



## What is Your Professional Services Referral Style?

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Many Los Angeles and Southern California business owners and entrepreneurs consider referrals to be the “holy grail” of sales and marketing. When someone they know refers them to a prospect, or refers the prospect to them, they are in a very favorable competitive position when it comes to turning the prospect into a paying client. This is because the referral effectively pre-qualifies the business for the prospect.

On the flip side, many owners and entrepreneurs often need the services of other professionals to help them meet specific business challenges. These can range from financial and accounting assistance to legal services, banking relationships and IT consulting.

In your role, you probably come into contact with many business owners and entrepreneurs on both sides of the referral fence: those needing to find service providers to help them in specific business situations, and service providers who would appreciate being referred to businesses that need their services. As a trusted advisor to your clients, do you see making referrals as an important role for you to fulfill?

If not, you should. You can best serve your clients by encouraging them to hire the professional service providers who can help them solve problems and move their businesses forward.

### Different Referral Styles

It's important to keep in mind that all referrals are not created equal. There are different ways to make referrals and different referral styles. For starters, there is *active* referring and *passive* referring:

- **Active referring** — Here, you actively suggest to your clients that they should seek help in meeting a specific business challenge, and then ask them if they would like you to make a referral.
- **Passive referring** — Here, you wait for your clients to approach you for help in meeting a specific business challenge before making a referral.

You also need to determine how you will decide *which* professionals to refer to other businesses. For example, will you refer:

- Trusted contacts you have worked with before who have helped other clients of yours in similar situations?
- Contacts who you believe have the best skill match, regardless of whether or not you have personally worked with them before?
- Contacts who you think would be the best cultural fit with your client?

In addition, you need to decide how *many* referrals you will make in a given situation. For example, will you make two or three referrals and let your client decide which one is the best choice for the engagement? Or

will you do the vetting yourself and make just one referral of the service provider who you think is the best fit for your client?

### **Facilitator or Gatekeeper?**

Another referral distinction is between *facilitating* referrals or serving as a referral *gatekeeper*. For example:

- By giving your client the contact information of a service provider and letting your client make the contact, you are acting as a gatekeeper by not introducing the service provider to the process.
- Asking the service provider if he or she is interested in helping your client, but not divulging who your client is, is similarly acting as a gatekeeper.
- On the flip side, you can serve as a facilitator by providing the service provider with your client's information in order to make contact, having received permission to do so from your client.
- Or, you can make an email introduction between your client and the service provider so they can arrange with each other how they would like to make contact. This has become an increasingly popular way to make referrals in the digital age.

Providing your client with the contact information of a service provider may be helpful to your client in the short term by letting your clients make contact when they are ready to meet with the service provider. But if your client delays contacting the service provider, this can actually become a disservice: Your client will continue to procrastinate and any service provider with whom you have discussed the opportunity will lose interest. Even worse, the service provider might possibly see you as someone who wastes his or her time and not want to collaborate with you again in the future. If you sincerely believe that your client's business will be best served by bringing in an outsourced service provider, it makes sense for you to actively encourage contact between the client and potential service providers.

### **Concluding Thoughts**

In your role, you probably come into contact with many business owners and entrepreneurs on both sides of the referral fence. As a trusted advisor to your clients, do you see making referrals as an important role for you to fulfill? If not, you should. You can best serve your clients by encouraging them to hire the professional service providers who can help them solve problems and move their business forward. Keep in mind that there are different ways to make referrals and different referral styles. Familiarize yourself with these different styles so you can use the one that's best for each referral situation.

### **About CFO Edge**

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