



JMA PLAYBOOK

GROW

YOUR REFERRAL NETWORKS





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HOW TO GROW YOUR REFERRAL NETWORK

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& Associates Pty Ltd

WHAT'S A PLAYBOOK?

The term 'playbook' originates from American football where the playbook was a literally a notebook containing descriptions and diagrams of the 'plays' of the team.

One way or another every competitive business has a playbook or even a series of playbooks. Playbooks are your firm's standard operating procedures, norms or 'the way things are done around here'. They can be formally documented through a strategy, approach, tactics, programs, workflows, policies or procedures, or be inherent to your culture.

The JMA playbook series is designed to help organisations develop business; that is we will share the 'plays' your firm and professionals should execute to attract and acquire new business.



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WHO SHOULD READ THIS?

Anyone responsible for business development in their service business.

WHAT'S INSIDE THIS JMA PLAYBOOK?

We will step you through:

- A refresher on referral fundamentals:
 1. Why referrals are important for service businesses
 2. Understanding the 3 drivers of referrals.
- Actively seeking referrals – Why we don't do it, and how to get comfortable and start asking
- Quick start guide to creating an active referral program – mindset, approaches and more
- Kick starting your personal referral networks – exercise – 15 contacts is all it takes
- What's in it for the referral source and the prospective client?
- Bonus referral scripts – lines you can adapt and use with clients and others
- Explain why referrals stop and what you can do about it.



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REFERRAL FUNDAMENTALS

Success and profitability in services businesses can be strongly dependent on referrals (both from individuals external to their firm, and from internal referrals or cross-selling that occurs in-firm).

For example, our research into Australasian law firms showed that 70% of firms consider referral relationships and personal networks their number one source of new business. And nearly all 151 surveyed firms said that increasing referrals and recommendations was the most important element of their growth strategy¹.

With their low cost of acquisition, and high conversion rate, referrals are undoubtedly one of the most valuable ways to do business.

So how can you get more referrals?

¹ Reference to the 2014 and 2015 Julian Midwinter & Associates Pty Ltd & Australasian Legal Practice Management Association reports





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How to get more referrals

The number one way of propelling valuable referrals to your business is to be worth referring to in the first place. That means delivering positive outcomes for clients, and exceptional client relationship management.

And to make sure referrals flow, ask the right people for them, at the right time and in, the right way.

And finally, offer referrals, regularly: **you have to give to get.**



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The 3 referral drivers

Referrals to businesses are driven by three factors (sometimes individually, but usually in combination):

1. **Direct experience** of your superior service, and stand-out results or outcomes achieved by your professionals.
2. **Team expertise** in an industry or specialist field, when your professionals have strong positions as credible and visible experts.
3. **Business reputation**, standing, and profile – especially if it is strong in a narrow sphere or a distinct specialty.



But I'm not a salesperson

Many people don't like to ask trusted clients and contacts for referrals.

Here are the main reasons people avoid asking for referrals:

- They feel they may jeopardise the relationship.
- They're scared of rejection.
- They don't want to come across as desperate or unsuccessful.
- Don't really know what to say or how to ask.

Don't let fear paralyse you. The only certainty is that doing nothing gives you a 100% chance of making zero progress.



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QUICK START GUIDE TO GETTING REFERRALS

THE PLAY: Asking for referrals

Done the right way, you don't have to feel ashamed or embarrassed about asking for referrals. It takes only a little bit of planning to work out who to ask, when to ask, and how to ask.

First play: How to ask the right people?

It's important to ask the right people for referrals. Who is most likely to be able to introduce you to the right types of potential clients?

To know this, you first need to identify the types of clients you want. The more specific you can be, the more successfully you'll be able to work out who knows those types of people.

Existing clients can make excellent referral sources (depending on the kind of work you do). For example, if you provide financial planning advice to high net-worth individuals, your existing clients are very likely to know many other high net-worth individuals with similar needs to them.

Think about who your referral sources might know that would be a good potential client for you. It could be their:

- Colleagues in other departments
- Suppliers
- Industry association contacts
- Key people in organisations they deal with.



Use the exercise worksheets provided at the end of this guide to identify referral sources

Second play: How to ask at the right time?

Ask for referrals from people when you've completed work successfully with them, solved a critical issue for them, or received positive feedback from them. This offers you an easy lead in to the conversation: "I'm thrilled you're happy with the outcome of the matter ... do you know anyone else who might be facing similar issues?"

The more prepared you are with the details of who you want to be referred to, the easier it will be to ask.

Third play: How to ask the right way?

One of the most powerful phrases is "I need your help" (or "What advice do you have for me to find more clients like you..."). Most people will go out of their way to help others when asked, so don't feel shy.

Asking for a referral can put that person on the spot, so be open about why you want a referral ("I'm building my practice in area X"). Discuss how you plan to follow up.

If you have done your research, you can ask the potential referral source for an introduction to specific people you'd like to meet. Wherever possible, offer to reciprocate.



Check out the free Referral Scripts resource at the end of this guide for help with asking for referrals

A little thanks goes a long way

Whenever you get a referral, acknowledge and thank your referral source (even if the referral hasn't yet converted to work).



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THE PLAY: WORK OUT WHAT'S IN IT FOR YOUR REFERRAL SOURCE AND YOUR PROSPECTIVE CLIENT?

"I want your work" doesn't mean that a newly referred prospective client will automatically fit you into their schedule for a meeting unless there is an immediate problem you can solve.

By itself a **"we're a great and successful service business"** also doesn't qualify as a valid reason and is unlikely to be sufficient incentive for a prospective client to meet with you. You may get a meeting with a lower-level contact, but mostly the real decisionmakers will be too busy to spare you the time.

A lame **"I want to learn about your business"** is also not sufficient reason to agree to your request for a meeting. Your purpose is transparent: to ask a prospective client or a referral contact to spend their already pressured time educating you about their business, you'd best offer some solid reasons that this would be a worthwhile investment for them.





You need 3 solid reasons

If you want to get together with a new prospect, arm yourself with at least three solid business reasons they should allocate time before you make the initial approach.

Firstly, solid business reasons for wanting contact with or a favour from a referral are not:

- coincidences such as you both attending the same conference some time back
- extravagant claims like “we can handle every type of matter”
- negative assertions about their current provider
- argumentative comments like “you must be really unhappy with your current provider”
- opening lines like “you’re paying way too much now” which show disrespect.

The best business reasons for referrals focus on:

- the value proposition you offer the prospective client
- specific value you have created for other similar clients
- important differences the prospective client will notice in working with you and your team.

Approach a personal referral source (or newly referred prospective client):

- with warm courtesy and authenticity
- on a peer-to-peer basis - neither arrogant nor obsequious
- appreciating that their time is valuable and never taking it for granted
- respectful of their current choices of professional advisers
- with a series of specific business reasons which communicate clearly the benefits they can expect from investing precious time with you.

Remember

Activating one of your personal referral sources or getting to meet with a newly referred prospective client is not only about what you want from them - it should be deeply imbued with **what’s in it for them**. And, if you haven’t quite figured that out yet, work out your three solid business reasons before you make contact.





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HOW TO PLAY IT WHEN REFERRALS STOP?

Referrals will ebb and flow for many reasons. Before writing-off a referral source or becoming despondent you are not making more headway, make sure you understand why the referrals aren't coming.

Common reasons referrals slow down, and what you can do about it

YOU HAVEN'T
ACKNOWLEDGED A
REFERRAL



Make your referral source feel appreciated by acknowledging and thanking them for every referral – even referrals that haven't converted into work.

YOU HAVEN'T KEPT THE
REFERRER IN TOUCH WITH
WHAT'S GOING ON



To help the referrer feel completely comfortable, make sure they know how things are going.

YOU HAVEN'T GIVEN A
REFERRAL THE RIGHT
TREATMENT



Referrers put their reputations on the line – treat every referred client as a VIP.

YOU HAVEN'T
RECIPROCATED WITH A
REFERRAL WHEN YOU CAN



The most tangible sign of appreciation is to cross-refer a client, if you can.

YOUR REFERRER JUST
DOESN'T HAVE ANYTHING
TO REFER RIGHT NOW



Any referral source, active or not, needs to be part of your "keep in touch" program, so they feel valued and appreciated. All the time. Not just when the referrals are flowing.

YOUR REFERRER HAS
STARTED REFERRING
ELSEWHERE



Maybe someone else has earned share of mind, so you need to focus back on three drivers of referrals.



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EXERCISE: PROFILING YOUR PERSONAL REFERRAL NETWORKS

If you're a service provider who approaches business development encounters with trepidation, start by setting yourself some realistic objectives. This exercise is a great place to start plotting some referral activity amongst a range of contacts.

The best news is most businesses only need to maintain and act on a short list of 15 contacts for 12 months to get started, rather than trying to tackle your entire database.

The hard part is maintaining an up to date list throughout the year by continually replacing those who are not able to refer (for whatever reason) with another likely candidate. We recommend starting with low hanging fruit – your favourite clients, and going from there.





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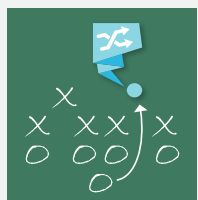
1. My cross-selling top 5 play

Getting more work from existing clients is generally much easier than trying to find new clients.

For this exercise, think about five existing clients that you would like to work with that you don't currently and the benefits you can offer them.

Complete the details in the table below, and set a time-frame for following up on each one.

	CLIENT I WOULD LIKE TO WORK WITH	COLLEAGUE WHO CAN INTRODUCE ME	BENEFITS / VALUE I'LL OFFER BOTH	HOW I'LL TAKE FORWARD
1				
2				
3				
4				
5				
NOTES				



Some plays you can use to take things forward...

I'll organise a coffee meeting
I'll offer free seminar on a topic of interest

I'll organise to meet up at conference
I have a new introductory taster service I can offer

I'll invite them to an educational event our firm is running



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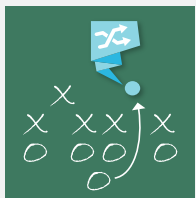
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2. My new client referrals top 5 play

List five prospective clients that fit your ideal client profile.

Think beyond company or organisation this is too vague – try to identify one or two specific target contacts within that organisation who have the potential to help you.

	TARGET ORGANISATION	TARGET CONTACT	THE PERSON I KNOW WHO CAN INTRODUCE ME	BENEFITS / VALUE I'LL OFFER BOTH	HOW I'LL TAKE FORWARD
1					
2					
3					
4					
5					



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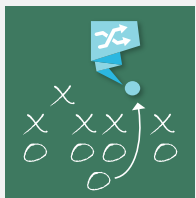
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3. Other referral sources play

List five other referral sources from these three sub-groups:

1. Professionals and expert service providers providing complementary services to clients similar to the ones you want to win.
2. Fellow professionals in your space that might refer business because of conflicts, overflow work or lack of expertise.
3. Professional colleagues: an old University friend, colleague from ex-firm, a community acquaintance.

	TARGET ORGANISATION	TARGET CONTACT	THE PERSON I KNOW WHO CAN INTRODUCE ME	BENEFITS / VALUE I'LL OFFER BOTH	HOW I'LL TAKE FORWARD
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RESOURCE: REFERRAL SCRIPTS

Here are some lines you can personalise and tailor when asking for referrals:

“

We are in the process of sending out relevant information to potential clients. Who do you know who should be included?

“

I am looking for another project similar to this. Have you come across anyone recently who's going through a similar situation?

“

We publish regular articles with lots of hints and tips. Who do you know who might be interested in receiving them?

“

I am developing my client base right now. I'm asking all of my better clients for just one or two people they could recommend I talk to...

“

Now that we've completed this project, it frees up a bit of space in my diary. I'd love to fill it with one or two more people like yourself. Who do you know who would be good to talk to?

“

I was thinking the other day that we've been working together all this time, and I've never asked you if you could recommend anyone else I could work with. Have got anyone who would be suitable in mind?

“

You know a lot of people in your area/ government department/ your new firm/etc. Who can you think of who would appreciate the kind of service we give to you?

“

I got a great referral from another client last week, and I was wondering if you might also know of someone who I could have a chat with?

“

You're happy with what we are doing and we get on well together. Who else do you know who would benefit from working with me?



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ABOUT JULIAN MIDWINTER & ASSOCIATES PTY LTD

Since 1993, Julian Midwinter & Associates has been making a positive difference to the business development efforts of ambitious businesses wanting to win and grow their own first-rate clients.

Clients around Australia, New Zealand and further afield achieve exceptional outcomes through accessing JMA's expert team capabilities in strategy, coaching and tendering.

IF YOU'D LIKE TO GROW YOUR BUSINESS, PLEASE GET IN TOUCH:

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