

Three steps to more referrals

Companies love referral business. Referrals make customer acquisition easier, less costly and you get better-qualified prospects. Most business clients who receive great service are happy to recommend you – yet industry averages suggest only 20% actually do.

I recently asked 15 companies (who claimed referrals as a top source of new customers) what process they used for referrals. I deliberately asked them to focus on person-to-person referrals, where the more honest conversations happen.

None of them had a disciplined referral process. They had a hit and miss approach comprising of the occasional bluebird win from a client referral or business lunch.


Making referrals a more disciplined business development process will strengthen your pipeline to the right type of prospects.

Here are **three simple steps** to orchestrate referral marketing for your company:

1. Identify key referral relationships

a. Make a list of existing referral sources including clients, partners and investors. Think of other companies who serve your sweet spot. Actively recruit non-competing allies who might be qualified and motivated to refer business to you.

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Insight in brief

Companies go to great lengths with sophisticated marketing campaigns offline and online.

Yet many buying decisions and new relationships are made through referrals. Most companies don't manage this in a structured way.

Through structure and discipline, it is possible to win more sweet spot business, more cost effectively.

Insight in Action

1. **Identify key referral relationships.** Get together with a couple of colleagues and start documenting your key referral list. Broaden the list though brainstorming other possible new

b. Nurture and build these special relationships – each time a referral is made, somebody is putting their reputation on the line to recommend you.

c. Make it easy to refer you. Let them know the profile of your ideal client and why you want an introduction to those clients. Sometimes all that is required is a simple email introduction or sharing some content with their contacts on LinkedIn.

d. Give them language to introduce your company. Ask 'What did the person who recommended us say?' The responses are gold dust – they tell you how you are being spoken about in the secret world that you are not privy to. They help you understand how you are being positioned.

2. Understand their motivation

Getting busy people focused on helping you is hard work. Give them easy to communicate stories about the great work you are doing.

a. Think of what's in it for them. Does it help them enhance a trusted relationship by introducing you? Ask how you can help them?

b. Are they also seeking referrals from you? Are you going to provide some reward or recognition for each successful referral? Make sure you deliver and impress both the new client and the referrer.

c. Take simple steps to build trust. Offer to present at their seminars, where you can demonstrate your value and gain direct access to their clients. Think of ways to make the referral process interesting or fun for them. Make it easy for your customers to invite people in their network to learn about the value your company delivers.

3. Nurture referral relationships

a. Understand your referral relationships intimately. Treat them like a big client. Understand their challenges. Introduce them to contacts that may help them. Support their charity efforts or provide free advice.

referral relationships.

2. **Understand their motivation.**

Understand what motivates people to refer your company to others. Make it easy for them by giving them simple stories to communicate.

3. **Nurture referral relationships** and

ensure they are also getting value from you.

b. Keep them briefed on your company's progress.

Give them stories of your customers WOW experiences. Make them proud of you. Make them heroes in video testimonials or invite them to speak at events.

c. Create some internal referral targets. Keep track of progress. Acknowledge clients who refer you with a simple thank you and understand how you can help them refer you again.

By adopting the above disciplines, you will grow referrals. There is a nuance to them. You don't want to be overly pushy but you can win more and better business from orchestrating, rather than leaving things to chance. Working your personal connections may prove to be far more effective than random tweets!