

The 5 Key Elements to Increasing Your Referral Business

By Larry Pinci and Phil Glosserman
Authors of *The Referral Code*

It's been proven over and over—the most effective and reliable way to attract new clients or customers is through referrals.

All businesses love to get referrals, but very few know (much less, do) what it really takes to make them happen. Instead they wait and hope for referrals come their way.

Most businesses do get some referrals here and there, but only a fraction of what they could receive.

There are 5 key elements to increasing your referral business. They are all part of the Referral Code System.



Key #1

Know the power of your relationships.

The people you know are connected to others who need what you do or what you have.

You've created goodwill with your clients/customers, business network, friends and family, and they will be only too willing to refer you.

Most people are unaware of the wealth of potential connections that exist through their relationships. We have a saying:

You never know who they know, until you ask.

For example, one of our clients, a high-end corporate business consultant, was surprised when he received a referral to a major investment banking

firm from his hair stylist. He just didn't imagine that she ran in those circles. Like we said, you never know who they know.

We have another saying:

**There are people who love you and love the work you do,
that have people they love that love them too,
that need to love you!"**

Take a look at your relationships, business and otherwise. Who loves or respects you that could be connected to others that need what you do or have? These are the relationships that could refer you.

Here's the catch: In most cases, even the people who love you and your work won't refer you on their own. They need to be prompted into action—which brings us to key element number 2.



Key # 2
You've got to ask.

If you want more referrals, you'll have to ask for them.

But there's more to asking than just asking. You have to know when to ask, how to ask, what to ask, how often to ask, and whom to ask.

The reality is: most people don't ask. Instead, they passively wait and hope for referrals to come their way.

With all due respect, some people do ask for referrals, but the way they ask is relatively ineffective. For example, there are people who say something like this: "If you ever run into someone who needs what I do, please don't hesitate to have them contact me."

The response is usually, “I’ll be glad to. I’ll let you know when something comes up.” And more often than not, that’s the end of that—the referrals never or rarely come.

The problem with this way of asking is that there’s no specificity and no immediate call to action.

In the Referral Code System, we teach how to ask for referrals in a way that prompts someone to take your request seriously, and proactively look for people who need what you do or have.

So it’s essential to ask, but the way you ask makes all the difference in the world. This underscores the importance of knowing the next key element, which can make or break your possibilities for getting referrals.



Key #3

Tap into the right emotional state.

People are motivated by emotions. There is a specific state that will compel someone to want to refer you. It’s a state of appreciation about you, your company, your products or services, or your relationship. We have some strong advice:

Never ask for referrals outside of a state of appreciation.

Sometimes a person will be in a naturally occurring state of appreciation. You can recognize the signals. For example, someone may tell you what a great job you’ve done or how much he appreciates your service. That can be a great time to ask.

But if you have to wait for a state of appreciation to occur naturally, you’ll be leaving the timing of your referral request to chance.

You don't have to wait for a naturally occurring state of appreciation. There's an easy way to evoke a state of appreciation at will. It's part of the Referral Code System.



Key # 4

Set up the warm introduction.

When someone gives you a referral, he or she will often just give you the person's name and contact information. This is only marginally better than a cold lead. We have a saying:

Warm beats cold every time.

The chances of a referral turning into business will greatly improve if the person gives you a warm introduction that paves the way for you.

There is a way to ensure that your relationship provides a warm introduction every time, and the person is ready and eager to receive your call.



Key #5

Commit to follow-through.

As with everything else in life, follow-through is key to success. With referrals, there are two aspects to follow-through:

- What to do when you ask for referrals and your relationship can't think of anyone.

For many people this is a dead end. It doesn't have to be. There are people who are willing to refer you but draw a blank when you ask them.

There is a specific way to deal with the “I just can’t think of anyone” response. The key is to lay the groundwork for the other person to think about whom he can refer you to and set a time to follow-up, preferably within a week.

- When to ask again. Your relationships are constantly meeting other people and becoming aware of new needs of the people they already know. If Sally can’t refer now, she may be able to later. But once again, you have to ask. The Referral Code System shows you how and when to ask again.

Once you consistently apply these five key referral elements, you will unlock a constant stream of referral business. To learn the keys to more referrals, read *The Referral Code* and check out *The Referral Code System Advanced Study and Action Course*. Go to ReferralCodeBlog.com/products for more information.