

No More Accidental Referrals

Current clients are great – they’re the bread-and-butter of your company and we all love the steady business. But in today’s economic climate, you can’t rely on what you’ve got right now and expect to move forward. Instead, you have to constantly market and look for new sources of business to succeed.

And the best place to go? Referrals. Rather than gathering these haphazardly when talking over coffee or at the end of a meeting, consider creating a detailed referral plan. Following are 10 proven ways to help develop your customer referral strategy.

1. Have a Plan

You wouldn’t build a house without blueprints; you wouldn’t have a medical procedure without a plan of treatment. Serious stuff requires serious planning. Referrals are the best sources for new business. But first you need to map out the specifics – the who, what, when, how and why.

2. Make it Personal

When asking for referrals, you’re talking to people that you already know well. Some may be friends, long-term clients or new clients you love to help. In any case, it’s a personal connection. And maintaining that connection is what counts.

When you ask for a referral, you are asking people to give you something of personal value – a referral to a relationship that they have with someone else. Their reputation is on the line when they recommend your business.

Which means that every point of your referral strategy needs to reflect that personal approach. Instead of sending an email, consider the impact of mailing a hand-written thank you card. If you’re sending a gift, think about what’s meaningful to the recipient – whether is it a round of golf, a book that you both talked about or a bottle of wine for an enthusiast.

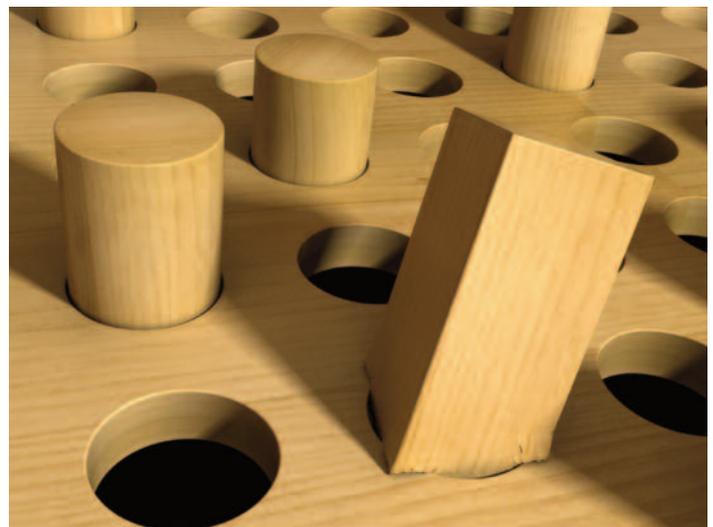
3. One Size Doesn’t Fit All

A key part of developing your referral plan is targeting your referral sources. These include family and friends, customers, influencers and other networking groups.

► **Family and Friends.** These are built-in referrals who are happy to help because they only want to see your success and appreciate the recognition. Help them out by specifying what you’re looking for. Leads or a direct introduction? Is there a certain industry, a job title or size of company you’re targeting?

Additionally, keep your request simple— don’t ask your cousin for the names and contact information of the procurement officers in the region’s top 150 companies. Instead, he may have access to a professional organization’s directory or a list of recent conference attendees to share.

Finally, remember that your business-building efforts are not a top priority so gently remind your friend or relative within a week or two of your request. Then, be sure to thank them with a personal gift – a gift card to Starbucks or an invitation for a nice dinner. Nothing extravagant, just heartfelt.



► **Customers.** These can be your greatest source of referrals, but each one needs to be treated as your best customer first. Once the sale is made, you can't coast. The bottom line is your customers want information from you that helps them do their jobs better and increases their return on investment.

Just like with your friends and family, you can't overlook the personal touch with your clients. One-on-one communications with phone calls, emails customized to their interests works wonders. For key customers, you may wish to invite them to lunch or dinner to get to know them better. If they're not local, an investment in a personal visit once or twice a year is well worth it.

► **Influencers.** Who are the leaders in your industry or community that can take your business to the next level? These influencers want to be seen as trusted providers with their clients and a source of valuable information. Include these people in your marketing efforts and offer to collaborate on whitepapers, events or provide special discounts to their employees or clients.

► **Partners.** Who do you already partner with? Your accountant, attorney, IT provider? Partners are a solid source of referrals since they know that you'll do the same for them. They're confident in your professional ability and gain tremendous business value from maintaining a solid network of referral-worthy providers.

► **Other Sources.** What other networking groups do you belong to? Professional organizations, charity committees, church, school connections and even former clients. However, you need to tread carefully here. It's about giving more than getting.

4. Mine Your Customers

If you're not asking your customers for references, you're missing out on a tremendous opportunity to gain new business. Of course, timing is everything. Key points to ask are after completing a survey, or after providing something of value, such as free training, extra service. The ask: We are so happy we have made you happy who else can we help? Consider a Direct Mail Nurture Plan to thank your customers for their business with small but thoughtful gifts and to ask for referrals. For example: A Dynamics CRM partner sent the book "Together We Can" a thoughtful compilation of quotes to celebrate their 6-month anniversary of being in business together.



5. Join Forces with Partners and Influencers

Develop a campaign with your best partners and referrers to introduce them to each others' expertise. Keep it valuable and meaningful by building it around a special event, offer or issue.

For example: Partner with an accounting firm to send out an invitation about a special Dynamics GP event that can help them better run their business. Then, send your clients an invitation about a year-end seminar to help them learn more about closing books. Take the time to look at what's coming up in the year for both firms (or better yet – partner with two or three companies) and then plan the campaign accordingly.



6. Share Your Expertise

Business-to-business marketing is about creating and distributing valuable content. You see the impact of this every month if you distribute an online newsletter – or even more frequently if you have a blog. Finding original content is a struggle, but it's also an opportunity. Make sharing content part of your influencer plan. After all, it's a win/win situation. You all get your name in front of new audiences and you have content of value to share.

To make this work, form a "semi-formal" agreement. Select influencers and ask each one to create a blog a week or month. Create an editorial calendar with topics and dates so that everyone knows what's due and when – and can coordinate your requests into their marketing efforts. Have good partners but limited writing time or resources? Hire a ghost writer to interview, capture the information from the experts and write the piece.

7. Build a Library

A library of ready-made referral materials will make it easier to make asking for referrals and thanking people. Extend this strategy to create a referral "elevator pitch," or testimonials. Include these testimonials in your collateral (and your Web site). Include X% of our business comes from customer referrals

As part of your referral library, create a:

- ▶ Your referral elevator pitch with testimonials
- ▶ A "thank you for your business" letter or email template
- ▶ A "thank you for your referral" letter or email template
- ▶ A "request for referral" letter or email template



8. Narrow Your Focus

Not everyone you know or do business with will be a referral source. Narrow your focus to the most likely candidates. These can include companies and individuals that that have given previous referrals, your company's best fans and those key influencers who you've identified.

9. Give More Referrals

This is where the concept of paying it forward really comes into play. If you give more referrals yourself, you'll find people are more likely to refer potential customers back to you. Often people will make referrals that aren't quite right for your business. Why not pass these opportunities on to others in your network that you know will be a better fit?

10. Created a Targeted List

In real estate it's all about location, location, location. And in business, it's all about marketing, marketing, marketing. Who are your top 50 targets? Share the list with your best referrers – including friends and family – who do they know?

11. Make it Easy

Make it easy for your referrers. Even better than business cards – provide a card with your information plus your value proposition. "We help bring product to markets quickly" or "Driving better business solutions." Sources such as www.48hourprint.com or www.vistaprint.com are cost-effective Web sites that can make your card special.

12. Always Close the Loop

The secret to maintaining good referrals is no secret at all. Always be sure to close the loop with a thank you note as well as an update and a status report.

Without a doubt, marketing takes time, energy and effort. But with a systematic referral program in place, you can maintain important personal connections while focusing on other key areas of marketing your business.