

Referral Selling

By Brian Geery and Sally Sweeney

Sincerity is essential

When reflecting on his success, the owner of a multi-million dollar consulting firm said, "I have a sincere interest in people. I believe that is the primary reason our firm has grown." He went on to say that the more *interested* he behaved when meeting people, the more *interesting* they became. The key word here is *sincerity*. He was genuine. He truly wanted to know about the people he met. Knowing that, do you find it surprising that 100% of the consulting firm's business was based on referrals? Avoid techniques and focus *on the person*. Ask yourself: *Do I know how long this person has been in his/her industry? Do I know what motivated this person to join his/her industry? What is this person's business philosophy? Does this person have a spouse, children?* If you do not know, ask. Get to know people as people and their business will follow.

Make referral requests the secondary reason for a call.

It is important to ask for referrals regularly and often. If you do not ask, you may not receive. However, making a referral request should rarely be the primary reason for contacting someone. Again, sincerity is the key to successful referrals. Your modus operandi should be the person first, the referral request second. Call people with new information that is relevant to them, call to ask an opinion, or call to *give* someone a referral. Focus on the relationship and you will gain referrals... and much more!

Make people feel important.

Is there a way to predict the future value of your current business contacts? Can you immediately foresee which new contacts hold the key to fabulous opportunities for you? Of course not! Knowing this, your best strategy is treating *every* contact as if that person is the most important contact you know. Treat people with respect and let them know you value the acquaintance. People like to feel important; let them know they are! Tell them what you see in them that causes you to feel that way. Do you think they would be a great source of referral business? Tell them. You will find people appreciate feeling important and they will feel confident about referring others to you as a result.

Remember names.

Using a person's name has a profound impact on how he or she will feel about you. A person's name sets an individual apart; it makes him or her unique among all others. In addition to being successful people, Andrew Carnegie, Franklin D. Roosevelt, Napoleon the Third, Emperor of France and George Pullman, the railroad magnate, all have something else in common: they all possessed the ability to remember the names of the people they met. Their biographies tell us this ability was a key element to their success. People appreciate it when you call them by name. Learn and practice the skill; people will like you even more. When people like you, they will refer you.

Promptly acknowledge referral sources in writing.

There is power in written words. We have all heard someone say, “Show it to me in writing.” or “I’ll believe it when I see it.” Long ago, hotel managers discovered that the only way to ensure their guests left on time was to post the check out times in writing. Likewise, people often respond more favorably to written correspondence. If someone contacts you as a result of referral, be sure to promptly acknowledge the referral source in writing. Written acknowledgments make you indelible in other’s minds. People remember what they see more easily than what they hear and many people keep the correspondence they receive. Sending a note causes people to remember you. This results in you receiving more referrals from that person.

Always follow up.

Following up with your business contacts usually requires less than an hour a week. A brief phone call or note is all it takes to update your business contacts about the results of the referral or discover what happened with referrals you gave them. Following up is a courteous action that inevitably makes people feel good about referring again because you are letting them know you took action as a result of their referral. The return on this small investment of your time can be many referrals.

Give in return.

When you receive, give. It’s a principle that is fairly simple and even obvious, but *executing* it can be the bottleneck. Don’t let your busy schedule take your mind off what is important. Remind yourself of those who have helped you. If you received a referral, give a referral. This encourages others to refer you even more.

Thank people often.

Think of the variety of telephone calls and business correspondence you receive throughout a busy workweek. How many calls or letters were simply to say, “Thank you?” Remember how good you felt the last time someone gave you a sincere word of thanks? (Pretty good. Right?) People feel good about doing things for others, but receiving acknowledgment makes them feel better about themselves and the person who acknowledged them!

Two simple words yield phenomenal results. Best of all, these are fun words to say because you feel good about yourself for making someone’s day. Ironically, a sincere thank you is rare in today’s busy world. Seek to change the status quo. Make it a point to thank at least two people a week. When you increase the number of positive exchanges that take place during your week, the net result is an increase in business referrals because people feel good about you.

Admit when you don't know.

Being knowledgeable is one of the best ways to win referrals. Not knowing and admitting it still enables you to win referrals. Winging or faking it is a surefire way to *lose* referral opportunities. Whenever a person asks you a question you cannot answer, admit it. Don't give answers you think people want to hear. Don't misrepresent yourself or your company by overstating your capabilities. If you guess, everyone loses. You put your reputation at risk by delivering a substandard or incorrect solution; your contact loses either money or time. Sparing yourself one awkward moment is not worth risking your good reputation (and the referrals that come with a good reputation). A study conducted by the White House Office of Consumer Affairs found that more than 90 percent of dissatisfied customers would not do business with the offending company again. Furthermore, each unhappy customer is likely to share his grievance with at least nine other people. The study also found that 13 percent of unhappy customers would tell more than 20 people. In other words, this behavior leads to "anti-referrals." If appropriate, volunteer to get the answer and follow through quickly. Honesty remains the best policy!

Listen more than you speak.

We all have two ears and one mouth – 2:1. This is the ratio of how much we should listen verses speak. People appreciate being heard *and* understood. The value of listening is evident to many sales people; however, after an objective evaluation, many are surprised to discover they do just the opposite. Many people, who *assume* they are good listeners, do not realize they need improvement until a problem occurs. Have you evaluated your listening skills lately? When speaking to someone do you listen...truly listen? Do you think about what you are hearing? Take notes? Ask questions? Repeat back what you think you heard? Continual refinement of your listening skills enables you to learn about the people who will inevitably like you, remember you, and want to refer you to others.

Make it easy for people to be references.

When you provide superb service, it is easy to for you to convince customers and clients to act as references for your business. In turn, make it easy for them to *take* reference calls from prospective customers. Even the most well intentioned customers may agree to be a reference, then not know which area of your services to promote when they receive the call. Give your customers some direction. Tell customers, "If you get a reference call it would be best for you to focus on how we..." (Note: Always tell your contact to focus on what you *do for* your customers.) This keeps the call concise and focused. Your customers will appreciate the direction and be happy to take more calls in the future.

Use memorable phrases to describe your service.

Maria met Paul at a networking meeting. Paul thought Maria's bookkeeping service would interest an out-of-town associate. Paul promised Maria that he would mention her service to the associate at his company's next quarterly meeting. Yet, on the day of the meeting, Maria's business went without mention. What happened? In the middle of managing multiple priorities, Paul forgot all about Maria. One way to prevent this from happening to you is to create *memorable phrases* to describe your product or service. Consider the plumber who says, "Remember, a flush is better than a full house" or the insurance agent who says, "If you drive it, live in it, or work at it, we can insure it!" Create a memorable phrase to describe what you do and you will get more referrals.

Let others know when they should refer you.

Even though people see value in giving referrals, some just do not have time to figure out whom they should refer to whom. When you ask people for referrals, provide suggestions that make it easy for them to perform the task. Be specific. Phrase your requests like this, "My typical customer is a vice president of sales of a technology company. If you could personally introduce me to people you know who fit this profile, I'd really appreciate it." That kind of direction helps to generate better qualified referrals.

Separate yourself from competition.

If you do not have a competitive advantage, don't compete! If you have a competitive advantage, tell everyone! What does your product or service *do for* your customer that separates you from competitors? Make certain you focus on the benefits of your products or services. (i.e.; how can you save your customers time, money, or aggravation?) People need to understand what makes your product or service *different and better* so they can enthusiastically refer you to others.

Appear interested in their business, but not in need or desperate.

Always be interested in obtaining new business, even excited, but do not appear as if you really need the business. What kind of behavior makes you appear in need? Self-depreciating comments about yourself or your business are "red flags." How would you feel if you heard the following comments from someone?

"You will be our first new customer in while."

"Our calendar is wide open"

"We need the business."

"Getting to it right away is no problem because things are slow."

The above comments make people ask, "Why aren't they busy?" If you act desperate for business, people will question your behavior or assume reasons for it (i.e., poor service, inappropriate pricing, etc.). The image does not win referrals.

Accept praise graciously

Have you ever complimented someone on his or her work and been met with an objection (e.g., “Oh, it was nothing really.” or “I could have done better.”)? How did you feel? You probably felt awkward about giving that person a compliment. Now, what if that person had responded with enthusiastic appreciation? Do you think you would have felt better? If you take pride in your work and do a good job, praise is sure to follow. How you respond to that praise tells people a lot about you. Successful, confident people can easily accept praise with a genuine “Thank you.” A person who refuses to accept praise gives off the impression that he or she has no confidence and *negates the person who gives the compliment*. Additionally, declining praise negates your work. False modesty causes others to question your abilities. As a result, they may be reluctant to refer you. The next time someone raves about the quality of your work, respond to it graciously.

If you have nothing good to say, say nothing.

Negative comments about *anyone* will not get you referrals. A true professional will not “knock” another person – even his or her competitors. Think about the last time you heard someone putting down another person. Was your impression of that person positive or negative? When a person speaks negatively about another person or company, the people who are listening often wonder, “What’s this person going to say about my company or me when I leave?” or “How could I possibly refer anyone so unprofessional?” Make sure your behavior reaps referrals.

Speak with other’s interests in mind.

Professional speakers call it tuning into radio station WIIFM (What’s in it for me?) The famous motivational speaker, Zig Ziglar, says, “You can get everything in life you want, if you just help enough other people get what they want.” A person looking to gain more referrals should call it “speaking with other’s interests in mind.” If you think more about others, they will think more of you. Constantly focus on other’s wants or needs and you will ultimately get what you want, more referrals.

Send your contacts information that is useful to them.

The president of an extremely successful company (85% of their new business is from referrals) uses what he calls his “wave theory of marketing.” Periodically he sends his database of contacts information he feels would be useful to them. It is not an advertisement or solicitation, simply useful information. The net result is the referrals come in “waves”! Send your contacts useful information, and you will increase your referral business.

Call people before they call you.

“Thanks for calling. I was just thinking of you” are words you should hear often from quality referral sources. Calling your key referral sources at regular intervals will keep your name at the “tip of their tongue” and not the “back of their mind.”

Let people know how you have gone the extra mile.

Unfortunately, superb efforts do not always garner attention. You can “but -service” your competition, but if your customers do not know it, you are missing key opportunities. A computer systems company provided preventive maintenance for its clients on a regular basis. Each month the technicians arrived on schedule to quietly inspect and clean the printers, workstations, and processing units. So quietly, in fact, the owners of one client company *were not aware* of the service technicians' visits. When it came time to renew the maintenance agreement the owners had difficulty justifying the company's higher costs compared to lower priced competitive bids. As far as the owners knew, they were not receiving anything extra! After this eye-opening experience, the computer company instructed its technicians to leave stickers on the equipment to indicate the day and date of the maintenance visit. They also asked the client companies to initial an acknowledgment of the worked performed. Additionally, the company performed quality surveys after each visit. All these actions let their customers know they received the extra attention. Always let people know when you go the extra mile; it will help you retain existing customers and ensure they enthusiastically refer you to others.

Cultivate high visibility relationships.

A retired millionaire observed the limited growth of a young friend's company for several years. One day the friend, bemoaning his situation, asked the millionaire what he was doing wrong. What was the millionaire's answer? The friend was not associating himself with people who had specialized knowledge in the various facets of his industry. The millionaire said that one key to success was to “Know what you don't know.” He instructed the friend to align himself with people who could fill in the gaps. When the millionaire started his business years ago, he established connections with people who were already successful in his field. Subsequently, these people were very visible in the related business community. The result was a stream of constant, *qualified* referrals. Create relationships with people who specialize in different areas of your industry or have skills that complement yours. These people usually have high visibility in the business community. You may not become millionaire, but the referrals that come your way give you a fighting chance

*Get to know what you don't
know as fast as you can.*

- Robert Heller
The Super Managers

Request help from others.

An outplacement services company was developing new promotional literature. They sent copies of the first draft to six human resources vice presidents (a title that most outplacement services target) and asked for their opinion. All six happily responded with valuable suggestions *and* they expressed interest in the service. The chief executive officer of a non-profit human services provider appointed successful executives to their board of directors to provide advice on the organization's development issues. Throughout the year *every* board member referred business. Asking for advice gives your business contacts a clear idea of what your company does and can do. This “inside” knowledge makes them an excellent referral agent for you while their industry knowledge helps you constantly refine your business.

Communicate often.

Professional advertisers agree that consistency is a crucial element of a successful ad campaign. Direct mail experts say that if you have a list of 1000 names and a limited budget, you will make the most use of your budget and get a better response if you cut the list in half and mail twice to 500 names than if you mail once to 1000 names. To gain quality business referrals the same rules apply. Communicate often. Be consistent. “One shot” communication will limit your potential to hit anything.

Actions speak louder than words.

Don't just say it... *do* it!

People judge actions over words. To gain quality referral business, get yourself noticed. If you find yourself *taking* action and not *talking* action, the results speak for themselves!

Get personal

A senior executive directed his fairly successful sales manager to take each of his seven team members to lunch individually. He gave the sales manager the following instructions:

- Do not to come back to the office for *at least* an hour and a half.
- Do not discuss business.
- Find out about each team member as a person, not an employee.
- Spend half the time listening to the employee and half the time talking about yourself.

This practice increased the loyalty and camaraderie between the manager and the team. The benefits of the manager's actions became evident as he led the team to become the number one ranked team in the country for sales volume. In the same manner, sharing personal information and getting to know business contacts personally will create a bond that will lead to referrals.

Go the extra mile, do more than is expected.

In the referral game, the ante for playing is meeting people's expectations of you. To win the game, you must *exceed* people's expectations. People cannot help talking about you when you do more than expected. A very successful restaurant chain serves huge portions of food...more food than anyone can possibly eat in one sitting. It is rare to see a customer *not* taking home leftovers. Many take home enough food to last a whole week! You can imagine the restaurant's customers would tell their friends about the amazing portions. By constantly exceeding customer expectations, this restaurant's popularity increases and it is able to open new locations. Give customers service beyond their expectations and you will enjoy continuous referrals.

Respond to referrals fast.

All business people manage multiple priorities. In managing your own, there is one priority that yields significant results. Respond to *anyone* who contacts you as a result of a referral from another business contact and do so quickly. Keeping this a top priority on your "to do" list keeps the referral calls coming and ultimately *saves* you time. Even if you know the person contacted you because they were trying to gain your business, respond quickly.

Professionalism is a trait everyone appreciates. Treat all referrals professionally and they may ultimately become yet another referral source!

Return favors.

When people do favors for you, they do not necessarily expect that you will return them; however, people appreciate it when you do! Two good things typically happen as a result of a returned favor: people want to do *more* favors for you, *and* they are more likely to refer you when the opportunity presents itself.

Avoid over committing.

"Sure, I can do that" is a terrific response...as long as it is true! Over -committing creates stress for customers or prospective customers and yourself. Many people new to networking make the mistake of over-committing to stay visible in the business community. However, these people quickly learn that quantity does not always mean quality. Quality counts in the referral game. Keep your schedule up-to-date and in one place. Be realistic when scheduling commitments. Know your limits and don't fool yourself into thinking that declining an opportunity ruins your chances for future opportunities. People regard a busy schedule as a sign of a successful person, which makes them want to do business with you even more.

Always come through when you say you will.

Reliability is a trait that is *usually* recognized. Unfortunately, being unreliable is *always* recognizable. Behave as if your words are etched in stone upon leaving your lips. Give referral sources a reason to be confident in you and referrals will come your way!

About the Authors

Sally Sweeney, Managing Partner, Quota, Inc.

A proven top performing sales professional, Sally knows what it takes to build a solid team of top performing technology sales professionals. As a sales professional, before founding Quota, Inc., Sally earned numerous top performer awards, consecutive President's club trips and regularly brought in sales above quota.

During her more than ten years in sales and sales management positions, Sally developed a successful track record in driving the sales of intangible services and enterprise wide software.

In the recruiting field, contract, contingency and executive search work all fall under Sally's repertoire. She has helped fill positions that included administrators, technologists, service representatives and executives. Through this experience, Sally found her passion – building technology sales teams. Sally has followed her passion and placed innumerable quota achieving sales professionals.

Sally is an avid student of sales strategies. In addition to being trained in the most popular sales methodologies, Sally stays current on new literature and trends in the profession of selling.

An enthusiast for matching people to companies, Sally is the coauthor of *Buy Me, I'm Worth It*, a book that enables job seekers to apply sales and marketing principles to their job search.

As the leader of the recruiting team at Quota, Inc., Sally ensures clients and candidates receive unparalleled service. Her team goal is to enable clients to expeditiously hire technology sales professionals who will achieve or exceed their quota, quarter after quarter *and* help create a dynamic and cohesive corporate culture.

Brian Geery, Senior Partner, Quota, Inc.

Brian knows what it takes to build world-class sales organizations. He began consulting with technology companies in 1991 and has since worked with some of the most explosive growth technology companies to structure and develop their sales organizations.

Brian consulted with Cambridge Technology Partners when their annual revenues were \$20 million with 125 employees – when revenues topped \$580 million and with 3,500+ employees, CTP was acquired by Novell in 2001. He has consulted on sales strategy with CEOs or Sales Executives at Intel, HP Invent, Nortel Networks, Thomson Investment Software and over 100 other companies.

Before joining Quota, Inc., Brian was hitting his numbers for 15 years as a salesperson, sales manager and branch manager at three 'underdog' technology companies – now they are top dogs.

Brian's strategies for sales success have appeared in numerous publications, including the Wall Street Journal and regular appearances in Sales and Marketing Management Magazine. Brian has appeared on radio and television and has been a featured speaker at business conferences throughout the country including Inc. World, The International Quality and Productivity Conference and MIT.

Brian is former founder and president of the Sales and Marketing Toastmasters Association and former vice president of the Sales and Marketing Executives Association.