Back to the Future: Formal Follow-Up Programming

Don't miss valuable referral opportunities

By Robert Courant

As every real estate professional knows, the easiest way to secure a listing is to be on the receiving end of a phone conversation that begins, "Hi Bob, we're ready to sell that home you found for us a few years ago...can you come over to discuss it?"

That kind of phone call is seldom made by a client whose last contact with a sales associate was as a customer at closing. Typically, it is made by a homeowner who has been so carefully cultivated since the closing that he or she didn't have to think twice about who to call for real estate services.

Some REALTORS®, often the top listers, seem to have a natural affinity for follow-up. They've read the national statistics about referrals accounting for more than half of all sales at most brokerage firms and they wish to take advantage of this opportunity.

However, a great number of real estate professionals are not so disciplined about follow-up. While they may accept the premise that follow-up strategies are effective, they often find it difficult to squeeze the paperwork the process entails into their busy schedules. The unfortunate result is that these sales associates miss out on valuable referral opportunities. For this reason, it is important for real estate brokerage managers to implement formal follow-up programs and provide the support tools needed to ensure that these programs are as accessible and effective as possible.

Selecting a Formal Program

There are two ways to establish a formal follow-up program. The first involves commissioning an established customer follow-up firm (CFF) to implement the program. Typically, the CFF will provide a series of follow-up mailings to each registered customer over a predetermined number of years. The brokerage usually pays a set fee for each customer it registers.

The follow-up mailings typically include a housewarming gift, a questionnaire asking customers to rate the service they received, and cards or token gifts on appropriate holidays throughout the year. Except for the questionnaire, which bears only the CFF's name to encourage an honest response, all cards and gifts are sent in the sales associate's name. The CFF notifies the sales associate at each mailing so that telephone follow-up can be done if desired.

When funds are available to do so, using a CFF is the easiest way to create a formal follow-up program. If your brokerage decides to choose this route, interview at least three companies to obtain the best package and price. Each company should provide references from outside your immediate market. Ask those references how much their referral business has increased since hiring the CFF, customer response, etc.

While many CFFs offer efficient programs and relieve the brokerage of the burden of designing and coordinating a follow-up system, such third-party programs are by nature much less personalized than in-house follow-up systems. Sales associates often feel that the CFF has assumed most of the significant follow-up responsibilities, and thus they neglect the telephone contact that should be initiated after these activities.

Implementing an In-House Program

The second way to establish a follow-up system is to create and monitor a formal, in-house follow-up program. When properly structured and managed, in-house programs are usually the most effective way to keep sales associates actively involved in the follow-up process. In-house programs provide sales associates with the flexibility they need to deal with diversified publics, and they also give brokerage managers the direct control they need to monitor effectiveness.

If your brokerage pursues this route, a series of steps can help ensure the program's success.

1) Find a starting point, then define your goals. Ask each sales associate how many of his/her sales and listings during the past 12 months were the result of referrals from prior customers. Also determine exactly the kind of follow-up activities in which each associate currently is involved. This information will help you set a goal for referral business increases during the first 12 months of your own new program, and will allow you to incorporate activities that sales associates already are using successfully.

Try to set realistic goals. During your new system's first year, a 10-15 percent increase is realistic and achievable, and reaching it will demonstrate the system's value to sales associates who may be somewhat reluctant to participate.

2) Motivate your team. Involve your sales associates in program development and implementation right from the start. At a regular sales meeting, announce your intention to create a formal program and to provide the support necessary to assist your sales associates. Ask for input, and seriously consider all suggestions. Ask sales team members who are vigorous about follow-up to talk about the success it has produced for them.

It's a good idea to explain right at the outset that the system will have some built-in rewards for those who use it successfully. For example, you might offer a special incentive program (a cash award, a free dinner, etc.) for those associates who achieve the highest numbers of referral sales during the program's first year. (See #6).

3) Create a data-gathering and follow-up "tickler" system. The most effective customer follow-up programs provide mail and/or phone contact with the customer immediately after closing and four times per year thereafter, as near to 90-day intervals as possible.

The real estate brokerage manager should begin by providing all sales associates with customer information forms on which detailed information can be recorded. (See Figure 1). The form also should include four scheduled re-contact dates, or "tickler" dates, for the coming year. Individual sales associates must decide exactly when each of his or her customers should be scheduled for this follow-up contact.

For instance, customers might be contacted on the anniversary of their home purchase, during the winter holidays, and on birthdays. Or, based on what the associate knows about a particular customer, he might want to contact a client at the start of fishing season (because the client is an avid fisherman), on the home purchase anniversary, at Thanksgiving, and at one more designated time not associated with a specific event. Some associates create their own holidays—Bastille Day, Spring Fever Day, Groundhog Day—so that their greeting won't be lost in the deluge of cards that clients receive on traditional holidays.

If the company's follow-up system is computerized, the real estate brokerage manager should assign a computer-competent individual to enter the customer information for all sales associates. When data is entered properly, the computer can be keyed to provide a weekly print-out for each sales associate that lists the name, address, phone number and reason for contact for each customer scheduled for follow-up activity that week.

The sales associate can then decide what kind of follow-up contact is most appropriate: A phone call, a bread-and-butter note, a news clip that might be of interest to the client, or a preprinted anniversary card. For event-oriented contacts (anniversaries, birthdays, holidays), the "tickler" date input into the computer should be two weeks in advance of the event.

If the follow-up program is to be implemented manually, each sales associate should be given (or instructed to create) a tickler card system that groups customer information forms by the date of the next follow-up contact. For example, cards for all customers with June contact dates should be placed in the sales associate's May file folder. At the beginning of May, the associate reviews all May file cards, takes appropriate action, and refiles cards into the appropriate monthly file for the next follow-up activity.

4) Create an activity documentation system. Each sales associate should complete a monthly form for quick reporting of follow-up activities: Name of customer contacted, type of contact (mail and/or phone), results of contact. This form helps keep the follow-up program manager informed about the activity that is occurring. Just as important, it helps the sales associate trace his or her activities and plot future follow-up efforts. For example: "On June 5, Joe Doe was called. Mentioned family is going to California for summer vacation. Joe will be very impressed when sales associate calls in September and remembers to ask about the vacation."

5) Provide follow-up support tools. The best follow-up is a highly personalized note and/or phone call. For instance, a newspaper clipping about a local cat show with a handwritten note, "I just wondered if you entered your Josie in this show. Hope all is going well with you."

However, such personalized follow-up obviously is quite difficult to do if the sales associate's customer base is large. Therefore, it's a good idea for real estate brokerage managers to prepare a quarterly mailing piece which sales associates can send to potential clients and customers when highly personalized contact is just not possible.

It is important that these mailing pieces be: a) of genuine value to the recipient: a token gift, a newsletter with decorating or home maintenance tips; b) accompanied by a brief cover note from the sales associate (a form note with computerized personal salutation is acceptable); c) followed by a phone call from the sales associate saying "Just wanted to make sure you received your (newsletter, gift, etc.)."

To assist busy sales associates, brokerage managers also should create a series of form letters/cards which can be adapted for easy use: an anniversary and birthday greeting, various holiday notes, a "keeping in touch" note, a standard cover note for generic mailings.

6) Fine-tune your system regularly. Too often, formal follow-up systems are initiated and then forgotten, by brokerage managers as well as sales associates. To prevent this, make follow-up reporting an agenda item for sales meetings on a regular basis. During such sales meetings, ask each sales associate to summarize his or her follow-up activity and results. This requirement will encourage associates to keep accurate records, and the progress they report will serve as an ongoing motivator for the entire group.

Real estate brokerage managers should work to keep morale high during such sessions by reminding sales associates that the benefits of disciplined follow-up often are not felt short-term. The success of a sales associate's activities should not be measured merely in terms of referrals obtained during a given period of time. It is also measured by the quality of the relationship that is being developed with the customer. Statistics have shown repeatedly that sooner or later, consistent follow-up produces bankable referrals.

7) Encourage sales associates to be creative with follow-up. Providing an effective information-gathering and tickler system, as well as strong support tools, will create a good foundation for follow-up activities. However, sales associates who build upon that foundation by adding their own personal touches will reap the greatest benefits. The following are just a sampling of "extra efforts" that sales associates can undertake:

• Arrange for a free dinner for the customer on moving day. Provide a dozen 'We've Moved' cards.

• Send a brief note to past customers when you have personal or professional news to share, such as your 10th year in the business, a new professional credential, a sales award, and—when appropriate—thank him or her for helping you achieve success.

• Send a note alerting the customer to an event you know they'll find of interest (a classic car rally, a Picasso exhibit, a gourmet food festival).

8) Remind sales associates to ask for referrals. Every contact that sales associates have with customers, whether by phone or mail, should involve a direct appeal for referral business. The appeal can be subtle, but it should be there: A tagline on written pieces offering to provide real estate assistance to the customer or his relatives/ friends; an aside during oral communication.

Sales associates should also feel free to ask for letters of recommendation from satisfied customers. Such letters are impressive additions to listing presentation packages. Many customers will happily provide them, especially if the sales associate offers to draft the letter. Such letters are also useful as a point of reference in future follow-up calls: "I was just thinking about you this week when I showed your recommendation letter to a customer. I got the listing and I wanted to thank you for your support."

One final note about follow-up calls: They should never be made when the sales associate is having a "bad day." Emotion comes through loud and clear over phone lines. A customer talking to an obviously tired, overworked sales associate isn't very likely to add to that associate's "burden" by referring more business his or her way.

Evaluating Your Follow-Up Program

When your new follow-up system has been firmly in place for six full months, the brokerage or program managers should conduct a formal review of each associate's progress and activities, and meet with each associate privately to discuss achievements and problems. Based on this input, system-wide refinements to the program should be made. The brokerage also should make a formal report during a regular sales meeting, summing up the program's achievements and recognizing sales associates who have produced the greatest results.

In the final analysis, success is the most powerful motivator in any follow-up program. With the average homeowner now moving every 3-5 years (and considerably more often in some markets), the potential for repeat and referral business is greater than ever before.

Robert Courant is vice president of Barbar Realty, Inc., a residential, relocation, and commercial and investment real estate company. Courant is a member and past president of the Pompano Beach-North Broward Board of REALTORS®, a member of the Boca Raton Board, and past District 11 vice president of the Florida Association

Detailed information should be kept on a customer information form

Name: The Johnsons
Address: 1440 Sun Creek Place
Telephone: 555-0767
Type of Transactions: Selling agent(current home)
Date of Transactions: 9/1/85
Birth Dates: Jim: 2/6; Jane: 3/17;
Susie: 6/22; Tommy: 10/5
Family Hobbies and Interests: Jim: photography
Jane: camping, coaches grade school soccer
Susie: soccer, baseball; Tommy: pets, swims
Tickler Dates: Groundhog Day; April Fool's Day;
8/15 (back to school kits); Thanksgiving

Back to the Future: Formal Follow-Up Programming, by Robert Courant, Real Estate Business, Fall 1989, p. 42-44.