

# TURNING CONNECTIONS INTO CLIENTS

SPHERE OF INFLUENCE STEP BY STEP GUIDE

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Working a Sphere of Influence (SOI) for lead generation offers distinct advantages compared to other methods. It stands out as a cost-effective source with a notably higher conversion rate than alternative lead generation options, all while presenting less competition from fellow agents.

Unlike some lead generation techniques that require subscription fees, advertising, Pay-Per-Click, or expensive referral fees to portals, cultivating relationships within your existing network comes with minimal direct costs. It's about leveraging the connections you've already established over time, making it a budget-friendly strategy for real estate agents.

Moreover, the SOI approach boasts a notably higher conversion rate. These are individuals who already know you or have a connection to you, which inherently builds trust. They are more likely to engage with you and consider your services when they have real estate needs. The established rapport within your SOI can lead to quicker and more fruitful transactions.

Another compelling aspect of focusing on your SOI is the reduced competition. Unlike methods that involve bidding wars or battling for online visibility, your existing network is a niche that is exclusively yours. You're not contending with other agents for the same leads, reducing the pressure and giving you a competitive edge in a crowded market.

In the realm of real estate, each customer within your Sphere of Influence holds significant value, not only in terms of the potential commission but also for the lasting relationships they can foster. Every client represents a unique opportunity to provide exceptional service and guidance throughout the home buying or selling process.

Their satisfaction and positive experiences not only contribute to the success of a single transaction but can lead to repeat business and valuable referrals. The commission earned from each client is a tangible reward for your expertise and hard work, but it's the trust and loyalty established through these interactions that truly enrich your career and reputation in the real estate industry.



To project the annual income from each “raving fan” in your sphere, let’s use some numbers for example purposes only which an agent can adjust to fit their own situation. Start with your average sales price times the average commission earned for the transaction side times the brokerage split to the agent times the turnover rate (tenure in the home). The appropriate numbers will need to be expressed as a decimal for the formula to work.



Average Home Price	x	Average Commission	x	Brokerage Split	x	Tenure Rate	=	Connection Value
\$400,000	x	0.275* (2.75%)	x	0.80* (80/20)	x	0.10* (10%)	=	\$880*

\*For example purposes only

The \$880 value in the above example represents 1/10 of the commission earned on a transaction every ten years. This illustration is meant to show you the value of each person you put into your sphere of influence. 200 people in your sphere of influence could earn \$176,000 in annual income.

**It’s not just about having the names in your database; it’s about making a connection, so, they consider you their real estate professional!**

An agent’s income will be directly proportional to the number of raving fans in their sphere of influence. That’s why it is important to continue to add names to your sphere and nurturing the connections to ensure they’ll use you as their agent when the need arises and refer you to their friends when they can.

Working within your Sphere of Influence is a savvy choice for real estate agents seeking effective lead generation. It's cost-effective, boasts a high conversion rate, and offers reduced competition. By nurturing these existing connections, you can establish yourself as a trusted expert in the eyes of your network, making them more likely to turn to you for their real estate needs and referrals.

# OBJECTIVE

*"Build a network of potential clients through consistent communication, positioning yourself as a trusted real estate resource, and nurturing relationships for future transactions and referrals."*

**1** Identifying the contacts for Your Sphere of Influence

**2** Gathering Contact Information

**3** Organizing Your Sphere of Influence Data

**4** Continually growing your SOI

**5** Developing the communication plan



# IDENTIFYING THE CONTACTS FOR YOUR SPHERE OF INFLUENCE

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Their satisfaction and positive experiences not only contribute to the success of a single transaction but can lead to repeat business and valuable referrals. The commission earned from each client is a tangible reward for your expertise and hard work, but it's the trust and loyalty established through these interactions that truly enrich your career and reputation in the real estate industry.

The two thirds fallout represents considerable commission loss. Using the median number of 12 transactions and 12 years' experience mentioned and a ten-year turnover rate, the agent is losing eight transactions a year. Multiplied by an agent's average commission earned, that is a significant amount of unrealized income. For agents averaging higher numbers of annual units, the losses are even more expensive.

# IDENTIFYING THE CONTACTS FOR YOUR SPHERE OF INFLUENCE continued

After decades of speaking all over the country on this one subject of building a database of contacts to build your business, I am convinced that most agents do not have an organized sphere of influence list and it isn't a high enough priority for them to make it happen.

If an agent has 20 years of experience but their database has less than 200 people in it, it is hard to believe that they'll wake up one morning and decide that they need to do it. The saddest part of this scenario is that it is costing the agents tens of thousands of dollars in lost commissions that will never be realized.

Social scientists say that the average person knows 200 people and that each person they know also knows 200 people. With only 200 people in your sphere of influence who are raving fans of yours. You become only one step away from 40,000 who could do business with you.

The process to assemble a sphere of influence is not difficult but it is time consuming, and the job is never really complete because there will always be maintenance to keep addresses, phone numbers, and email addresses up to date, as well as, adding new people you meet.

A logical approach to put the list together is to start with a list of groups of people to identify who you know in each group. It is a more manageable task to focus on small groups than to make a list of everyone you know.

Ultimately, when the list is compiled, it should be a database program which could be Outlook or Google Contacts, or it could be a dedicated CRM program. However, for the time being, I would suggest using a spreadsheet like Excel or Google Sheets. Have a row for each contact and columns for the information you deem critical. It should include Name, Spouse, address, email address for each spouse, cell phones for each spouse, and possibly, birthdays and anniversaries.

The benefit of it being in a spreadsheet is to easily transfer it to a database program when you have completed it. The process is to first identify the person and you can get their additional information later.

Identify the circles of people that you are involved with at work, former work, church, children's activities like school and sports, your social activities, and others. Go through each group separately to think of people you know and add them to the spreadsheet.

After you have completed the suggested groups in the worksheet, if you are married, it is time for that person to go through the same exercise. The spouse may not see the benefit in it and may try to get you to show them the names you already have but don't give in.

You'll get more names by doing them independently than collectively. It is just the way our minds work. When the spouse gets their names together, you can combine the lists.



# WORKSHEET TO HELP YOU IDENTIFY PEOPLE WHO BELONG IN YOUR SOI:

- 01 Go through the address book on your cell phone
- 02 Go through the address book on your email program(s)
- 03 Add your Holiday Card list
- 04 Every person you have sold a home to or for
- 05 Your immediate family
- 06 Your extended family
- 07 Your current personal friends
- 08 Your previous/past personal friends
- 09 Your current neighbors
- 10 Your past neighbors from each place you've lived as an adult
- 11 The people you attend church with
- 12 The people you worked with previously – bosses, co-workers, mentors
- 13 Your friends from school & college
- 14 Past teachers, principals, etc.
- 15 Social activities – golf, exercise, country club, health club,
- 16 Civic organization rosters – Lions Club, VFW, Kiwanis, Exchange Club
- 17 Toastmasters, referral groups
- 18 People you do business with – insurance, doctors, attorney, accountant, cleaners, restaurants, car salesperson, delivery persons, mail carrier, hairdresser/barber
- 19 Your children's friends' parents
- 20 Your grown children's friends
- 21 People from your volunteer efforts – food pantry, scouting, local environmental group
- 22 Reconcile friends/followers from each social network you belong to
- 23 Look at your friends'/followers' friends/followers to see how many people you know, or want to know
- 24 If you were getting married, is there anyone you'd invite that is not on the list yet?

No matter how diligent you are identifying the people who should be in your sphere of influence, it will not be comprehensive. You will have left some people out but don't worry. You may be driving down the street and a person comes to mind who isn't on the list. Make a note of the name and add them when you can.

Many times, I have great clarity driving in my car, but when I get back to the office, I forget what I was going to do because of distractions after having been gone. A helpful tool for me is to send myself an email using the voice activated function of my phone, so I don't have to take my eyes off the road while I'm driving.

# GATHERING THE CONTACT INFORMATION



Once the name has been identified, getting the balance of the contact information can begin which should include their name, spouse's name, home address, cell phone(s), email address(es), birthdays and anniversaries.

If you have a phone number, the best thing you can do is call them on the phone to reconnect by saying something like "I was thinking about you and that we hadn't spoken in a while. How are things going?" After you have sincerely reconnected, tell them that occasionally you send out a newsletter with market updates and need their email.

Don't try to collect too much information at one time; you don't want to sound like you're interviewing or interrogating them. Collecting the information is a process.

Their email address is critical because email is the least expensive way to market because it is practically free. The delivery is almost instantaneous, but the proclivity of spam has increased the number of both email servers and individual junk mail programs that filter unknown senders. Delivery will always be highest if the recipient knows the sender which should be compatible with a person in your sphere of influence list.

To unobtrusively ask a person if they're on social media and which platform they use, you can incorporate the conversation naturally into your interaction. Here's a polite and subtle approach; you can mention your own social media activity as a way to open the door. "I recently shared some great home staging tips on Facebook. Do you follow real estate updates on Facebook?"

Another approach to asking them about their preferred social media, search for them on the top four networks: Facebook, Instagram, X (formerly Twitter), and LinkedIn. If it is a common name, you may have to add some other search elements to find the person you want.



# GATHERING THE CONTACT INFORMATION

Once you find them, send a friend request on Facebook, follow them on the others. Engaging them on social media is important. When they post something, comment on their post and like it. Eventually, they'll start following you and, in the meantime, the connection from your comment may cause your posts to appear based on their social networks.

As you locate their profile in a network, check their contact info to see if they revealed their email address and phone numbers in their social media profiles. Facebook makes it easy to see their birthday if the user allows it.

## **Personal Contacts:**

Begin with the people you already know well, such as friends, family members, and close acquaintances. Request their contact information directly if you don't already have it.

## **Social Media:**

Utilize social networking platforms like Facebook, LinkedIn, and Instagram to connect with individuals from your SOI. These platforms often display contact details or provide messaging options to request contact information.

## **Phone Calls:**

Reach out via phone to reconnect with individuals from your SOI. During the conversation, kindly ask for their updated contact information.



# GATHERING THE CONTACT INFORMATION

continued

## Events and Gatherings:

Attend social gatherings or host events where you can personally interact with your SOI. Have sign-up sheets or digital forms available to collect contact details.

## Online Forms:

Create a dedicated section on your website or landing page where individuals from can submit their contact information voluntarily. Entice them to subscribe to your newsletter or market updates.

## Business Cards:

If you meet someone in person or at networking events, exchange business cards to obtain their contact information. Be sure to provide your card in return.

## Professional Networks:

Leverage professional networks, such as local business associations, alumni groups, or industry organizations, to connect with potential clients and gather their contact information.

## Networking Apps:

Utilize professional networking apps and tools like LinkedIn to connect with individuals from your SOI and request contact information within the platform.

## Ask for Assistance:

If you're struggling to obtain contact information, consider reaching out directly and politely asking if they can share their preferred contact method.



Remember that gathering contact information is essential to the communication plan used to maintain a strong and genuine relationships with each member of your sphere. Ensure that your interactions are respectful and focused on building trust, as this will lead to more fruitful and lasting connections in your real estate career.





# ORGANIZING YOUR SPHERE OF INFLUENCE DATA

Organizing the information you collect on each person within your SOI is paramount to maintaining and nurturing these valuable relationships effectively. While you have several options for managing this data, using a dedicated database program offers distinct advantages over an electronic spreadsheet, and there are various considerations when it comes to Customer Relationship Management (CRM) software.

While an electronic spreadsheet can be a rudimentary way to store basic information, it lacks the sophistication and functionality necessary for effective relationship management. Spreadsheets are limited in their ability to provide insights, reminders, and task automation, all of which are crucial for staying connected with your SOI.

A CRM or contact management program, on the other hand, is designed explicitly for managing client relationships. It offers numerous advantages, including:

### **Comprehensive Client Profiles:**

A CRM allows you to create detailed profiles for each contact, recording not only their basic information but also notes, interactions, and preferences.

### **Task and Reminder Management:**

CRMs enable you to schedule follow-ups, appointments, and other important tasks. This helps ensure you stay in touch with your SOI regularly.



# ORGANIZING YOUR SPHERE OF INFLUENCE DATA

continued

## **Automated Communication:**

Many CRMs offer automated email marketing, allowing you to send personalized messages, newsletters, and updates to your contacts without manual effort. While they usually include templates for email pieces, the content development would require the user to create it.

## **Performance Analytics:**

CRMs may provide valuable insights into your interactions and can track which strategies are most effective in engaging your SOI.

While CRMs offer a wide range of features, they can be complex, and not all agents need or use all the functions. For those who prefer a simpler approach, using Microsoft Outlook or Google Contacts can be a viable option. These tools allow you to organize contact information with multiple addresses and phone numbers, make dated notes, schedule follow-ups and appointments, and sync your data with your mobile device. This means you have your entire database readily accessible on your phone, enhancing your ability to connect with clients on the go.

If you are already using Outlook or Google for your email, you won't have to learn another system; you may just have to learn some functions you may not be using now. Another benefit is that these platforms will be a lot less than a CRM.



# CONTINUALLY GROWING YOUR SPHERE OF INFLUENCE

If you are doing a good job in communicating on a consistent basis with the people in your sphere of influence by providing valuable information and services, the size of your SOI will increase. One of the goals you have is that the people in your SOI become raving fans, so they'll tell other people about you and what you do for them.

Many of the things we could talk about are covered in Developing a Communications Plan later in this article. In this area, we'll discuss a few things that are not included there.

Make it easy for a person to be "added" to your sphere by having a place for them to sign up for either your newsletter on your website or to become a "member" of your service. Mike Parker, in Northern Kentucky, calls his program "The Parker Advantage."

It becomes something like a frequent flyer program or a discount program at your local grocery store. By becoming a member, they have access to a variety of benefits otherwise not available.

When you meet new people whether it be in a one-off situation, or possibly at an open house, have a procedure that verifies their name and contact information has been put into your database. At every closing, make sure the contact info on the principals is updated. Any friends or family members you've met during the transaction should be added as well.







# CONTINUALLY GROWING YOUR SPHERE OF INFLUENCE

continued

If you have a policy of knocking on 25 doors around a property that was just sold, create a procedure to add the people you meet to your sphere of influence.

Ask for referrals from your existing SOI contacts. They may be willing to introduce you to others who could benefit from your services. Insert example of referral graphic

Real estate agents often specialize in selling homes within their own comfort zones, which often aligns with the price range of the homes they personally own. By gradually expanding your expertise into higher-priced properties, you can naturally see an increase in the average price range of homes you sell. By gradually broadening their expertise to include higher-priced properties, agents expand their knowledge and gain confidence in handling transactions at higher price points. As a result, they are more likely to attract clients looking to buy or sell homes in those price ranges. Over time, these higher-priced transactions contribute to raising the average price range of homes the agent sells.

In essence, the more diverse and extensive an agent's experience becomes, the more likely they are to handle a variety of property types and price ranges, ultimately leading to an increase in their average price range for home sales.

# DEVELOPING A COMMUNICATION PLAN



Developing a consistent communication plan is the cornerstone of effectively working your Sphere of Influence in the real estate industry. Your SOI represents a treasure trove of valuable connections, however, merely having this network is not enough; it's the quality and consistency of your interactions that can transform these relationships into a powerful source of referrals and repeat business.

A well-thought-out communication plan ensures you remain top-of-mind, nurturing these connections and positioning yourself as their trusted real estate expert. Executing a communication plan keeps your SOI engaged and your real estate business thriving.

At any one time, only about 10% of the people in your SOI will be considering a move. The majority of the content of your communications needs to offer resources that don't include just buying and selling a home currently. If the goal is to become the source of real estate information to each person in your sphere of influence, you must build trust by providing content that helps them to be better homeowners.

This concept will span the time from when they buy and sell which currently averages about ten years. It keeps them connected and maintains top of mind awareness by being a valued homeowner resource for them.

*"You can have everything in life you want, if you will just help other people get what they want."  
- Zig Ziglar*

*Offer information that directly benefits the homeowner so that it remains relevant to your relationship.*



# DEVELOPING A COMMUNICATION PLAN continued



The wide range of topics can include market updates, financing options, service providers, tax updates, remodeling suggestions, wealth building techniques, expense management, maintenance suggestions, service providers as well as pertinent information for buyers and sellers.

The following list can provide a mixture of ways to communicate while providing education and information that are relevant to your relationship. The goals are to help them be better homeowners on many different facets while continuing to strengthen your position as a real estate professional.

Bi-weekly newsletter

Weekly blog

Social media posting – 5 times a week minimum

Holiday & special occasions greetings

Periodic video market updates

Home equity review

Market Update – quarterly or monthly; print and/or video

Service providers – do a featured provider monthly or bi-weekly; email or video

Financial calculators

Refinancing Analysis

Equity Accelerator

Information Guides

Moving Guide

Home Inventory

Homeowner's Tax Guide

Seller's Guide

Buyer's Guide

Rental Property Guide

Customer Appreciation Events

Annual shredding event

Holiday Pie

Pumpkins

Wine get-togethers

SantaClaus pictures

Family picnic

# DEVELOPING A COMMUNICATION PLAN

## continued

Seminars – first-time buyers, Selling in Today’s Market, Investing in Single Family Homes, Seniors, Reverse mortgages, Improving your credit score, Cash out Refinancing

Website content – the more valuable, free content on your website, the longer a visitor will spend and the better chance you have for engagement. Many of the things listed above could also be available on your website like information guides, financial calculators, service providers, and announcements for upcoming customer appreciation events and pictures of past ones.

Referrals – To make it easy for your raving fans to refer someone to you, have a referral form on your website. When you do get a referral, work it immediately, express your gratitude to the referring person, and follow-up with them. Gratitude and appreciation are two of the best things you can do to ensure that they’ll keep sending your referrals.

Invite you’re A+ contacts for coffee, breakfast, or lunch

Call your entire SOI on the phone a minimum twice a year

Pop-bys are often spontaneous or unplanned visits, designed to catch the recipient by surprise in a friendly and non-intrusive manner. The primary goal of a pop-by is to strengthen the relationship, maintain contact, and show appreciation to clients or potential clients in a personal and informal way. Typically, the gift or item presented during a pop-by can may be related to a special occasion, season, or simply meant to brighten the recipient's day.

Delegating the tasks involved in assembling, organizing, and marketing to a Sphere of Influence can be a strategic move for real estate agents who are pressed for time or prefer to focus on other aspects of their business. However, it's important to note that certain elements of SOI management require the personal touch and expertise of the agent.

While many tasks can be delegated, maintaining a genuine and personal connection with your SOI is a responsibility that should be shouldered by the agent themselves. It's this personal touch that often leads to referrals, repeat business, and the long-term success of an agent's real estate career. Effective delegation allows agents to focus on what they do best while ensuring their SOI continues to receive the attention and care it deserves.

In the world of real estate, cultivating and expanding your Sphere of Influence is not just an effort; it's a strategic investment in your success. By taking the necessary steps of determining who should be included, gathering and organizing contact information, and implementing a well-crafted communication plan, agents can unlock the true potential of their network, fostering lasting relationships and driving business growth. Discover why the effort put into building and maintaining an SOI is not just worthwhile—it's essential for thriving in the competitive real estate industry.



**InTouch Systems** is a content provider, specializing solely in residential real estate. Our comprehensive suite of services includes a range of fully automated email products, such as engaging newsletters and heartfelt holiday and special occasion greetings. Additionally, we offer automated social media posts, ensuring a consistent online presence across Facebook, Instagram, LinkedIn, and X (formerly known as Twitter). To further bolster your digital footprint, we provide weekly blog posts demonstrating your expertise.

Our powerful application is designed to seamlessly handle the lion's share of your Sphere of Influence communications. Whether you're looking to augment your current outreach or seeking a fresh, engaging "voice" to connect with your target audience, **InTouch Systems** offers the support you need.

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