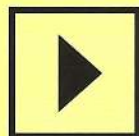


TWO-WAY STREET

YOUR CUSTOMERS MIGHT NOT BE THE MOST RELIABLE SOURCES OF REGULAR, HIGH QUALITY REFERRALS. A WELL-DEVELOPED BUSINESS NETWORK THAT OFFERS RECIPROCAL REFERRALS IS MORE LIKELY TO HELP IN THE LONG TERM, SAYS "REBEL NETWORKER" PHIL BEDFORD.



Existing customers are the best way to grow your business. Truth or delusion? Delusion.

Most people make this common mistake because they have only ever been trained to look at customers for referrals.

A matter of chance

Of course, we can get referrals from existing customers, especially when we do a great job; most people fundamentally like to help and are only too happy to speak well of us. These clients, however, although readily available are not often the best or most reliable sources of regular high quality referrals.

They are primarily interested with their own businesses and because they are our clients they would prefer if we focused on them, otherwise we are generating a conflict of interest. Surely we should be focusing on their needs rather than asking for referrals!

Hence, our referrals from these individuals are often left to chance and can we build our business on chance?

The ethics of it

Asking for referrals from existing

clients is often an awkward and unreliable process. Some people proactively try to get referrals from new customers. Most of us at some point will recall an individual who, during our first meeting has requested three or four of our friends whom we would refer them to. Personally, I find this a bit shocking.

So they want me to refer them to my network (people I have built up my reputation with over years) and I do not know if they are any good at what they do! In fact our entire relationship so far has been them trying to sell me their products. I suggest they prove to me they are good at what they do first.

While not a true referral (in fact it gives referral marketing a bad name), it is possible to find referrals for cash or "introducers fees". On an ethical level this is not something I agree with at all and, in fact, it makes business sense not to do it. Individuals who are often clients are incentivised with cash for referrals. Yes, this can provide referrals, but an individual who is motivated by money will not necessarily be referring you a calibre client.

A truly effective referral partnership will only see referrals



Phil Bedford, Regional Director - Middle East, BNI (Business Network International)

Prospects referred for cash will rarely be filtered because the "introducer" is simply "throwing mud at the wall" hoping some will stick. A truly effective referral partnership will only see referrals handed over when the prospect is proved to be of the required quality, pre-filtered, ready to buy

Prospects referred for cash will rarely be filtered because the "introducer" is simply "throwing mud at the wall" hoping some will stick. They do not care about how much time you are wasting; only about their fee.

A mutually beneficial relationship

The best sources in the long run are actually people to whom you refer business (because they are good at what they do). When you help another business person to get business or hit their business goals you are, in fact, cultivating a business relationship. You are motivating someone to help you.

If this individual shares your target market – that is, you have similar clients but are not competitors – you have perhaps found someone who could be encouraged to build a reciprocal referral relationship. When they get business there is every chance it's also business for you and vice versa.

With a well developed business referral network you can potentially get more highly qualified referrals from one or two referral sources than all your customers combined.

Why? Often these professionals are better salespeople than your clients and they will often spend more time in front of your prospects than your current client base. The secret is to ensure you educate your partners on how to refer you, what makes a good referral, how to assess the needs of the prospect, how to introduce you into the equation and then provide a testimonial and introduction to you.

This may appear a lot of work on the face of it but, then, if you are also doing it for them how much time will you save in the long run?

Is it possible to be a client and referral partner? Absolutely! This is the best of both worlds.

Ultimately, you can get referrals from existing customers; just make sure you keep their interest at heart and keep them happy. Bad word of mouth travels much faster than good word of mouth.

Someone who is happy with your service will normally tell about three people. Someone who is unhappy with your service will normally tell about 11 people, each of these in turn will tell another three each. This becomes a ratio of 3:33. In fact in this day and age with social media the "bad" experiences can be much more visible than this – reaching the hundreds of thousands for the really annoyed customer.

If you must ask your existing clients for referrals, at least ask how you can also help them so it becomes reciprocal and more likely to be effective in the longterm. ■

ABOUT:

Phil Bedford is a civil engineering graduate, with a Masters in European Construction Engineering. He chose a career in sales 21 years ago. Since then he has discovered a passion for training and has successfully groomed numerous sales teams in "word of mouth marketing" and networking.

In 2006, he joined BNI (Business Network International – the world's largest referral organisation) and quickly moved into a Regional Director role for the Middle East in 2007, where he has spearheaded the launch of new chapters, training both chapter directors and new core group members.

He brings over a decade of experience to his role as Master Trainer for the Referral Institute, of which he has had the Middle East Franchise since 2008. Bedford was awarded the coveted "Presidents Award" in 2009 by the Referral Institute senior partners, Dr. Ivan Misner and Mike Macedonio. When he isn't training, he enjoys spending time kite surfing (he is a qualified IKO level2 instructor), teaching salsa and editing videos. He lives in Dubai with his wife Michelle. He can be contacted at phil@referralinstitute-me.com.

handed over when the prospect is proved to be of the required quality, pre-filtered, ready to buy and prepared to deal with only you rather than your competition. Yes it's possible! When clients are referred in this manner we become more efficient with our time. We waste less time with prospects who are not serious, who we have to "sell to" and spend more time with clients ready to buy.