



Are You Hoping For Referrals or Asking For Them?

I have been involved in a few conversations about client referrals in recent weeks and I thought it might be worth exploring what may be a controversial topic.....

Let me first clarify the subject matter for today. The focus of this article is not on referrals from your professional networks, centres of influence or alliance partners. The focus is on referrals of potential clients from your existing clients. Furthermore, my interest is not on the referrals that your clients provide while you are not in the office. If you are doing a great job with your clients then I am sure that referrals will arrive without any deliberate activity on your part. However, wishing and hoping for referrals is not a robust business strategy. Today I would like to address the extent to which you are willing and able to ask your ideal clients for referrals.

Why ask for referrals? I hope that the benefits are evident:

- You are prompting their memory rather than simply relying on their initiative.
- You are reminding them that you are open for new business, a point that may have been lost on them if you have been reiterating how busy you are.
- If you are asking ideal clients then the probability (not guaranteed, of course) is that they will be suggesting people like them (ie ideal clients).
- Whilst some clients are willing to refer people without any prompting (and some clients will not refer at all), many clients will happily refer when invited to do so.

The end benefit, of course, is that you will identify more ideal client prospects and enjoy growth in your business.

If it is so obvious, why is it that the majority of today's advisers do not explicitly ask for referrals? Here are some common objections that I have heard:

- "It is not professional to ask clients for referrals". I'm not going to debate that today. However, please read on if you have an open mind.
- "I feel uncomfortable in asking for referrals". I appreciate your honesty and can assure you that this is quite normal. Please read on for some clues for addressing this.
- "I don't need new ideal clients". Great, you can stop reading.

It is easy for me to pronounce on this topic, of course, because I am not an adviser. That's why I have asked a couple of advisers to share their experience:



Terry Powell, Managing Director of PF Private Wealth in Geelong, has been an advocate of asking for referrals for many years. The way that he has overcome a natural reluctance to ask is to inform his clients that he needs their help. He describes the type of people he can help best, explains that he has capacity in his business, and then asks do they know anyone who may fit that profile. “Over time some clients become great advocates and are a magnificent source of new business”, he adds.

Stefan Dooney, Principal of Tardis Advice in Brisbane, has only been running his own business for 18 months. However, Stefan believes in the power of leveraging discipline and measurement. As a result of his commitment to regularly ask the right clients for referrals, and measure the results, he concludes: “I have been thrilled and humbled by the willingness of ideal clients to assist us in growing our business and helping new ideal clients along their personal journey.”

In my experience the critical success factors are mindset, discipline, follow up and process. And I think the rewards are worth overcoming the discomfort.

These are the best of times to systematically - and selectively – pursue client referrals.