



## Three Keys to Generating More Referrals

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Referrals are the “holy grail” of sales and marketing for most Los Angeles and Southern California businesses. When someone you know refers a potential new customer to your business, this gives you a tremendous advantage over competitors when it comes to turning the prospect into a client — because you have effectively been “pre-qualified” in the eyes of the prospect.

Not surprisingly, many business owners and executives spend much of their time trying to cultivate referral sources. There are many potential ways to do referral marketing: attending industry networking functions, for example, or providing your referral network with value-added information and resources.

But there are three things that absolutely must occur before anyone is going to refer you to a potential new customer.

### 1. They Have to Know You

It might go without saying, but we’ll say it anyway: Others can’t refer your business to qualified prospects if they don’t *know* your business. Or more specifically, they need to know what your business does — in particular, what you specialize in — and why you are really good at this. The best way to accomplish this is to share with them your unique selling proposition.

The key to accomplishing this goal is creating a formal referral marketing program. This program will identify other professionals and businesses that operate within your sphere of influence and specify ways that you can cultivate relationships with them. It’s important to note that referral marketing is an active, not a passive, process. You shouldn’t just sit back and wait for others to send referrals your way. Instead, be proactive in sharing with referral sources the profile of your ideal customers so they can actively be looking for them and then sending them your way.

One final thought here: Don’t hesitate to *ask* for referrals. Some business owners and salespeople are afraid that asking for referrals might make them appear too pushy or desperate for business. This usually isn’t the case if the referral request is made in a professional way — and if you stress that you aren’t looking for just any referral, but referrals that are a good match and that should result in a win-win for both the prospect and your business.

### 2. They Have to Like You

Identifying potential referral sources and building relationships with them usually isn’t enough. Nor is convincing them that your company is really good at what it does and would be a great fit with their prospect. In order to provide a referral, the referral source usually has to *like* you.

The simple fact is, most people don’t want to work with other people or organizations that they don’t like — regardless of how skilled or competent they may be. And they’re usually not going to refer prospects to these people or organizations, either.

So you need to make it a priority in your referral marketing efforts be a likeable person or organization. For example:

- Do you (and your salespeople) have a friendly, personable demeanor?
- Do you smile readily and laugh often?
- Are you an optimistic, glass-half-full person?
- Do you go out of your way to help others whenever you can?

### **3. They Have to Trust You**

The first two goals are relatively easy for most organizations. Creating a basic referral marketing program usually isn't a difficult task, and most successful business owners and salespeople didn't get to where they are without being friendly and likeable. But this third goal — building *trust* with referral sources — is where many businesses often drop the referral ball.

After all, trust is something that has to be earned. You can tell referral sources that you are trustworthy, but the proof, as they say, is in the pudding. To earn trust, you must operate your business at the highest levels of honesty and integrity at all times. For example:

- Do you (and your salespeople) do what you say you're going to do, when you say you're going to do it?
- Do you follow through on your commitments?
- Do you treat others — employees, vendors, customers — as you want to be treated?
- Do you take shortcuts that compromise quality or service in order to boost sales or profits?

### **Concluding Thoughts**

Most businesses welcome referrals, since they give them an edge on the competition when it comes to turning prospects into clients. But referral marketing is an active, not a passive, process. You can't just sit back and wait for others to send referrals your way. Instead, be proactive by creating a formal referral marketing program that identifies other professionals and businesses that operate within your sphere of influence. Then work hard to get these potential referral sources to know, like and trust your business.

### **About CFO Edge**

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