Non Stop Referrals

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5 steps to the referral machine

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A Professional Guide to Marketing through Referreral Groups

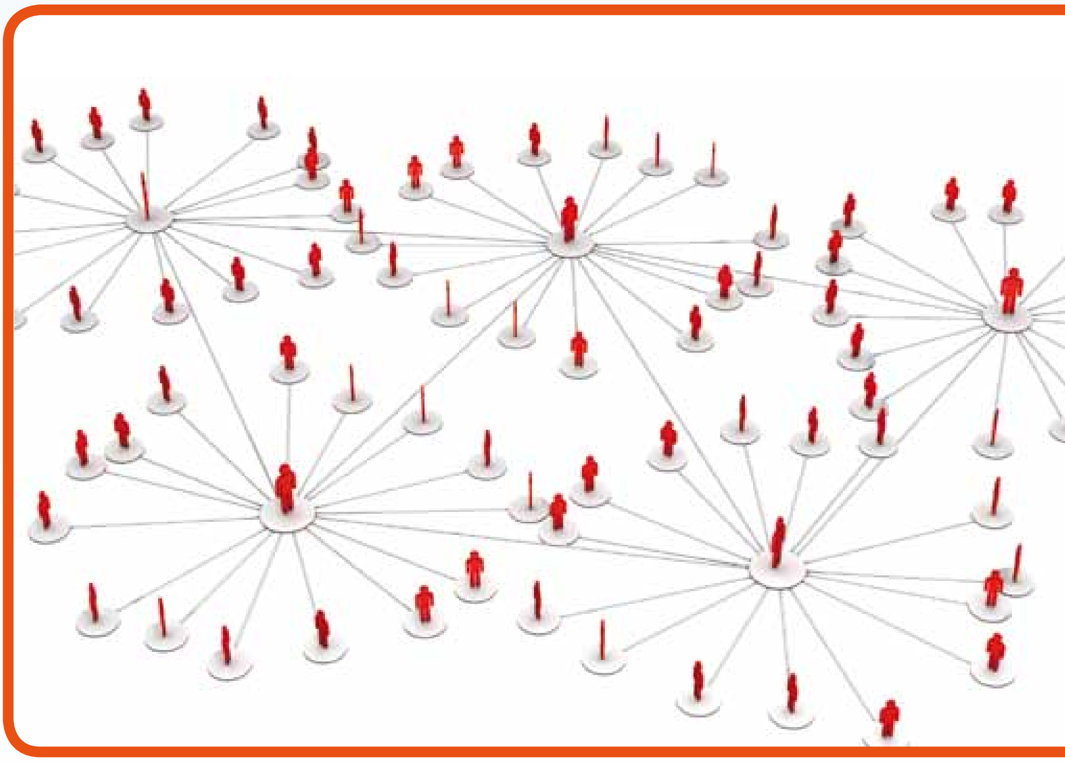
When it comes to referrals, the majority of practices are happy to let the partners ‘do their own thing’, the hope is that with a bit of activity, new clients will appear, and sometimes they do.

There is another way though, to drive referrals hard by implementing a robust referral plan, dramatically improving the quality and quantity of referrals.

There are 5 stages to a robust Referral Machine.

1. Create the referral group (a database of people who might refer to you)
2. Invite people to join your group
3. Constantly ask for referrals
4. Remain in contact
5. Feedback

Note that the resources on the following pages are a guide. Your plan must be built around your business strategy. Some firms want to seriously accelerate growth, others a continuous steady flow, some want to gain larger clients, while others target new markets. The beauty of referral groups is that they can be tailored to suit individual circumstances, and drive your business development plan in the way you want to.



1. Create the Referral Group

a. Who to target?

Who you target will depend on your strategy. You can usually define prospects through the following groups:-

- **Clients -** Most clients generally only refer people who are in the same or lower economic bracket as themselves, indeed examples to the contrary demonstrate that there will always be exceptions, however, the rule generally applies. Therefore it is essential to give due attention to clients of all sizes, as their network of contacts can always be of use to you.
- **Suppliers -** The often forgotten group. Consider IT, Catering, Lawyer, Accountant, Cleaner, Web provider, Peripatetic Consultant, Bank, Insurance Broker, Estate Agent, IFA, Taxi, Recruitment Agent, Vending Supplier, Maintenance Engineer etc.
- **Social Groups -** School, Sports, Book Clubs, Mates from the Pub, Friends etc.
- **Other Professionals / Business Associates -** Those professionals who you do not already know through the normal course of business; Accountants, Lawyers, Surveyors, IFAs. Ask yourself "who is likely to deal with the clients I want?" For Forensic Accountants it is Litigation Lawyers, for Insolvency Practitioners it is Accountants and Commercial Lawyers, and for Pension Advisors it could be Matrimonial Lawyers.
- **Trade / Professional Bodies -** A group that can surprisingly provide a steady stream of leads. Dealing with more commercially minded organisations can be quite different from dealing with individuals, partnerships and smaller SMEs. However, a robust Referral Machine would be second best if this group was not part of the plan. For example, becoming a preferred supplier, author of articles, or having access to the membership database is not only possible, but particularly worthwhile.

b. How should you organise the database?

Most practices have a CRM, or marketing database of some description. These software tools provide a useful medium for storing the data, and allow you to group the information efficiently. With referrers, the closer your messages get to their real issues, and further their clients issues, the better. It is important to group your referrers so that you can send them relevant and timely messages.

To retrieve the data as a group (for mailings, emails, calls or a blog) each group requires a TAG. i.e. Ref for Referrer and Ref1 (lawyers) Ref2 (accountants) etc. Please ensure this is set up early on, because as the groups grow, unravelling them can become onerous.

c. Where to buy data on prospects?

For databases on all businesses contact dataorder@chartdev.co.uk Chartered Developments sources data on a full range of commercial and not for profit organisations; Litigation Lawyers, Accountants, Accountants that specialise in Medical Practices, IFAs, NOMADs, Matrimonial Lawyers, Surveyors, Architects, etc.

Wherever you buy the data, ensure it is correct and tagged before you enter onto the database.

2. Invite People to Join Your Group

We have all heard the line 'if you don't ask, you don't get'.

There is a vast difference in referral rates from people you know who haven't been asked for referrals, and those that you have asked. The process of asking for the referral is fundamental to the success of your campaign.

- **Informal** - Write, email, ring or contact on a SM (social media) Platform.
- **Formal** - Normally requiring a meeting because there is a contract / agreement in place.

This stage of the process is important, it moves your potential referrer into a group tagged 'agreed to refer'.

Example of an informal email to an associate

> *"Hello Paul,*
>
> *It was great to meet you at the seminar last week, did you find it useful? By the way, thanks for hooking up on LinkedIn. It's apparent that there is little work that we could do for each other, however, it struck me that our clients have a lot in common and I wanted to discuss the opportunity to refer work to one another.*
>
> *I was particularly struck by your interest in Medical Practices, there seems to be a lot going on at the moment, and it's a market that I think you are aware that I have a level of expertise.*
>
> *What are your thoughts, what do you normally do?*
>
> *Kind regards*
>
> *Pete*
>
> *p.s. I have attached a piece on 'working with practitioners' that might be useful."*

You may want to be more direct, completely laying out the terms of the relationship. Your terms could be a cut of fees, agreed reciprocity, or a chance for them to join your group of like minded people.

Example of gaining referrals from clients

The ideal time to get your clients into the group is after you have done a good piece of work. For example phone them after they've paid the bill.

> *"Hello Paul, thank you for paying my latest invoice so promptly, how are things, I trust the new school year got off to a flying start?*
>
> *As a matter of client care, were you happy with our work? Are there any improvements we could have made? (hopefully the answers to which are all positive). Would you recommend me / us to anyone if it ever came up?*
>
> *We build our practice through people who are referred to us by the likes of you. If you remember you came to us through XXXX.*
>
> *I have a referral group, a loose association of firms like us who are looking to develop their businesses. There's a bit of LinkedIn, the odd meal out etc. ..."*

What you do next depends on you, for example we have accountancy clients who go as far as looking at all the suppliers / customers of their clients, and then asking for introductions or phoning the network of contacts with the blessing of the original client.

The minimum steps are to supply an introductory PDF (for them to pass on), send a LinkedIn invitation, and a letter thanking them and enclosing a few business cards to scatter amongst their friends.

The reduce our fees email / letter

Help me reduce your fees

"Hi Paul, I trust you are well.

In a couple of weeks we need to meet up to go through your tax return, Jean will give you a call to set it up.

In the meantime I was hoping you could consider the following. Over the past two years we have managed to keep our costs down and steadily grow the business, this has enabled us to bring you improved and cost effective services.

One of the areas we have been particularly stringent with is marketing, however, we have still managed steady growth. This has been down to people like you referring clients to us.

I wanted to remind you of what we call 'the normal rules' for referring possible new clients to us.

1. We will thank you by reducing your fee by an amount equal to 10% of the referred clients first years fee.

2. Your friend will get the same high value of service as you. To help you, here is a list of the types of people who have recently joined us as clients. Dentists, Farmers, Doctors, Builders, Motor Traders, Surveyors, Retired Couples, Hotels, Pubs, a Trout Fishery, IT Consultants, a Clothes Shop, a Care Home and a Clown.

I look forward to seeing you soon. Please read the attached TAX calculation, I've got it as low as I believe is possible.

Kind regards

Pete"

3. Constantly asking for the Referrals

Once your group is made up you have to keep on asking for referrals.

The rule is the referrers will not forget you, however, they will forget to think about you, so you have to ensure that you are consistently asking for the referrals. The frequency depends on the circumstances, possibly 2-3 times a year and in some circumstances every month.

With constant contact you need to ensure that you mix your approaches up so that your client / friend / professional associate does not say "oh that one again". Emails, letters, phone calls, even SMS. You might even vary the people who make the approach; you, your partners, seniors etc.

Here are a few ideas.

Business cards in the post

Attach a couple of business cards to your correspondence, even invoices, with the line *'you will see I have attached a couple of my cards. Feel free to pass these on'*. This approach seems quite direct, and although it cannot be used in all situations, it is a perfectly legitimate and very effective BD tool.

Have you met anyone like this email / letter

This is where you use one of your testimonials, maybe from a construction client, you send the testimonial by PDF to the relevant groups asking them if they know any firms like the ones mentioned.

> *"Hi Paul, I trust you are well.*
>
> *The attached is our latest testimonial from one of our construction clients. It quite nicely points out why they particularly prefer our services.*
>
> *You know quite a number of people in the construction industry. I was hoping you could either forward it on to some of them, or let me know of anyone I could call with your blessing.*
>
> *Pete"*

The, 'I understand you know XXXX' email

> *"Hi Paul,*
>
> *Hope all is well.*
>
> *Remember how you came to join our practice? It was through the referral group.*
>
> *From my records I understand that you know XXXX at XXXX IT?*
>
> *Our practice has a specialism in IT companies, quite a bit of tax work and management systems that can really help them. Would you mind if we chatted about an introduction?"*

This is an important point about networking; your records / databases on your clients and prospects can be of vital support to the process. Without accurately keeping and updating the record on XXXX, you couldn't legitimately press for the introduction.

During or after all meetings

Many professionals have regular i.e. annual, bi annual and quarterly meetings with their clients. It is essential to ask the referral question during or after these meetings.

> *"Who have you met recently that you could refer us to?"*
>
> *"As you know we have a great way to reduce your fees... You recommend someone, they become a client and I reduce your fee. Have you thought of anyone since we last met?"*

The interesting news email

> *"Hi Paul,*
>
> *You probably heard that XXXX went bust. The Insolvency firm looking after their affairs is YYYY. At some stage he'll be selling their assets. There may be some equipment, but importantly, you may also get the client list.*
>
> *Hope it helps.*
>
> *Pete*
>
> *p.s. Have you met anyone recently that you could refer us to. I'd love an opportunity to reduce your fee!"*

LinkedIn, Twitter and other SM

In the modern business environment, firms promote themselves, and their business, through a social media platform. It is of vital importance that the tools made available to you through these platforms, are utilised to their full potential.

Every event, lunch, seminar, or meeting should be followed up with an invite to connect through social media. This will keep your prospects 'warm', and provides an easy channel to keep in contact, as although individuals may change company, email address and telephone number, they will always maintain their social media profiles.

Gaining referrals through various social media platforms is an opportunity not to be missed. Take LinkedIn, for example, you may get recommendations stating "I have been a customer of XXXX for 3 years now. I can whole-heartedly recommend his business as reliable, professional and extremely energetic". The power of such statements is not to be overlooked. If you are properly following up events/seminars etc. with social media connections, the fact that your contacts have taken time out to recommend your business speaks volumes.

Your business profile will be searchable by the internet, giving you almost limitless marketing reach. The average time spent on an internet page before deciding whether to read on or click off is 5.4 seconds. The ability to grab that prospect's attention for even a second longer could be the difference between a sale, and them moving on to your competitors.

For referral groups, social media simplifies the whole process. People you are connected to on social media platforms will be connected to other professionals. A profile with just 30 contacts on LinkedIn is connected, indirectly, to over 150,000 profiles. You need to start using these connections to your advantage. Get them to send a message to their connections, write you into their blog, Tweet about your business or mention you on their Facebook page. Write to them saying;

"Hi Paul,

We're relatively new to social media, and were hoping for some help to get ourselves started. I notice you're already doing well on here and have contacts who may be interested in us, so any help would be appreciated.

If you could send out a short message to those relevant contacts, suggesting they have a quick look at our profile(s), that would be great. If you don't mind, mention how long we have been working together and what you like about the relationship we have.

If you could write such a recommendation, we will of course return the favour.

We would really appreciate it.

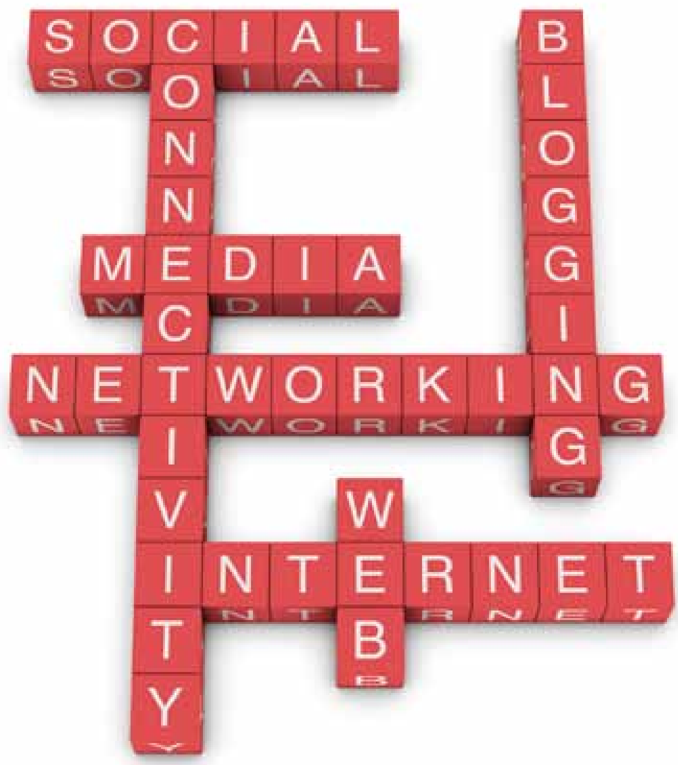
Pete"

The key is to remember that social media is not about the hard-sell. Leave that to your frontline services. It is about building a community, engaging in conversation and, clearly demonstrating the best of your expertise.

4. Remain in Contact

Marketers advise, you need to touch your clients/prospects at least 8 times a year. Whether it's 8 times or 20, depends on the circumstances. You must intersperse your requests for a referred piece of work with other interesting information or messages.

Twitter and LinkedIn Groups are good for this. They can show, with little effort, that you are part of the community. The traditional methods such as an email newsletter are better than nothing, but are becoming dated. Do not fall into the trap of believing you are contacting people just because you have sent them an email or newsletter. The content you send has to remembered, relevant, and tailored for the individual.



5. Feedback

Feedback to your referrer is an exercise in PR / Marketing. Your referrer needs to know that what they did was right and was appreciated.

The more you can make out of the referral the greater the impact, and the greater the impact the more likely it is that another referral will come your way. Please remember, people are always biased towards the familiar, particularly if that familiar is a good experience.

a) Feedback when you receive the referral

b) Feedback when you arrange or have had the meeting

c) Feedback when the work is done and the client is satisfied

A client testimonial at the end of the work could create another few referrals. Use it to keep your BD process moving along; the more fluid it is, the easier it will become to keep the quality of new business meetings at your desired level.

> *"Dear Paul,*
>
> *Thanks for the introduction to .... I'll call him later today.*
>
> *Kind regards*
>
> *Pete"*

Later that day

> *"Dear Paul,*
>
> *............. seems like just the right type for us, we can certainly help him. Thanks.*
>
> *By the way he sang your praises! We're meeting up in a couple of days I'll let you know how it goes.*
>
> *Kind regards*
>
> *Pete"*

A week later

> *"Dear Paul,*
>
> *Hope all is well.*
>
> *I met .... yesterday and he has engaged our firm. As you know our institute dictates that if we pay any commission for introductions we must inform our clients.*
>
> *I will be reducing your annual fee by £327.00, I need to let .... know the arrangement, it's a standard procedure; please tell me if you have any issue with this.*
>
> *Many thanks*
>
> *Pete*
>
> *p.s. wouldn't it be fantastic if we could get your account in credit!! Two business cards attached!"*

Disclosing referral fees is an asset to your referral machine, as it sets the expectation with the new client. You may already have asked him for referrals so when he sees the fee paid to his friend, he will naturally feel part of this familiar system.

Other Resources

- **Books**

  - *Endless Referrals* (2005) McGraw-Hill

- **Database of Contacts**

  - Ruth Jones – dataorder@chartdev.co.uk

- **CRM**

  - Jason Waldock – jason@chartdev.co.uk

- **Telemarketing**

  - Lyn McMillan – lyn@chartdev.co.uk

- **Social Media**

  - Elaine Coldman – elaine@chartdev.co.uk

- **Contact us 01392 247200**

Appendix for Law Firms

A Referral Machine for Law Firms

1. Target Referral Group

For Lawyers we have run referral campaigns into a variety of target groups, examples include;

- Accountancy firms
- Insurance brokers
- Vehicle Recovery Companies e.g. uninsured PI work
- Care homes and Social Services
- Other Law Firms eg Court of Protection work
- Surveyors
- Corporate Finance boutiques
- Commercial attaches and their equivalents at embassies
- Sector specific bankers, for example the healthcare specialists across the big four banks
- Insolvency Practitioners
- Estate Agents
- Corporate Finance Directors across the worlds largest investment banks

NB. Legislation regarding what you can and cannot do to gain referrals is likely to change following the publication of Lord Jacksons review.

To ensure success of your campaign, you must clearly set out your criteria. Without this you cannot hope to continually evaluate and critique your campaign, which will disrupt all continuity.

Once you have determined the criteria Chartered Developments can arrange the database of targets for you.

2. How to store the data

Many lawyers are now using a marketing database or CRM. The main benefits of which are to enforce discipline and organise your system. If your practice does not currently use a system then Chartered Developments have a bespoke solution for professional practices. It is a cloud based system; the main benefit is that both you and we will work on it, ensuring that the processes are run in a disciplined manner.

If you have your own system the important issues to get right are;

- A nurturing strategy to remain in touch with people once you have met them. This normally comes down to actions; calling people, writing to them, emailing them and now (in the right circumstances) texting them, etc.
- A process to thank people for introductions.
- Recording all your target partners / managers details particularly the email addresses, mobile numbers, addresses.
- Grouping each of the sections of the database so that you can then start to record return on investment.
- Some useful information on the potential referrers, including who they currently prefer to refer work to. Keeping the data accurate and up to date is essential for ensuring your BD process is efficient.

3. Making the initial contact / inviting them into your group

The most productive way forward is normally a face to face meeting between yourself and one of their partners / directors or a group of them.

Introductions by mail and email alone have little effect, you need to get on the phone and call them. Once again you need a process to ensure that over the next period you are regularly calling enough people to create enough meetings, so that you meet sufficient people to create a referral group. How many you need to meet does very much depend on the capability and organisation of your BD process and the people involved in it.

During this contact process it is essential to cultivate your database. Ensure that during the process you are able to delete everyone who is not a good target. The 80/20 rule applies, don't waste your time and resources on the wrong targets.

4. Make the initial meeting work well

Training and advice for Face to Face meetings is a very large subject. Chartered Developments have a BD Training Team who will be able to give you specific training.

Points to note are:-

a) The first part of the meeting is normally rapport building; social information exchange.

- Ensure they feel special (prepare well, view their website, Google search, join them on LinkedIn etc).

b) Be interested in them. Ask lots of questions.

- What they do
- How they got into it
- Types of clients
- Who they currently refer to and why
- If they could improve the relationship / service, then how
- What they know about... (whichever part of Law you are in)
- Their partners / directors and details
- Do they all refer to the same practice
- How often they spot a lead
- Types of leads they pass on

c) Accentuate or recap any issues and requirements they have.

- It is vital that after the initial exchange you recap the main points in the dialogue. This means both parties are on the same wave length when you come to talk about your services and practice.

d) Fill the gaps.

- Hopefully you will have been able to spot where you add value over the people / practice they currently refer to. This could be personal i.e. because you get on with them or some business advantage.
- You must be enthusiastic about your services. Though it sounds simple, it is not worth simply listing the services you offer, you won't be remembered.

e) Close.

- Do they love you enough to give you a try?
- How will you get the first piece of work?
- Do you need to meet other partners / people?
- Get it arranged.

5. Nurturing / constantly asking for referrals / education

Nurturing means communicating with clients, by varied means, around 8 – 20 times annually. In the past decade or so ‘newsletters’ and latterly e-newsletters have become the norm. Though they can seem impersonal, this is not necessarily a problem as long as the content is relevant and accessible.

For Lawyers the nurturing process is not just a matter of repeating the name of your practice and the services on offer, it is also in many cases a matter of educating people on what a lead looks like in your particular market.

This education process will also give your referrer the feeling that you are a caring giving organisation, important if they are to give you their clients.

To get the message across Lawyers use; videos, podcasts, phone calls, LinkedIn groups, quizzes, practice development seminars, a free CRM and training and lots of hospitality.

6. Stages of the process

Target Referral Group

Buy the database, get it verified by desk and phone research.

- Accountants
- Corporate Finance teams
- IFAs
- Surveyors

CRM / Marketing database

Without a system, the process will fail. The modern alternatives such as Pro-Harvester from Chartered Developments will; save money, reduce failure, allow delegation and save time.

- Group the database to measure return
- System to ensure nurturing takes place
- Accountability – are you doing your job?
- Discipline to capture contact details of partners and managers
- Details on incumbent IP

Make the initial contact

Your objective is to get on with the person / people so that you can move to the next stage; meet other partners, get the first piece of work, stay in touch, meet again.

- Email / letter in groups
- Follow up phone call
- Create meetings
- Repeat week in week out
- Ensure weak prospects are deleted

The first meeting

Your objective is to get on with the person / people so that you can move to the next stage; meet other partners, get the first piece of work, stay in touch, meet again or ignore them because they'll be a waste of time.

- Objective? Next meeting
- Record information
- What are their interests; socially and commercially
- Create rapport
- Ask about their practice
- Ensure there's a next step

Nurturing

The majority of people you meet will like you. Those choosing to send work to you will depend on your ability to remain in touch with them.

- Educate them
- Let them enjoy your practice
- Make it memorable
- Make it helpful

One of the fundamental elements of successful BD processes, is fluidity. It is a point that is revisited time and again, and with good reason. Referral groups encourage continuity, so that opportunities to expand your client base arrive consistently and prospects meet the criteria you set out. In the modern day, accelerating and building up your client base has to be well rounded; simply waiting for new business to come in is not enough.