



Avoid the Cold Call

In this article I take a look at the value of referral business, the stats that back it up and 6 simple things you can do to build your own referral system that will help you win more business.

The one thing that anyone and everyone involved in selling high value professional services hates most and will do anything to avoid is the Cold Call. So how can you avoid this unpleasant (and I would say pretty ineffective BD activity) while at the same time building your pipeline of prospects.

The answer – developing an effective referral programme.

Most people involved in selling high value professional services know the value of referrals. Referrals are a significantly more cost effective way to develop business than cold calling and of course the comfort factor is much higher too.

Apart from the hardened sales professionals and serious rainmakers, most people have a passive approach to referrals. If someone offers to refer us we are likely to grab the opportunity and be very grateful, but somehow our natural reserve prevents us from being any more proactive than this.

Yet having a good referral system is a great way to get to know new people and build a pipeline of prospects. So put your reserve aside and remember the people that you have good relationships with are only too happy to introduce and recommend you to others; we just need the courage and confidence to ask others to help us build our business.

If you need more convincing of the power of the word of mouth, look at the findings below:

- 65% of new business comes from referrals – *New York Times*
- 92% of respondents trust referrals from people they know – *Nielson*
- The life time value of a new referral customer is 16% higher – *Wharton school of business*
- 83% of consumers are willing to refer after a positive experience – yet only 29% actually do – *Texas Tech University*

These stats don't tell you how to build a referral programme but they do show the value, if done right

If you are looking to build a practice or simply contribute more effectively to the firm's sales effort, there are a few simple things you can do build your own referral system

Step 1 – Identify individuals with whom you have a good relationship and who know people you want to get to know

Step 2 – Approach your client or colleague and ask for a referral e.g. *"I know you know Fred Bloggs, I wonder if you would be able to introduce me?" "When I meet xyz, may I say I know you?" "I am keen to get to know the key players in xyz organisation, do you know anyone?"*



Step 3 – Make it easy by telling them why you want to meet the person you want to be referred to and how you can help them

Step 4 – Once you have been referred, make contact promptly

Step 5 – Keep clients and colleagues informed of your progress

Step 6 – Find ways to reciprocate and look for opportunities to help the person who has referred you. Your ability to make introductions and referrals to your clients is a very good way of creating value for them.

How can LinkedIn help?

No blog on networking would be complete without some insight into how social media fits in. Notwithstanding all the other guidance on how to use LinkedIn effectively, it is a valuable tool for generating referrals. Look at who is connected to whom. Don't just connect, be more proactive and use this information to ask clients and colleagues for introductions to the people you want to know.

Above all, as with all sales activities, you need to be personally organised and willing to work at it over time and that way you will see results.

Make referrals your way of doing business.

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