goal isn't particularly difficult to accomplish.

In today's high-tech world, successful, long-term selling is relationship-oriented; the more high-tech our world continues to become, the more

important the relationship will grow. People want and choose to do business that way. You might say, the more high-tech, the more soft-touch, that is, the more *personal* touch matters. Relationships now rule the selling process.

Yes, now more than ever: all things being equal, people will do business with, *and refer business to*, those people they know, like, and trust.

Things Aren't Always Equal

By the same token, if all things are *not* equal, and a person cannot provide the quality, price, or whatever else is necessary, it doesn't matter how the other person feels about them, they won't get the business or referrals.

No matter how well people know us, like us, and trust us as a person, we have to be able to come through for them when they give us their business or referrals. If we can't or don't, we'll be in danger of losing not only their direct business but that of their 250-person sphere of influence as well. As Tim Sanders points out in his terrific book, *Love is the Killer App*, "Once you earn their business your performance still must be able to scale." In other words, the relationship might get you in, but then it's up to you to deliver the goods.

For instance, there is a dry cleaning company in my town. The owners and employees are lovely people who I believe *try* to do a good job. However, it just doesn't seem to work. Personally, I can honestly say I know them, like them and trust them. Trust them, that is, to do practically anything in the world for me—except clean my suits.

Now, the fact that they happen to be dry cleaners doesn't work out particularly well for them. They nearly ruined three of my best suits. They seemed to have trouble following instructions, as well. I would tell them I wanted very light starch on my shirts, but when I'd arrive to pick up my clothes, my shirts would be practically standing at attention waiting for me. (In fact, I thought I saw one of them actually walking toward the door to greet me.)

Despite my positive personal feelings about these people, it just didn't work out. After a while, I could no longer justify doing business with them directly—or giving them any referrals, either. Now, if they were delivering service at a level anywhere close to their competition, they would to this day continue to have my direct business and quite a bit of my referral business as well—and who knows how many of my referrals would in turn refer others? But they are not, so they don't.

Again, *all things being equal*, people will do business with, and refer business to, those people they know, like, and trust.

It Isn't Just What or Who You Know

Sure, we've all heard the axiom, "It isn't what you know, it's who you know." Chances are you had that saying related to you by a crusty old macho businessman type, as he sagely nodded, pleased and proud to share his eternal wisdom.

Of course, what you know is also important. Let's face it: if we want to be successful in business, we have to know what we're doing and what we're talking about. We must be able to provide proper guidance to our prospects, customers, and clients. And if we can't provide excellent (or at least adequate) service after the sale, we can rest assured we won't be doing business with that person ever again.

We will also lose out on the business of those in their 250-person sphere of influence. Why? Because nothing gets around faster than negative comments. You can also bet those comments will somehow make their way back to the original person who used his or her influence with that other person to get you the referral in the first place. That original person will then, of course, have to be removed from your "who you know" list.

But back to the "sage advice": it's true—to an extent. Certainly, in today's world of sales and business, to get the opportunity to do business with someone in the first place, who you know is often vitally important. But that's not all there is to it.

It isn't just what you know, and it isn't just who you know. It's also *who knows you* and what you do for a living...

That is, when that person, or someone that person knows, needs your products, goods, or services. And:

...providing that first person knows you, likes you, and trusts you.

Again, your goal is to have as many new people as possible feel that they *know you, like you, and trust you*; to feel that they *want* to see you succeed and

want to help you find new business. Do you remember I said that goal isn't particularly difficult to accomplish? Well, it isn't. How do we accomplish it? By networking.

What Networking Isn't

Since we've been discussing the basics of what networking is, let's talk a bit about what it isn't. Networking really became quite the buzzword in the late 1980s and early 1990s, and continues to be today. Everyone seems to use the word, yet many people don't really know what it is and isn't.

The term *networking* is most often thought of as what happens when someone hands her business card to everyone with whom she comes into contact. The often aggressive shoving of said business card in said contact's face is many times followed by, "Gimme a call—I'll cut you a deal," or "If you ever need to buy a whichamahoozee, I'm the one to call."

That is not networking. That is hard-selling, which is the antithesis of networking. For now, I want you to forget about business cards. Well, don't forget about them altogether—they do serve a purpose, albeit a minor one. As far as I'm concerned, business cards have three main benefits.

1. You Could Win Something

The first benefit is quite tangible, though not to be taken too seriously: you might win a free lunch at a local restaurant by dropping your business card into a fish bowl. Have you ever done that? Won a free lunch? Paid for your business cards, right? (Maybe there is such a thing as a free lunch after all.)

You can also win a door prize at an association meeting, again, by dropping your business card into a fish bowl. You could even win a free book or CD program at a seminar via the same means.

2. You Could Get a Lead

This second benefit is a more significant one, depending on your profession (although it is absolutely *not* networking): you can include your business card with your bill payments or with a tip after your meal.

We all have bills that go out each and every month—electric bill, cable TV, water, telephone, mortgage payment, and more. Doesn't it make sense that there must be someone at the other end opening the envelope?

Depending on the type of product or service you represent, if it can potentially fit anybody's needs and you will probably never get to meet that person anyway, you might as well include your business card with your bill payment. You never know what might happen. That person, or someone in her 250-person sphere of influence, might need to buy what you have to sell.

Tom Hopkins, an internationally known speaker and author of the book, *How to Master the Art of Selling*, talks about this method. When he was getting his start in real estate, he used to include his business cards with his bill payments. One day Tom got a call from a woman who said, "Mr. Hopkins, you don't know me, but my husband and I want to buy a bigger home and would like to talk to you about it." After agreeing that he'd be delighted to do just that, he asked her how she got his name. She replied, "I handle your account at the Gas Company, and I've got about two dozen of your cards in the top drawer of my desk." Apparently, she didn't know who else to call. I'm sure the fee Mr. Hopkins earned by helping that woman and her husband acquire their new home more than paid for his business cards for the rest of his life.

Granted, that's probably not going to happen very often. But if it happens even once in your selling career, that's great—you made out on it. The fact is, business cards are so inexpensive that you might as well include them any time you have the chance; you have nothing to lose.

Another thought along the same line: you can also leave your business card with your tip at the end of a restaurant meal. You never know. Your waiter or waitress, or someone in his or her 250-person sphere of influence, might need to buy what you have to sell. But when you do that, you need to make sure you leave a big enough tip; otherwise you will be remembered, but it will be for something else.

3. You Can Get Others' Cards

The third benefit is the one that matters: you can use your business card to get the other person's business card. As far as I'm concerned, this is the one truly valuable benefit of business cards, and it's so important, we'll look at in some detail in the next chapter.

Although I make light of business cards, and generally find they are not worth much more than the paper stock on which they are printed, they can

have some genuine value when used correctly. Obviously, successful salespeople such as Tom Hopkins, Joe Girard, and many others who believe in them are living proof of their use as an effective business tool.

What I'm trying to point out here is that business cards *by themselves* are not about to make you, me, or anyone else successful. They are simply an extension of ourselves and what we are doing right.

What you'll find throughout this book is that networking involves giving to others and helping them succeed in their lives and careers. It's caring about the other person and his wants, needs, and desires. When going about this in a pragmatic and organized fashion—in other words, when following a specific road map or *system*—you'll find that you get back tenfold what you put out, both personally and professionally.

And that's exactly what we'll look at in the next chapter.

The System Is the Solution

Since we've seen the word, "system" several times now, this is a good time to ask the question, "What is a system, anyway, and how will it benefit you?"

One definition of a system (Webster's again) is "a set or arrangement of things so related or connected as to form a unity or organic whole." Here is another: "a set of facts, principles, rules, etc. classified or arranged in a regular, orderly form so as to show a *logical plan* linking the various parts." And yet another, which takes the concept to the next step and ties it together very nicely: "a regular, orderly way of doing something, that results in a *predictable outcome*." That word "predictable" is the crucial element: a solid, proven system takes you out of the realm of chance and random trial-and-error, and puts you on a path to reliable results.

In any area in which one might desire to succeed, whether it's building a business, losing weight, improving a relationship, or lowering a golf score, the key to success is to find a system that has been proven to work in that particular area, and then simply applying that system to your own efforts.

In fact, this idea is so crucial to our success in any endeavor, I've written a short booklet focusing purely on this idea, called *The Success Formula*. You can read it for free at www.TheSuccessFormula.com.

For our purposes, let's define a system this way:

A system is the process of predictably achieving a goal, based on a logical and specific set of how-to principles.

What a system can do *for you* is incredibly exciting. Here's how Michael Gerber, noted business consultant and author of *The E-Myth* and *The E-Myth Revisited*, explains the benefits of using a system (I'm paraphrasing here):

Systems permit ordinary people to achieve extraordinary results, predictably.

Without a system, however, even extraordinary people find it difficult to predictably achieve even ordinary results.

None of this, of course, is meant to imply that you or anyone else are "ordinary." What it does say is that if we should happen to be ordinary in terms of our ability to network, prospect, or obtain referrals, a system can help us achieve extraordinary results.

And that's what the Endless Referrals System® can do for *you*, if you simply learn it and follow it.

Key Points

- Networking is the cultivating of mutually beneficial, give-and-take, win-win relationships.
- We are not dependent *on* each other; nor are we independent *of* each other; we are all interdependent *with* each other.
- Each of us has a personal sphere of influence of about 250 people. And so does every person we meet.
- All things being equal, people will do business with, *and refer business to*, those people they know, like, and trust.
- It isn't just what you know, and it isn't just who you know. It's also *who knows you* and what you do for a living—when that person or someone that person knows, needs your products, goods, or services. Providing that first person knows you, likes you, and trusts you.
- Business cards are not a big deal. We need them mainly to get the other person's card.
- A system is the process of predictably achieving a goal, based on a logical and specific set of how-to principles.
- A system permits ordinary people to achieve extraordinary results, predictably.

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