

What to Know about Referrals: A Case Study

Background

The big day was here. Phil had been nervously looking forward to this meeting with his client AI for some time. As usual, he skipped the elevator and took the steps two at a time up to his third-floor firm, Mackinaw & Company. He enjoyed the process of being a financial advisor and helping clients.

Phil joined the firm nearly 12 years ago, working his way ups. Now a partner, he works with small business owners including AI. Three years ago, AI had come to Phil's firm for help with his family and company financial planning. Phil and his team now help AI with all of his wealth management needs.

Nearly a year ago, Phil had met with AI at his office. Together, they poured over the progress they had made. AI agreed with Phil's suggestions on strategic initiatives moving forward. Things couldn't have been better. Then, Phil asked this single question: "AI, do you have any referrals?" AI suddenly tensed up and looked up at the ceiling. Phil instantly sensed AI's uneasiness and wisely changed the subject.

Driving back to his office, Phil thought about his conversation with AI. With one question, he had thrown a wet blanket over a perfect meeting. Reflecting, he recognized that he had felt nearly as awkward asking the question as AI appeared upon hearing it. Ironically, Phil rarely remembered to ask for a referral. Phil was a structured, critical thinker, yet referrals baffled him. Why?

New Approach

It's time for Phil and his team to start fresh. Clients often don't refer because they are unsure if you want referrals, or who you prefer to help, or can't easily explain what you do. So they don't refer. To reduce this confusion, Phil created a memorable story to share with AI, (and others). This is what he created:

"AI, we enjoy working with you. In fact, this type of work is a primary reason that I chose this career. If you know someone with similar needs who can benefit from our help, please let me know. In fact, I'll send you over an easy way to say 'Hey, I have someone you might help.'"

A Few Months Later

Phil and AI have met several times since the referral question incident. AI is an affable, easy to talk to client, and Phil enjoys their time together. The type of work that Phil and his team do for AI is a specialty of the firm. In fact, it is a primary reason Phil chose this as a career.

Today, they are meeting in the small conference room across the hall from Phil's office. AI is selling another business and has questions. They are just wrapping up when Phil looks at AI confidently states:

AI nods, acknowledging Phil's comment and says he'll keep it in mind.

A few weeks later Al is at his favorite lunch spot, and his friend Elaine says, “Hey Al, my financial advisor is retiring, and we are looking for a new firm. Who do you use?” Al remembers Phil’s conversation and knowing Elaine’s situation is similar to his own; he suggests an introduction.

Later that day, Al opens a link in an email that Phil had sent him. It opens a note page on Al’s smartphone. In just a few seconds, he completes the note to let Phil know he has someone Phil might be able to help. Phil instantly learns that he has a new prospective client and contacts Al.

Al introduces Elaine to Phil, and they have a productive conversation. Phil also sends Al a handwritten note thanking him for the introduction and his trust.

Phil is now helping his new client Elaine. Al feels great because he helped Elaine, someone he cares about. Phil’s new process removed the awkwardness from something he previously didn’t enjoy.. Best of all, he’s getting better referrals AND introductions. In fact, Elaine soon mentions that she knows someone Phil should meet, and the cycle continues.

Six Things We Learned

1. **Memorable Story:** Let clients know what you specialize in and who you’d like to provide that specialty to. Don’t simply ask for referrals like Phil did at first; educate your client with a memorable story. Phil was confident his second time with Al, and Al was receptive because he wasn’t put on the spot.
2. **Word-of-mouth:** Realize that 90% of the time, you will not be there when a referral happens. When Al told Elaine about Phil, Phil was not there. It emphasizes the importance of #1, a memorable story. Al understood the kind of clients Phil was looking for and what to do next.
3. **Digital:** Make it simple for a client to tell you, “Hey, I have someone you might help.” Part of Phil’s educating Al was making it easy for Al to tell Phil he had a referral for him. Al only spent a minute completing the short online note Phil had provided him a link to.
4. **Responsive:** Because Phil provided an easy way for Al to let him know about Elaine, he was able to respond quickly. This not only made Phil look good, but it also reflected positively on Al as well. His personal recommendation has his act together.
5. **Introduction:** Many firms take the referral information and run straight to the prospect. Phil contacted Al, and HE introduced Elaine to Phil. Phil’s contacting Elaine directly might have created confusion or felt like a sales call.
6. **Celebrate:** When you and your teams’ great work is recognized and rewarded with referrals, make sure everyone involved is appreciated and knows it. Phil helped Al, and Al gave him a referral. As soon as Phil began speaking with Elaine, he wrote Al a warm, handwritten note thanking him for the introduction and his trust.

7. **Bonus:** New clients coming in as referrals (like Elaine) are more likely to become sources of introductions themselves.

Summary

What happened between the awkward meeting Phil had with AI and the later one that made the second request so successful? Phil, his partners, and other team members committed to treating introductions as a strategic part of their firm.

Phil's firm now not only has memorable stories to share, but they also have a structure where it did not previously exist. All with a top-to-bottom and bottom-to-top commitment at all levels. The firm implemented a goal-oriented process that is simple yet effective.

Now, not only are Phil and his colleagues getting more referrals, they are getting better introductions.

ReferralSafe

Contact us at www.referralsafe.com or hello@referralsafe.com.