

Referrals to Grow Your Business

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I know that referrals from current customers are really important but so many times they slip through the cracks. What is the best way to ask for referrals and then to follow up?

The keys to success with referrals include having a plan, approaching many sources, having a variety of ways to ask for referrals, developing a reward system, remembering to say thank you, and sticking with your program.

The first step in getting referrals is to create a plan. Building referrals is like priming a pump. It can take a long time to get going, then produces a steady, reliable flow. Don't give up.

Define what you want, in terms of referral activity. Decide who you will contact, to solicit referrals, how you will contact them, and at what frequency. Measure results, over time. Be sure to follow up regularly, until each referral source starts to produce.

Variety as well as quantity are likely to get you what you want. Send out referral cards with billing statements. Get testimonials from satisfied customers and post them on your website. Do joint mailings with other businesses. Give your best customers 4-5 business cards to hand out. Ask people to keep an ear open in conversation, for those who are struggling with problems that your company

solves. Create a selling tool that your vendors and customers can give out whenever the topic of your services comes up. Go back to inactive customers and ask for their support. They may turn into re-activated customers as well.

Be sure to join organizations that are attended by your target market. Accompany your customers to trade shows they attend, volunteer to help them man their trade show booths.

When building a referral program, remember that simple is often best, and the best reward is often a referral in return. Be prepared to do for others, as you are asking them to do for you. Offer to refer services for customers, vendors and business associates – and then back it up with action. Make sure that every referral you receive is accompanied by a heart felt thank you, and a promise of good will in response.

Look at referral efforts as transactions, as well as relationships, and be ready to reward people for doing what you want them to do. Give a discount or rebate to customers, if their referral turns into new business. If you can't return the favor, then think about how else you might say thank you – a note, flowers, gift basket, tickets, or cash. Some companies develop a rewards program, where referrals turn into points, which can be used to buy goods in a catalog. Obviously that

takes more effort to set up and manage.

Your best bet in cultivating referrals is to develop a systematic routine, which everyone in your company follows. Schedule when to send out referral requests, when to make calls to request referrals.

Track activity and results, and be prepared to stick with your program for at least 6 months, before deciding if it is worth the effort. Figure out how to expand what you are doing, to achieve the referral activity you want. For example, if dropping off 100 referral request cards results in 10 leads, and you want 20 leads, you'll need to increase distribution to 200 cards. Make sure that once referrals come in, you continue your program, so that you'll maintain flow for the future.

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