

A photograph of three business professionals in a meeting. A woman with glasses is on the left, a man in a light blue shirt is in the center, and another man in a dark suit is on the right. They are standing in front of a large window with a view of a city. The image is overlaid with a dark blue banner at the bottom containing the title.

Building the Ultimate Referral-Based Business: The 10-Point Checklist

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Let's face it, asking for referrals can be challenging for most people and businesses. It can feel awkward, requires skill, a system, and some serious emotional competence. That is why even though 83% of us would refer others if asked – only 11% of businesses actually ask!



That's a shame given the opportunity. Consider that:

- Most businesses have a pool of over 150,000 referrals that are just one introduction away (500 clients/personal network X 500 they have in their network!)
- Referrals convert at a rate of 4X other lead sources with 2X the sales size and at a fraction of the cost
- You get to work with the people you want and replicate your best clients
- You will have way more free time

The good news: There are proven methods and a number of businesses have been able to master them. Now, you can also. Here are the 10 top actions that come from over 40 years of experience building referral based businesses and training thousand of others to do the same.

Use them as a checklist. Sure, completing all 10 can be a challenge, but you are more adaptable than you think. Play to your strengths, and find the best ways to take the thinking out of it. In other words, automate as much of the process as you can.

#10: Get Referable

You won't be referred if you're not referable. Referral work is hard work, and having a quality image and reputation helps. Do your due diligence and make sure to update all of your online social profiles and business pages. This will ensure a referral sees the best version of you across the shareable channels and will result in the best chance of that prospect wanting to do business with you. Follow Dan Sullivan's Four Principles of "Referability", and give customers a reason to connect:

1

Do what you say

2

Finish what you start

3

Show up on time

4

Say please and thank you

#9: Ask for Referrals When You've Added Value



VALUE

Value, here, is a subjective word. Good advice adds value. Sharing relevant content adds value. Sometimes just listening adds value. Connecting people to resources in your network adds value. 83 percent of your customers seek value, and they'll refer you if you've given it. As for the other 17 percent—don't worry too much about them. Just make sure you ask customers for referrals on their terms. For example, email is the #1 way consumers want to hear about a company's products and services. Give them something of value, and then ask for contact info. Shoot them an email. Shoot them a text. Or, if you can swing it, contact them on Facebook. Let's put it this way: The odds are in your favor.

#8: Simple Systems rule!

Use a time-tested-and-true system. Then, simplify it. Your system needs to be replicated over and over again. So, make sure the effort used to replicate it is small. Use simple language. Be brief and clear. The average customer's attention span isn't very long. They have a lot of things to do, and they won't stick around for long, drawn-out conversations. So be sure to prepare your best elevator pitch and make sure you can communicate it in a way that sounds exciting but also taps into what you believe is a clear need for your product or service.

Don't give yourself a "way out" when you're asking for a referral. If you practice the gathering process, you'll win a majority of the time. In the end, for any referral system to be effective- it needs to be automated. What you say, how you say it, what you do after – all of it needs to be simple, rehearsed and authentic to you. Don't forget to explore technology solutions that can make all of that easier.



#7: Bring on the Benefits



Focus on the core benefits, and give customers a strong reason to stick around. Be honest: The referral does benefit you. You will want to be transparent about that. You can, however, focus on their benefits.

By referring you, your customers will increase your efficiency as a service provider- allowing you to spend more time with them as opposed to marketing. You are honoring your relationship with them when you ask for referrals. You are putting them in a position to help others and make a difference.

Incentives can also really help keep the benefits front and center. Discounted services, Amazon gift cards, a free month off have all proven quite effective. It's about them, at the end of the day, and a relationship is a two-way street.

#6: Track and Measure Results



Whatever you focus on, and measure and consciously improve will get the best results. Your tracking system shouldn't be too complicated, however. Focus on critical metrics only. As with the other points—you guessed it—you need to automate. We're talking about activity, referrals, conversion to customers and sales. Make sure you also track your ROI of your marketing programs to make sure your investments are paying off.

#5: Lay Out the Core Marketing Plan

Take the time to develop an overarching marketing plan. Define your mission, ideal clients, your values, strategies, tactics, and resources needed. Your referral approach and system should be fully integrated with your marketing plan. For example, when you ask for referrals, you should describe your ideal clients you state in your marketing plan.

If you have a good marketing plan, you'll attract more customers. If you attract more customers, you'll get more referrals. It's a cyclical process—and a powerful one, at that. If you are looking for a plug and play template for an effective marketing plan, [check this out](#).



#4: Tactically Ramp Up Your Online Presence

In 2017, online marketing wins out. Build a trustworthy online presence, and make sure you're connecting to your brand's biggest audiences. You have LinkedIn, you have Facebook and you may even find your ideal clients on platforms such as Instagram and Snapchat. No, we're not telling you to send Snaps to all your customers. You should, however, connect with them via fun, relevant content. Make sure your image is consistent across all platforms, and play to your strengths.

#3: Shout it in the Streets

Tell the world you're looking for new referral clients. Be proud! Don't keep your intention to grow through referrals a secret! Use plenty of signage. Have an effective signature line on written communications. One of the most effective signature additions is the statement "don't keep me a secret". Then make it easy and provide a path for them to refer you to others. If you engage the public with confidence, they'll be confident in referring you. Grow wide, and turn the referral gathering game into a social celebration.

#2: Recognize and Thank Your Sources

Most of us want to feel valued. When someone takes the time to introduce you, reinforce it immediately. Let them know how much you value them and appreciate the introduction. This sounds obvious, but you would be surprised how many fail in the execution – especially the immediately part!

There are many ways to do this, Face to face, via text or email, phone call, or handwritten thank you note. Once again, to be successful with this, you will need to systematize this to make it easy, require little thinking and make sure it happens every time- immediately. Doing so will ensure three outcomes. First, you will reinforce your relationship with the referrer leading to more trust and business with them. Second, you will reinforce a behavior that you want to continue – referring others. Finally, your referral source will feel valued and likely play a greater role with helping you convert your referral to a new customer.

THANK
YOU

#1: Broaden and Strengthen Your Network



Networking has been a buzzword in business for a very long time. This is for a very good reason – done well it works. Top growth businesses understand two basic principles. First, it is way more effective to market to relationships than it is to market to strangers. It involves way less rejection, conversion is much higher and it can be done at a fraction of the cost.

Second, the opportunity for leverage is beyond belief. What we stated earlier is worth repeating. Most people have 500 or more relationships (clients, network). Your relationships also likely have 500 or more. That means you have access to 150,000 potential new customers who are just an introduction away!

Focus on expanding your relationships through actions-based on your strengths - whether online and offline or ideally both. Expand your LinkedIn contacts, ask your relationships to connect you with their most trusted resources, and use technology to systematically contact people and add value. Strengthen your network through frequent contact, adding value and connecting them to valuable resources.

The Power of Utilizing Proven Referral Automation Software

You may have a system that is easy to use, leads to consistently asking for referrals, and nurtures relationships and referrals leading to more business. If you do, keep doing what you are doing! If you are missing one or two of the top 10 – just focus on filling the gaps.

That said, by utilizing a proven referral automation system, it will make 1-10 much easier, more effective and way more consistent. That's where ReferMe IQ™ comes in. We have combined our experience with state of the art technology to create a complete system with all of the success drivers built into it. It will consistently ask your relationships for referrals whether you are up to it or not – personally, professionally and in ways they prefer. It will incent them, thank them, generate referrals, and nurture referrals to conversion. Finally, it will measure and track activity and results to make sure you are getting ROI. Best of all, it is surprisingly affordable – probably less than you are spending on coffee each month!

Learn more at www.refermeiq.com