The Referral Masterclass

How Professionals Can Harness the Power of Referrals to Grow Their Practice

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8th June 2009

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Chapter 1 – Why Focus on Referrals?

Do you get Enough Referrals?

We all know that referrals can be the most powerful and profitable source of new clients. In fact, some professionals gain most, if not all, of their business through referrals. And in today's tough economic times, referrals have the advantage of having a much shorter sales cycle than other marketing activities.

Yet most of us find that we're simply not generating enough referrals of a high enough quality to reach our practice growth objectives.

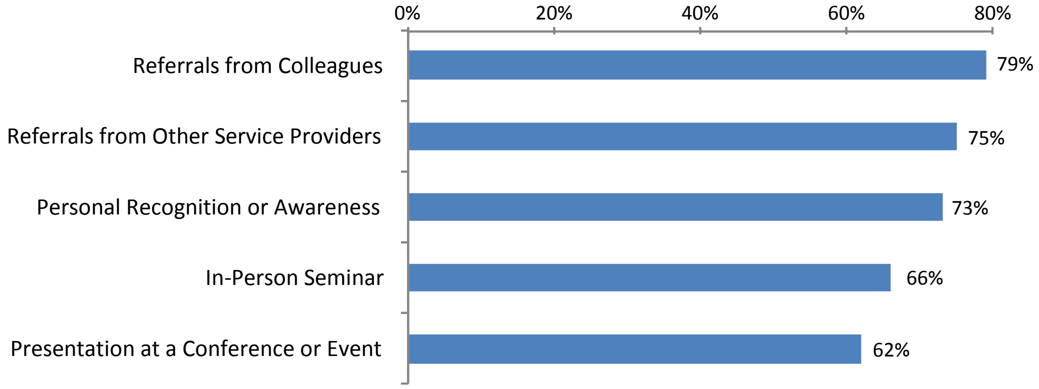
What's the problem here? Are we mistaken in our assumption that referrals are such an effective business development method? Or is it an execution issue – we're simply not going about it in the right way?

For most professionals it's a bit of both. While all the evidence highlights that our clients rely on referrals as their most trusted source of information on new suppliers; we must remember that not all referrals are created equal. Unfortunately, some referrals can be little better than random cold calls – a name and number we're given of someone who may or may not need our services, may or may not be able to afford them, and may or may not see the referrer as a credible and trusted source. It's our ability as professionals to work with our clients and partners to deliver the quality – not just the quantity – of referrals that will make all the difference to our success.

Do Referrals Work?

In their 2009 Benchmarking Study *How Clients Buy*, RainToday.com looked at which methods buyers of professional services were most likely to use to initially identify and learn more about providers.

Top 5 Methods Buyers are "Very / Somewhat Likely" to Use to Initially Identify and Learn More about Professional Service Providers



Other Methods included: Articles/News Stories about the Provider, Articles Written by the Provider, Blogs, Books, Case Studies, Conference/Trade Shows, Email Sent from the Provider, Exhibit at Conference or Event, Industry Website Article or Story, Internet Search, Mail Newsletter (Print or Electronic) from Provider, Online Advertisement, Podcast, Print Advertisement, Radio Advertising, Social Media/Online Communities, Telephone

Call from Rep. of Service Firm, Trade Magazine Article or Story, Webinar (Online Seminar), Website, White Papers. *Source: RainToday.com How Clients Buy: 2009 Benchmark Report, n=201*

Although the research highlighted the growing importance of online approaches such as websites, blogs and podcasts and the decline of traditional print media; the most significant finding was the continued domination of face to face approaches to business development. They commented:

> *"No surprise: The most common ways buyers initially identify and learn about service providers include referrals from colleagues or other service providers and personal recognition or awareness of the provider, or the provider's brand."*

Because of the complex and intangible nature of professional services, buyers look for help to assess two critical criteria for selection: "Can the provider do the job?" and "Can I work with them?" They take clues from their personal interactions with the professional (at seminars, presentations and face-to-face meetings) and from the experiences of people they know and trust. And despite the increasing prevalence of online "relationships", the people they primarily turn to for recommendations are their colleagues and other service providers they have worked closely with. In other words: people whose judgment they respect.

For infrequent or "distress" purchases (as many professional services are) –bought because of an immediate or unexpected need; the reliance on trusted third parties increases. Buyers won't invest in building a relationship up front with a provider of services they don't know they'll ever need – so instead, they rely heavily on the opinions of those they trust with experience themselves.

So do referrals work? The answer is a resounding "Yes" – if done correctly.

Chapter 2 – Leveraging the Referral Formula

You've Got to Have a System

In his classic work *Creating Rainmakers*, Ford Harding highlights that although successful business developers are very diverse in terms of background, personality, style and approach – they all share one common factor: they all have a "system" for generating business. That system may be hugely different between Rainmakers, with one relying on networking, another on cold calling, another on writing and speaking. But all had developed a method which worked for them which they could employ repeatedly and effectively without having to think from scratch of what to do. When needed, they were able to "switch on" their system and carry out the steps which would bring them more business. In contrast, less effective business developers either tried to "wing it", or had to spend so much time reinventing a system – gathering contact details, developing a script, identifying networking meetings, or writing an article – that the opportunity was lost.

It's the same with referrals. Although we all know how powerful referrals can be, how many of us take a systematic approach to generating them?

No consultancy, architecture or law firm would dream of investing their marketing budget and non-billable time into advertising, speaking campaigns, seminars, website development or thought leadership without a thorough analysis and plan for how that investment would pay off. Good marketing plans identify target clients for each approach, refine the firm's positioning and specify the messaging to be used. They identify clear objectives for each area and the sequence of activities and critical success factors necessary to achieve those objectives. They carefully allocate non-billable hours and budget to each activity to try to maximize the overall returns.

Yet when it comes to referrals – potentially the most powerful approach of all – most firms simply leave it to chance.

At best, they encourage and remind partners to "ask for referrals". But no thought is put into which clients to ask, how to ask, what to ask for, how to "earn" a referral, etc. At worst referrals are simply not mentioned at all.

These firms are hoping that their good work will result in positive word of mouth and spontaneous referrals. Sadly, research by TARP in the US has highlighted that referrals simply don't happen spontaneously.

When it comes to dissatisfaction:

- An unhappy customer will share their bad experience with an average of 12 other people.
- Each of those 12 people will in turn mention it to 6 others.

Unfortunately, when it comes to a satisfied customer:

- A happy customer will share their experience with just a few friends;
- Those friends will not remember much and will not share that information with anyone at all.

Essentially, without further proactive work from the service provider, positive "word of mouth" ends with a few friends and colleagues of the satisfied customer.

So professionals and their firms who want to get more from referrals need to get serious in their approach. They need to develop and implement a plan to proactively address all the key elements which influence both the number and the quality of referrals received.

The Referral Formula

To some degree, succeeding with referrals is something of a numbers game. More referrals equals more business. However, for busy professionals who need to balance business development with billable hours, it's rarely wise to sacrifice quality for quantity. Better to go for a smaller number of high probability referrals and devote enough time to convert them to sales.

So what makes a high quality referral?

Referrals work because of transferred trust. Obviously I am going to put more credence in a recommendation from a colleague or business partner I know and trust and who I know has experience in the area than from a casual acquaintance or someone I bumped into at a networking event. The higher the level of credibility of the referrer, the higher the quality of the referral.

In addition, the level of endorsement we get in a referral can be crucial. This is why referrals from clients can be so valuable. Referrals from clients are more credible because they have actually experienced our work. And if we have performed exceptionally well the referral will be much more complimentary than a referral from business partners who know us but have never worked with us ever could ever be.

Finally, a high quality referral is a targeted referral. We are far more likely to get a sale from a prospect who we know needs our services right now and has the budget to pay for them than from a random, unqualified "name and number". This is one of the frequently overlooked strengths of referrals. In many professional service businesses, client needs are often difficult to detect from the professionals perspective. Businesses considering a takeover don't like to make their intentions public by announcing they're looking for M&A advisors. Couples with marital problems try to show a united face in front of strangers. Companies planning to make major layoffs and needing HR consultants rarely want the news to leak out until after they've had their advice. As a result consultants, lawyers and other professionals rarely see these opportunities on their radar screens until it's too late. However, an insider or current advisor in frequent contact is often alerted to these opportunities well in advance. That's why accountants, who are in frequent contact with their client businesses, are such sought-after partners by lawyers and other professionals. They can give highly targeted referrals to clients with pressing needs.

Putting all that together gives us what we call the "Referral Formula" – a simple guide to the key areas professionals should work on to maximize the value they get from referrals. Of course, it's not a scientific formula – but it is a useful guide to what to focus on:

The Referral Formula

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Referral  =  Number of  x  Potential  x  Credibility  x  Strength of
  Value      Referrals    of Prospect    of Referrer     Endorsement
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Let's look at each of these areas in turn to see what can be done in each to drive up the value of referrals.

Number of Referrals

For many professionals, the quickest way to get more referrals is simply to ask for more. Although almost all professionals say they ask for referrals, studies[1] repeatedly show that over half of all clients claim they have never been asked. Those that do recall being asked often cite confusion over what they were being asked for – seeing the request as a suggestion or even a throwaway remark.

The reality is that a great many professionals feel reticent about asking for referrals. They don't want to be seen as a "pushy salesman" and they don't want to risk endangering their current client relationship by asking for too much.

And they're right to be wary. Asking for referrals too soon, in the wrong way, can result in a client feeling "used" by the professional.

Some of their reticence however, is driven instead by a fear of rejection. Few lawyers, accountants or consultants enter their profession because they are excited by the prospect of selling. Their early training and career development focuses almost exclusively on the technical aspects of the role and rarely provides adequate preparation for the inevitable transition into business development they must make as they rise in seniority. They are rarely equipped with the skills, and most importantly with the thick skin needed to face up to the prospect of rejection inevitably faced in selling situations.

And asking for referrals is no different – there will be some clients who say no. However, gentle coaching can usually give professionals the courage they need to significantly increase the amount of referral requests they make. Sometimes simply asking them if they themselves would object to someone who had provided a great service to them asking them for names of people who would also benefit, is enough to help them get a realistic grip of the level of risk involved.

Having said that, there are ways of minimizing the risk to the relationship and maximizing the chances of getting a referral.

[1] Cited in Paul McCord, *Creating a Million Dollar a Year Sales Income Through Client Referrals.*

Timing the Referral

The first of these is timing. Asking for a referral just after you've confirmed a sale is often recommended to product salespeople. But for a professional service firm it simply doesn't work. Before they can feel confident giving a referral, the client must know that you can do a good job and that they can trust you. Giving a referral involves quite a high degree of risk to the client. If you let down the person they referred you to, their reputation will suffer. And the better the referral (to close colleagues and friends who place great trust in them) the higher the risk. Referrals must be earned by exceptional performance. Only after you have proven your capabilities can you ask for a referral and expect to be given names of people where they have the strong relationships you are looking for.

One valuable tactic to increase the number of these high value referrals is the concept of "Superpleasing" introduced by David Maister in *Managing The Professional Service Firm*. Maister highlights how professional firms are quite willing to invest thousands of non-billable partner hours into low ROI marketing activities; yet rarely consider investing partner time into "going the extra mile" for existing clients on current engagements. Maister is not talking here about marketing and relationship building activities with current clients. He's talking about investing senior time, unbilled, into ensuring that current engagements overdeliver and "superplease" the client. He rightly points out that exceeding expectations on project work has far more impact on clients than any amount of relationship building meetings or hospitality. Yet most firms cut themselves off from this option by strictly segmenting project work – which must be done using billable hours – from relationship work – which is non-billable, but not allowed to support the project work. We're not talking here about spending unbilled hours to do the basic delivery of the project. Instead, it's a strategic investment of non-billable time to elevate an engagement from "meets expectations" to "exceeds expectations" in order to generate more future business.

The same principle applies to referrals. Deliberately investing non-billable time in overachievement of key engagements for clients with a high potential to refer good business can really pay off. Again, timing is crucial – ask for the referral after "superpleasing" the client and they will be highly likely to provide a number of high quality referrals.

Preparing the Client for the Referral

In addition to timing the request for a referral for when you have overdelivered on your work, the number of referrals you get can be increased by preparing the client in advance.

At its most basic level this means avoiding surprising the client with a referral request and putting them on the spot for names without giving them time to think about it. Instead, treat the referral request as a two-stage process. Initially, ask the client about how they feel the engagement or service has gone and what aspects were particularly valuable to them. Then (assuming it has gone well in their mind) ask them if it would be OK to meet at a later date where you could discuss together who they know who could also benefit from a similar service. Then by specifying the type of person or business you would like to be referred to you give them time to think and to come to the meeting prepared with an initial list of names. You can also set expectations: "Typically most of my clients are able to come up with about 5 or 6 names of people who they think could really benefit from working with us".

At a more strategic level, subtly reminding the client at key moments throughout your relationship that you are a "referral based business" can ensure that your request for referrals is not a surprise. It also activates their "antenna" so that they can be looking out for potential referrals for you over time.

Potential of Prospect

Being referred to an unqualified "number and name" has far, far less chance of resulting in a sale than being referred to a business or person who has an immediate need for your services, is aware of that need, and has the budget to pay for it. But how can we increase the chances of receiving highly qualified referrals?

Targeting Referrals

Possibly the most vital component in ensuring high quality referrals is to closely target who you are looking to be referred to and to make that crystal clear to the client or business partner who you hope will refer you to them.

This is an area where many professional firms struggle. Many have a very general market position. They provide a broad range of services to a broad range of clients. They fear that by being "too specific" when asking for referrals they will miss out on potential referrals to prospects outside the narrow specifications.

Nothing could be further from the truth. The reality is that by being too generic, you miss out on all referrals. If you say you're looking for referrals to "any small or medium sized businesses" then people will struggle to identify any for you – despite knowing probably hundreds. The choice for them is too broad – they can't possibly give you a list of all the businesses they know, but they have no way of selecting which ones to pass to you. Worse still, by being very generic in your description of who you serve you send the message "we are bland and no different from the rest. Our services are undifferentiated, and there's no reason why we're a better choice than any other firm". This may not be true, but your client or business partner doesn't necessarily know this. Clients you have just done some fantastic work for will be enthusiastic about your capabilities. But business partners who have not experienced this will struggle to see why they should refer you as opposed to all the other lawyers they know who target the same SMEs.

In contrast, narrowing your focus makes it easy for people to refer you. Even if your firm does have a general market position serving a broad range of clients, you are much better off focusing your referral requests temporarily on a narrower range than you are actually capable of serving. For example, if you're a "high street" law firm performing wills & probate, conveyancing, employment, matrimonial and general litigation services then try running campaigns where for a few months you focus on asking for referrals in only one of the practice areas. Help your potential referral partners understand exactly what a strong litigation referral looks like. Describe some of the recent work you've done in simple story format focused on the challenge the client faced and the end results they got from working with you. In a few months time move on to one of the other services you deliver or types of client you serve and you will get referrals there. But if you initially say you deliver all types of legal service to all sorts of client types you'll get blank faces.

The more you can help your clients and business partners identify high potential prospects, the better the quality of referrals you will receive. How you specify them is dependent on the services and focus of your firm, but could include:

- Industries or client types where you have a strong track record
- The geographic location of target clients, or company type if a business
- The sorts of problems you help clients solve
- Externally visible "triggers" which might indicate firms which need your help

Perhaps the best method of targeting is to name specific firms with which you would like to meet. That way the referrer has a simple thought process – he either knows them or he doesn't. And you can increase your chances of a referral by researching which firms or individuals he is likely to know and ask for introductions to them. If you have a very strong relationship with the referrer you can ask to go through their address book with them – although it can feel somewhat "aggressive" to ask. Nowadays however, if you are connected to them on Linkedin, you can see their address book online and then ask for specific referrals face to face.

Targeting Referrers

When thinking about which current clients or business partners to ask for referrals, or which relationships to nurture to get more referrals, analyzing "referral networks" can pay big dividends.

As Ford Harding points out in *Rainmaking*, many industries have natural pre-established networks which cross-refer business to each other. Analyzing this network for your target clients can highlight who you should priorities and focus on for referrals.

For example, high net worth individuals are served by an array of advisors from accountants to private bankers to financial advisors and stock brokers. They also frequently network with other wealthy people and have a variety of board memberships. The company pension and benefits advisory network is made up of a company's HR staff, finance staff, external accountants, benefits consultants, investment advisors, auditors, etc. General Counsels frequently discuss the performance of their legal service providers (in the UK, particularly since the creation of the GC100).

Within these networks, there are frequently "power centres" – individuals with significant access and influence over target clients. Nurturing relationships with these individuals can provide access and referrals to very high potential prospects.

Of course, these networks and "power centres" have often been established for a long time – and it can be very difficult for new faces on the block to break in and get referrals. It can take careful strategizing to figure out how to motivate a potential referral partner to refer to you as well as or instead of their pre-existing relationships. You can offer services in a niche not covered by existing partners. Or you can simply offer more or better reciprocal referrals. You may even need to go around the traditional referral source to others in the network. For example, for M&A advice, instead of getting referrals from the financier, look to the accountant or the management consultant involved with transactions. They may not have the most influence over the choice of M&A advisor – but they may well be much more open to new partners than the finance house.

When trying to identify potential referral partners – either fellow professionals or current and ex-clients, it's worth bearing in mind what Andrew Sobel states in *All for One*: for most professionals, 80% of their success and growth comes from about 15 to 20 key relationships. Having a wide contact network is useful – it's where the key relationships emerge from over time, and it can be a useful source of "left field" opportunities that your close relationships don't have access to. But in general, most of your referrals will come from a small number of partners – because it's simply not possible to build up the high degree of trust and understanding needed for high quality referrals in a large number of people.

Credibility of Referrer

In similar fashion to targeting referrers because of the access they can provide to high potential prospects, it's also important to focus on referrers who carry credibility with those prospects.

Accountants, for example, are often viewed as the first port of call for advice by many businesses. A referral from a firm's accountant will carry great weight with that firm – much more so that a referral from (say) the telecoms provider.

People will also place greater reliance on referrers who have significant expertise in relevant areas – and in particular, those who have experienced your services themselves. This is one disadvantage of the "leads clubs" and "breakfast networking" groups who pass referrals exclusively between members. Smart buyers check out the reason for the referral and realize that it is being made because of the expectation of reciprocation rather than purely because they believe in the quality of the firm.

Strength of Endorsement

There is wide variation in the strength with which referrals are made. Clearly a referral saying "you must meet this guy, we've been working with his firm, they have done some fantastic work for us – they've not lost a case yet –I'm sure they will be able to do something similar for you" will have much greater impact than "I know a guy who does marketing who's looking for new business, you might be interested in meeting him".

How do you get strong endorsements? The first step is to do great work. As in the section on getting more referrals, investing in "superpleasing" the client can pay huge dividends in terms of the strength with which you are referred.

For new start-ups and professionals early on in their career, this can prove to be a problem. With a limited track record, it's difficult to get a really strong endorsement. Creativity is needed here: perhaps getting a referral for your firm rather than yourself from a highly satisfied client of a colleague who will refer you to them. Perhaps getting referrals from others who know and trust you through other activities such as group memberships.

In my own case for example, from the world of management consulting, when I went solo I entered a new geographic market. My initial referrals were relatively weak – but when an ex-colleague, now the deputy MD of a target client, sent an email to the local regional head of her firm saying simply "this guy is a star – you must meet up with him" the ball really started rolling.

The second step in getting strong endorsements is to help the referrer create them. Left to their own devices, referrers will not necessarily be able to phrase a letter or email or phone call in the most advantageous manner for you. But most of them will have no objections to you saving their time by writing a draft of the recommendation for them.

It's also worth considering the format of the referral. It doesn't have to be a letter, email or call. The referrer could invite the prospect to lunch with you attending too. It could be an invitation to a special event – for example if you are hosting a table at a dinner, or have a box at a sporting venue they could both attend. Any referral which gets you face to face with the prospect as the referral is made is going to be much stronger.

Chapter 3 – Laying the Foundations for Referrals

Motivating Referrers

So far we've looked at how to identify target referrers and what an effective referral looks like. But what would motivate someone to actually give a referral? What's in it for them?

In my experience across multiple professions, I've found that clients and business partners are actually very generous when it comes to giving referrals. Their main concern is less one of self interest, and more one of helping their own clients, colleagues and friends.

But what they are concerned about is risk. They will want to be absolutely sure you will do a good job before they refer you to people whose relationship they value. They simply can't afford to take the risk of you doing a bad job and their reputation and relationship suffering.

Your current and recent clients should have the confidence in you to know this won't happen. But for business partners (and also perhaps for ex-clients from a while back) you will need to invest time to make sure they are fully confident in your capabilities and your intent to do a great job for whoever they refer you to. And you must be able to demonstrate this – not just claim it. Far better to invite a referral partner to a seminar you are running where you showcase your expertise than to simply tell them you have it.

The other risk for business partners is that you may attempt to "steal" the relationship from them (perhaps unintentionally in some cases). It's advisable to set out clearly how you would proceed should they refer you – and emphasize that you would ensure they retained the primary relationship.

After these risks have been dealt with, you can increase the urgency and dedication with which your referral partners go about referring you. The prospect of reciprocation (if genuine) can obviously help. But sometimes referral relationships are by nature one-sided. Accountants, in particular, are often able to give more referrals to lawyers than they get – simply by nature of the number of long-term business relationships they have. So making sure you are "going the extra mile" and visibly doing whatever you can to get high quality referrals back to them helps. In addition, you may be able to help them in other ways: introducing them to wider circles of contacts, giving them specialist advice on their own affairs, allowing them to showcase their expertise as guest presenters at your events.

Helping Your Referrers Get Better at Giving Referrals

In some cases your contacts would like to give referrals to you – but are simply not good at spotting referral situations and making the initial contact. Sometimes they just need a little help.

This is particularly important when the need for your services is not immediately apparent from outside. Companies contemplating layoffs and in need of employment advice don't often advertise the fact in advance, for example. A close confidante may be privy to discussions that would alert them to these sorts of needs – but often most people don't see the signs until it's too late to act.

One method to help referrers identify situations where your services would be of value is to educate them about the externally visible "trigger events" which cause a need for your services. An obvious example for a lawyer would be the hiring of a new general counsel – often presaging a change in retained law firm. News of a merger may break well in advance of hiring a post merger integration consultant or HR specialist to deal with the "fallout" from the merger.

By thinking through (preferably with the aid of some of your clients themselves) the events that triggered the need for your services you can compile a simple list of "things to look for" which can help you and your referrers steal a march on your competitors.

In other situations, it may be that the referrer can spot the need – but struggles to find the words to discuss it with the potential client. In the case of divorce law for example, it may be very clear to your referral partner that someone needs professional advice – but they may be too embarrassed or uncomfortable to broach the subject with the person they are trying to help.

In this case, you need to help them by firstly educating them about the right time to intervene in the person's best interest – and giving them some examples of words they can use to gently introduce the subject without the risk of damaging their relationship.

Using Offers to get More Referrals

One of the biggest challenges professionals have when trying to get more referrals is that their referrers (the people they've asked to introduce them to someone) struggle to make the introduction sound attractive to the potential client.

For example, let's say you're an employment lawyer and you've asked an accountant to introduce you to small manufacturing businesses in your area. Or perhaps you've been smart and used Linkedin to name some specific people and organizations you know he knows.

How is he going to make that introduction sound attractive to the potential client? Chances are they don't have a specific need for your services at this point in time. And even if they did, the accountant might not know that. So although a recommendation and offer of an introduction from a trusted partner like an accountant is more likely to succeed than a cold call – it still might not seem attractive.

And it may also be embarrassing or uncomfortable to the accountant too. It may feel a little too much like he's simply selling for you with no real benefit for his client.

Now of course, you're going to try to inspire your referral partner by demonstrating what a great resource to his clients you're going to be. And of course, you're going to be "courting" that referral partner to keep yourself top of mind for when the time comes to give recommendations.

But still, 1-on-1 with his client he's going to have to pop the question. So maybe he'll wait until the client's in a good mood. Or maybe until a related topic comes up. Or maybe….

But what if the accountant had something to offer the client on your behalf? Something that was valuable to them without relying on them having an immediate need. Perhaps a report you'd prepared on the key facts manufacturers need to know about employment law, perhaps an invitation to a monthly seminar and Q&A session your firm runs on new legislation which impacts small firms, perhaps some kind of related checklist or spreadsheet tool.

Then there's no embarrassment or difficulty. The accountant will feel they're adding direct and immediate value to their client. They're not just suggesting a meeting with you which might lead to value for the client – they're giving it straight away. And the client will feel much more disposed to meet with you and much more confident that you're going to be a useful resource.

The whole situation has changed from the referral partner doing you a favour – to them doing themselves a favour.

So not only will the accountant be recommending you when the time is right and when the client's in a good mood – since your offer adds value to his clients, he'll be recommending you whenever he can to get "brownie points" with them. He'll be actively looking for opportunities to make recommendations and raise the status of his relationship.

Becoming a "Referral Magnet"

Most of our discussion so far has focused on how to get more and better "outbound referrals". In other words, referrals where the referrer reaches out to the prospect to recommend you.

However, the same lessons apply to "inbound referrals" – where the prospect themselves contact your referrer and ask for a recommendation. These types of referral can be highly valuable – as they are to highly qualified prospects – ones who are essentially saying "I have a need and I need help now". Being able to attract these sorts of referrals will pay huge dividends.

The challenge here is that since needs for most legal services arise fairly infrequently, by the time your referrer is contacted by the prospect you won't necessarily be "front of mind". So they may not give you a particularly strong referral. After all, how many other lawyers does that accountant or consultant you count as a partner know and refer to? Usually quite a few.

In order to get these referrals – often the most valuable ones - you must be front of mind with your referral partners when they receive the call.

Now, if they are a current or recent client you have done great work for then the chances are that you will be the only one referred. Or if you are part of a "leads group" then members of that group will automatically refer to you. But these situations are in the minority for most referral situations for most lawyers. In order to maximize the number of referrals you get, you need a wide network of high potential referral partners, and you must be front of mind with them despite them not being recent clients or part of a "club" with you.

How do you do this? In the same way you stay front of mind with high potential clients. You invest in and nurture the relationship. You may not be able to work with them daily or meet them every week - but you can keep in touch and you can add value to them with every interaction.

It's exactly the approach you would take with a high potential client: you would log them on your contact management system. You would invest in the relationship to secure future business. You would schedule regular events with them, send them clippings or news items of interest, proactively offer advice and guidance for free. Doing the same thing with high potential referral partners can have just as high a payoff. If they are regularly being contacted to give recommendations in your field then you must make sure you have a plan to stay front of mind with them.

At minimum, you should be reviewing the list of your top referral sources weekly and your next tier monthly, in order to keep them front of mind for you and ensure that during the week you are awake to possible ideas and resources that might help them. Connect with them on Linkedin and monitor their status updates. Track them and their company via Google Alerts or other tracking methods. Make sure you keep in touch and maintain your relationship by phone and face to face, not just by email.

Above all, if you are genuinely interested and concerned for them as human beings, then the right sort of nurturing behaviour will follow.

Chapter 4 - Turning Ideas into Action

Plans into Action

Of course, none of this thinking is of any benefit unless it turns into concrete actions to get you more referrals.

It's not always possible to work on each of the factors in the Referral Formula – but it should usually be possible to work on more than one. And doing so will put you streets ahead of your competitors who are working on none of them.

The first step is **Planning**. Your approach to referrals should be worked through as a strategy and included in the firm's marketing plan alongside all the other key marketing activities. It needs a budget (particularly for non-billable hours) and it needs thought into who to target, who to ask, and how to ask.

The next step is **Preparing** the client. Ensure that on each engagement you are pre-positioning the client that you are a referral based business and that at some point you will be asking for referrals. Over time continue to reinforce this and to clarify what you will be looking for.

Most importantly, **Earn** the referral. Ensure your engagements exceed client expectations – and invest in "superpleasing" where appropriate.

Ask for the referral. At the right time, provide a focused, targeted description of who you are looking to be referred to and how your services can benefit them.

Finally, **Follow-Up**. Firstly with the client you have been referred to. It sounds ridiculous, but many good referrals are not taken up at all – the provider fails to make contact with the potential client because they "weren't quite perfect". That pretty much guarantees that no more referrals will be given at all. Secondly, always follow-up and thank the referrer – even if the referral comes to nothing. Keep them in touch with progress, and highlight any successes you have with your new client and make sure the loop is closed by having the new client thank the referrer if appropriate.

Above all, **Manage** the process actively. If the firm truly believes in the power of referrals, then leadership needs to ensure that the key activities to generate them are actually happening.

Your Next Step

Getting more, higher quality referrals is not rocket science. It's a series of simple steps to take with a very high return on investment.

Yet most firms and individual professionals don't do it.

They assume referrals will come automatically from good work: they won't.

They assume clients and partners know exactly who you're looking to be referred to: they don't.

They assume clients and partners don't need to be reminded of exactly what you do and where your strengths lie: they do.

Professionals who make these assumptions are doomed to be continually chasing low potential "scraping the barrel" opportunities.

Don't become one of them. Take the next step and start planning your referral campaign. Then make sure you deliver on that plan.

Need Help?

If you would like help to implement a referral campaign: detailed, practical advice on setting it up, initial training or ongoing coaching for your staff – give me a call on +44 (0) 1625 415 294 or email ian@ianbrodie.com

You can get more advice and articles on Marketing & Selling Professional Services at www.ianbrodie.com

Best of luck!

Ian Brodie

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About the Author

Ian Brodie helps professional service firms (lawyers, accountants, consultants and architects) to attract more clients and win more new business.

He works with the leadership and staff of professional firms to help them:

- Generate more high quality leads
- Win new clients
- Retain and grow business with existing clients
- Gain control over their sales pipelines and manage their key accounts more effectively
- Build a positive business development culture and grow the sales capabilities of their team

Ian is the editor of Rainmaker Resources, the leading website for professional services business developers (http://www.rainmaker-resources.com) and runs the Linkedin group for professional services business developers: the Rainmaker Network (http://www.rainkmaker-network.com)

He is married to the wonderful Kathy, and they have two children - Chris & Robs, and two large lazy cats. He suffers from being a supporter of Newcastle United - so not surprisingly his mood varies significantly depending on how horrifically they have been playing or which dodgy billionaire has decided to buy them this month.

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