Don’t Ask For Referrals!

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Key Take Away: A step-by-step process for getting introductions to the right people so you can cut your sales cycle time by 30%

Want to build your sales results quickly? Don’t ask for referrals! Sounds counter-intuitive, doesn’t it? All the sales training gurus always say, “Ask for referrals.”

Why shouldn’t you ask for referrals? After all, referrals are the fastest way to grow your business. Referrals have a shorter sales cycle time. They have a higher close ratio. Customers who come in by referral are more likely to refer more often. Sounds great, doesn’t it? So why not ask for referrals?

Often times when we ask for a referral, we get a name and a phone number. Is that a referral? No! In fact, often times that isn’t a lead, it is simply a name and a phone number.

And, take a look at how that is often handled. The sales rep picks up the phone and then leaves this voicemail. “Hi Bob, this is Lea from ForcedSales.com. Your friend, Ed gave me your number and said I should give you a call about (whatever Lea is selling.)

Not very different from a cold call, except that now Bob is mad at Ed. And Ed is probably mad at you.

What might be a better way to handle this?

First, establish a time, 30 days into the new customer relationship, when you can sit down and do a business review. When you set the appointment 30 days out, set the expectation that, if the business review results are good, you will spend a few minutes talking about where you are taking your business and how the customer might help.

When you have the business review meeting, do it in their office. Don’t do it at lunch. Doing the business review at lunch is a little too manipulative and can create some undue pressure. The last thing you want a customer to feel is that kind of pressure.

But there is a more important reason to conduct the business review in the customer’s office. Their rolodex or their Outlook address book is there. They have access to phone numbers and email addresses. They typically don’t have that with them in the restaurant.

Next, give the customer an exact profile of what kind of customer you are looking for. Give them company size, type of business, decision maker. Give your customer a lot of specifics because you get what you ask for. If the request is vague often times you won’t get to someone who resembles what you are looking for.

Be sure that you don’t ask for referrals. Ask for an introduction. An introduction gets you much farther with the new prospect. Live introductions are best. If it can’t be done live, a phone introduction works too. An email introduction is better than none at all. Set the tone by asking the customer “Have I done a good enough job for you that you’d be comfortable introducing me to other companies?”

When given a name, before the introduction, ask your customer what made them think of that person? Get their perspective on motive so you understand why your customer thinks you can help this particular person. What they say also gives you some deeper insight into your existing customer. And, you have another point of reference when you ask for more introductions later.

Only work one introduction from a customer at a time. You don’t want to overwhelm them by asking for too many names. Until you’ve really established yourself in this new area, your customers may be a bit hesitant to make more than one introduction.

When you start working the new prospect, go through your normal qualifying process. Dig around for all the pain points they might have. Don’t just rely on what your customer told you. You still have to build your business case for them to make a change. You still have to find and develop the pain points. Rarely will the prospect change just on the recommendation of a friend.

Once you’ve secured the business from the new customer, be sure to follow up with the person who made the introduction. Let them know the outcome and be sure to thank them. A hand written note works well. A hand written note to your new customer is also a good idea.

You don’t have to rely on your customer base to get introductions. There are lots of internet tools that can also help you get introductions.

Using LinkedIn you can get introductions to the people you want to meet. Working LinkedIn properly requires a new skill set and a new way of thinking. Think of it as “net-linking.” Using LinkedIn to get introductions can help you cut your sales cycle time by 30%. In a world that requires you to do more with less, and do it in less time, a 30% cut in sales cycle time might mean something.

Whether you are using LinkedIn, or talking with a customer, don’t ask for referrals, ask for introductions. As you master this process you’ll be amazed at what happens for your business.