



The 3 Keys to Referral Success

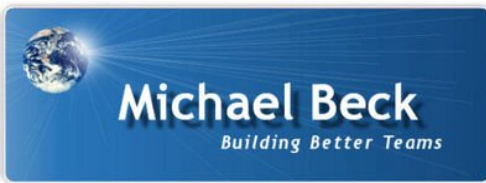
Don't you get tired of hearing about how great referrals are? Especially if you're not getting enough of them? I am always speaking to managers, agents and advisors who say they're so tired of chasing "suspects" and would love real prospects – specifically prospects that come from referrals. I have one acquaintance (a P&C agent) who, every time he sees me, asks if I have any ideas on how he can get people to call him so he doesn't have to actually FIND prospects! (Of course, there ARE ways to accomplish that, but he won't put in the effort...)

We all know people, or at least know of people, whose business is sustained and grows by referrals. But most professionals can't seem to get there. It's worth taking the time to understand why most referral efforts don't work and to understand what keys need to be in place in order to get the results you want. It's worth taking the time because prospects who are referred to us are easier to close, make their buying decision faster, are more profitable (because there's no cost in acquiring them and they spend/invest more with us), and they're more loyal – they tend to stay with us longer and stay through most of the ups and downs.

Let's start by looking at why most referral efforts fail. I'll assume that you are likable, have integrity, and know your stuff. Over my years of working as a professional and working with professionals, I've identified three CRITICAL keys to referral success. Most professionals fall short in one or more of these areas.

The vast majority of referral-hungry professionals work with too few referrals sources or "centers of influence". Whenever I do a workshop and ask attendees about how many centers of influence they have, the typical answers range from 3 to 6. That's just not enough to produce a meaningful, steady stream of referrals. Sometimes, by the way, I'll have an attendee claim they work with 50 or more centers of influence, but after further questioning, it becomes clear that they don't know how to define someone as their center of influence. Many people will describe a center of influence as someone who knows or sees a lot of people. Alternatively, some people will say that a center of influence needs to know or see a lot of people who may be good prospects.

The truth is that, although those things are necessary, they don't define them as one of your centers of influence. You see, the mayor of your city and the governor of your state both see and know a lot of people, but for most of us, would not be considered as one of our centers of influence. There are two more important components we need to add to our definition of a center of influence. They must like us and they must be willing to help us succeed. To be considered a center of influence for you, a person must see or know a lot of people, must like you, and must be willing to help you succeed. So, as I said earlier, most professionals have only 3 -6 true centers of influence.



Another shortfall is that most professionals lack a systematic way of nurturing relationships with and asking for referrals from their centers of influence. They go about it in a very haphazard manner. That just won't do. (I DO have an effective way of automating and systematizing this process, but you'll have to contact me to learn about it.)

The final shortfall is a lack of differentiation – having a “vanilla” message. Most people are focused on getting through their day, so without having a point of differentiation, a center of influence just won't think of us.

How can we turn these shortfalls around?

How can we put ALL the pieces together to generate an ongoing stream of referral?

Here are the 3 keys to referral success...

Key #1: WORK WITH ENOUGH REFERRAL SOURCES

You need to have around 12 “core” centers of influence and about 100 potential centers of influence. The core COI's are the ones you'll take to lunch regularly. The others are people you are working to develop a relationship with. Two good ways to increase your core centers of influence are to attend networking events and to ask your current core COI's for suggestions.

Key #2: HAVE A REFERRAL “SYSTEM”

This key to referral success focuses on the need to have REGULAR contact with your COI's. This may be in the form of lunches, cards, emails, voicemails, or letters. It is ONLY by regular contact that you will create a stream of referrals. (Feel free to contact me about automated solutions.)

KEY #3: DIFFERENTIATE YOURSELF

Stop using a “vanilla” message. Work on developing a message that sets you apart from everyone else out there and gives people a reason to remember you. By the way, an excellent way to set yourself apart is to develop a niche.

In summary, the three keys to referral success are to work with 12 or more centers of influence, implement a systematic way to stay in touch, and differentiate yourself from everyone else. If you take the time to get each step right, you will become one of the few professionals who grow their business strictly by referrals.