

The logo for REFERME IQ, with 'REFERME' in white text on a dark blue background and 'IQ' in white text on a lighter blue background.

REFERME

IQ

™

Automated Referral Intelligence

A close-up, high-contrast image of a hand holding a large, faceted diamond. The background is dark and blurred, focusing attention on the hand and the gemstone.

Gaining Leverage

Driving superior and sustainable results by
building a referral culture!

Gaining Leverage- Driving superior and sustainable results by building a referral culture!

As a modern sales leader, you focus as much on marketing as you do on sales. You are constantly attempting to solve for targeted outreach to attract more talent and net new clients to your organization. It's all about growing your # of stores (advisors/sales reps/offices) and your productivity/profit per store (production) – at the same time! Not an easy task.

In some cases, you depend on a marketing or recruiting department to do it. In other cases, it's totally on you. Either way – you want to feel in control of your destiny and influencing others to drive results to hit your goals. More often you feel less control and more frustration. This is particularly true in today's ever changing marketing environment where all forms of “stranger marketing” (email, job boards, social media, LinkedIn, etc.) are under attack. These platforms have become very noisy, with lower trust, with more filtering leading to lower conversion and higher cost.

As a result, many leaders and organizations are “going back to the future” by recommitting to referrals as the primary way to do business. Referrals to quality recruits and referrals to ideal clients. This is worthy and perfectly aligned with consumer interests. In fact:

- **Trust in referrals is up: 91% of consumers would refer if asked vs. 83% 5 years ago.**
- **It is the #1-way consumers want to learn about you and your services.**
- **Consumer preferences, however, have changed to more technology based – #1 way is email and #2 is text/SMS.**

Here's what leaders generally get very wrong, though. Most take a half swing. You may do some training, share some scripting, maybe even reinforce a bit with tracking and recognition. Results ebb and flow based on the capacity and energy of the leader – amid too many tasks, priorities, and daily firefighting that is part of the job- never fully optimizing the opportunity.

If that sounds familiar – what follows should be very helpful to you. It is all about equipping you with the secret weapon – leverage! Leverage is all about “Pareto's law” – finding the few that drive the many. After 30+ years as a top 1% leader of thousands of financial services sales professionals in multiple producing, executive and entrepreneurial roles, I can tell you that building a referral culture is one of those few things.

I want to save you years of time and frustration by showing how to do it and offering a path to get help if needed.

Let's start with the “big why” and then get to some doable actions.

The Big “WHY”

Let's start with the obvious – why referrals? You know most of this, but just to confirm:

1. It is best for consumers. Everyone wants to make a difference if possible. Referring someone to a valuable product or service makes us all feel good. Trust is much higher in a referral than any other marketing method, so it works.

2. It is best for professionals. It is the best converting lead source – by 400%. Professionals who focus on referrals make 4-5X more than those who don't. It is no wonder most all businesses want more referrals.

3. It is best for your network. Generally, your network will be even more willing to refer others to you than even doing business directly with you – especially if they are not a great fit for what you do. If you can stay in touch with them, clearly communicate your unique value, and make it easy – they will feel good about referring others they care about.

4. It is best for your business. Referral marketing is the lowest cost, highest conversion, and most sustainable way to ensure continuous growth. That is especially true compared to all the shiny new “stranger marketing” techniques that come and go and create dependency. Remember when direct mail ruled or when cold email produced high ROI or when a social post produced massive interest? Not anymore.

Next, let's talk about the “**why**” behind building a referral culture.

1. It provides leaders' massive leverage. It starts with Vital Statistics, the 3 drivers of revenue. The formula is $\text{ACTIVITY} \times \text{CONVERSION} \times \text{SALES SIZE}$. Why not focus on actions that drive all 3 at the same time – that's what referrals do! This allows you to spend time on your highest and best use of time. Less stress and more fun! For a tool to help you determine your vital statistics, [click here](#).

2. Sustainability – we all want to focus on things we control or at least influence. Leaders spend thousands and, in some cases, millions of \$'s chasing recruiting tactics to the masses and the same is true mining for new clients. That's hard, expensive, and unpredictable. Instead, build a culture focused on leveraging the hundreds and thousands of relationships across your organization, client base and networks. That is entirely controllable and influenceable.

3. Quality of life – picture an organization entirely oriented around referrals. Your current staff, clients and network are referring all your targeted recruits taking 80% of the burden off your recruiting systems and staff. Your professionals are making a fraction of the calls, doing a fraction of the marketing because most clients are coming in from referrals to “ideal clients”. That all rolls up to more time for them and you, less stress, and more income. Spend more time on hobbies, family and going deeper in make best use of your talents to drive your organization.

OK – that all makes perfect sense, but what exactly is a referral culture?

Here are the 6 key components to a strong referral culture:

1. Clear and compelling vision – something like “We are a high growth, 100% referral-based business as the most sought out provider of _____ in our market”. The idea is to build a story of what that feels like, looks like, and how it impacts all constituencies in life changing ways. Share it early and often and reinforce constantly when you see examples of these behaviors and results.

2. Make sure you, your people and your organization are referable! This is really the “ante” into the referral game. The key drivers are consistent contact with relationships (at least monthly), adding value at each interaction, and demonstrating values (do what you say, finish what you start, show up on time, say please and thank you). If you are not sure where you stand with this, take this [Referral IQ Quiz](#) to find out.

3. Mindset Training – This is the first thing I learned from my early referral mentors. As a leader, you can start by leading from the front and sharing your mindset- then challenge others to adopt their personalized version. It needs to be reality based, personal, emotional, and authentic. My mindset evolved into some version of “I am morally obligated to consistently ask my relationships for referrals with skill and passion. If I don’t- I eliminate their human need to make a difference in the lives of those they care about. If I don’t, the missed referral may be doing nothing or working with someone less committed to them and therefore I am hurting them”.

4. Skills Training– This involves coaching on what to say and do, how to say it and do it, and how to remain emotionally competent no matter what. Some leaders find scripts helpful. Others use outlines. The key is to build skills with positioning the referral process as part of the client journey with your firm.

5. Foundational technology-based system – This is the “heartbeat” of referral culture success and the most overlooked piece. Referral success is based on a set of human behaviors. They include asking for referrals in ways consumer prefer (email/text), motivating relationships to refer, facilitating an effective introduction, getting the referral interested prior to contact, creating a path for referrals to request meetings, making it easier for all parties in the process and tracking everything to ensure ROI. Having a [system that automates these behaviors](#) takes significant burden off your organization and will produce consistent results while you work on the other areas of culture.

6. Reinforcement – Leaders understand this “mantra”: What I measure and reinforce produces results. Building culture is no different. For example, conducting quarterly training workshops, quarterly leader dashboard reviews, integrating recognition into weekly communications, and formalizing best practice sharing are all ways we help our clients do it.

what are the top 3 actions I can take now?

Establish a big, bold vision:

Communicate it early and often! Challenge your team of leaders to adopt it, personalize it, and do the same. Whether you lead financial advisors, insurance agents, or any other type of “producers”, they universally want the same things. They want to improve their quality of life, build wealth, make a difference by helping others, and to do it in the least amount of time and effort. Make sure you relate your vision to how a commitment to building a referral culture contributes to these motivators. Use the concept of “pain and pleasure” to also articulate the downside of a life continuously chasing leads, chasing the moving target of “stranger marketing” techniques, and the effects of the stress wondering where your next client or recruit will come from.

Build referral training and reinforcement into your current systems and calendar:

Make referrals a focus of your weekly leader meetings. Integrate referral training into your training classes from day 1 through year 3. Shift your contests, recognition, and incentives to align with referral generation and conversion. Celebrate victories early and often with leaders and producers. Establish goals, track them, and include a section on this in your QBRs (quarterly business reviews). You will be surprised how quickly you can build buzz around this that can take on a life of its own.

Find an expert to partner with:

As they say, if this were all easy to do, you would have done it already! It can be much easier to fully execute a referral strategy that can help you realize your vision – you will just need to think about it a bit differently. You need a technology-based referral system. You need help with getting it fully implemented across your organization without taking a lot of time you don't have. You need help integrating the system with your structure, training systems and technology. You need it backed by subject matter experts who have ‘been there done that’ to help educate and motivate your team as an extension of your leadership. You need help keeping this top of mind amid your competing priorities, so this doesn't get lost. That is what we do for leaders at [ReferMe IQ™](#). Leverage our expertise, our proven system, and track record of success with leaders just like you.

If you want to start a dialog, feel free to connect with me on [LinkedIn](#) or [email](#) me directly.

Otherwise, I hope this has been helpful and I wish you great success on your journey to lead a powerful referral culture!

ReferMe IQ™ is passionate about helping organizations build high growth referral-based businesses with their “state of the art” automated referral platform. Peter S. Velardi is an accomplished senior executive and entrepreneur who has impacted thousands of individuals and organizations to build a fast growing referral based business.