

The Power of Referral-Based Business

By Lovina Worick

I've heard it said that a person who makes something look easy is an expert at it. Paul Burger is an expert at generating business online. And while he makes it look easy, if you were to ask him, he would likely say it took creativity, time, and money to make everything work. When he figured this out for himself and matched his personal style with the powerful reach and technology of his site, he began generating more business than he could handle. And he did most of it sitting at home in his pajamas or in jeans at his office, where he is a loan officer at Skyline Funding in Encino, Calif.

Burger has been generating loans for 24 years. His strategy has always been simple: "Make my referral base grow by closing loans and making people happy." He paired this philosophy with the power of a Web site and created a marketing machine. He put up his site, *www.hotloans.com*, in 1996. In 2003, Burger closed \$83 million in Web-based business. He did this as a one-man shop with three assistants.

What is truly unique about Burger is that he is no longer focused on his mortgage business, yet he is still generating loans. In 2004, he launched a new business called Granza.com, an online marketing, networking, and rewards system for mortgage originators. Although he works on that business full time, he is still closing approximately \$3.5 million in loans each month with virtually no marketing. According to Burger, his tried and tested Web site strategy, along with one or two newsletter mailers and yearly Christmas cards to past clients, keeps his referral business humming along.

Burger built such a strong referral

network of past clients over the years, that it continues to feed his pipeline with business. His customer philosophy has always been to "treat that person like they have the potential to take your business to the next level." In that vein he has actually turned away business if he felt it wasn't in the best interest of the borrower. Through his philosophy, he built trust with his potential clients, which was important given that he never sees most of them face to face. Because there was trust, most of his customers didn't bat an eye when he told them to go to his Web site to start the application process. "The time I've saved not taking applications is huge. If a loan officer actually tracked how much time he or she spends taking applications, the time saved by not taking apps can be astounding. Do the math."

There's a belief in this industry that referral business or relationship marketing and a Web site don't work together. In other words, if you're building referral business, it must mean you're shaking your customers' hands. Not so for Burger. His business model delivered the ultimate high tech/high touch balance: treat customers honestly and fairly and use automation where possible.

Web Site Strategy

Burger launched his site in 1996, but he knew upfront that his Web site wasn't going to automatically make more money for him. "I saw my Web site as a tool. Much like a carpenter whose work gets done with a myriad of tools, my Web site is my hammer. It doesn't do it all, but it's integral."

When he was first introduced to the Web, Burger says, his reaction

was swift. "I immediately got an 800 number and also decided not to put my physical address on the site." His strategy was simply to look big. He didn't want to limit himself to his immediate location, which turned out to be a plus for him. While he's located in southern California, his very first calls were from northern California. He has always done business across the state. Location is not an issue, he says.

While he doesn't currently do any marketing outside of his own newsletters, he used to invest in marketing. In the early days, his marketing of choice was search engines. "When I first got my Web site I was paying \$10,000 a month to be number one on Yahoo!," he says. "My loan officer buddies would say 'Dude, you're nuts.' And I would sit there in disbelief and ask 'Aren't you going to ask me what I'm making?'" Burger is adamant about his marketing philosophy. "I don't look at what I'm paying, I look at what I'm making—my return." While he tried various other types of marketing, none were the primary drivers to his site. "I tell everyone I talk to that if they want to move forward and do a loan, the best way to get started is to fill out the application on my Web site because our system is highly automated. I don't ask them to do it, I tell them to. If I don't, I don't control the transaction any longer, they do." Burger says that he rarely gets a person who doesn't follow through.


Burger Recommends

Burger says he can't understand how anyone in this business does it without using a Web site. "I couldn't have done the volume I did. With my site I worked the same amount of

hours as I did before, but doubled my income. Who wouldn't want that?"

With regards to the Web site itself, Burger has three overall recommendations:

- Keep it simple: "The number-one positive feedback I receive from my Web site visitors is that my site is really simple."
- Borrow good ideas from other companies and Web sites: "I tell people to copy from my site all the time... I don't think it will ultimately effect my business. Unfortunately, I know a lot of people just won't follow through anyway."
- Look like a big company: He added a rate comparison chart to his home page recently that includes

companies like Washington Mutual and E-loan. "This business is about perception. I had someone call me recently who thought that because E-loan was so big, I couldn't possibly beat them. But I can and I show it. I am a one-man show and people can't believe it." 



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