



The andy guide to

# How NOT to Get Referrals

The seven mistakes that mean  
you're leaving business on the table



andylopata

*Connecting is not enough*

# Introduction

**We all know that referrals are the lifeblood of any successful business.** At least I hope we do. Introductions through referral lead to more conversations, more meetings, more business and, in turn, even more referrals than any other source of new business.

Despite this, so many businesses seem to be content to leave new opportunities untapped. A mixture of laziness, reliance on tired old clichés and a lack of focus mean that so many of us do not achieve anywhere near the level of referrals we potentially could.

Let me ask you a few simple questions:

- What percentage of your business last year came through referral?
- Who were your leading referral sources ('Champions')?
- When was the last time you spoke to them about something other than business you needed to transact?
- What percentage of referrals received turned into business? How did that compare to the year before?
- If the number of referrals received and the proportion that turned into business went up or down.... why?
- How much business do you currently have in the pipeline thanks to referrals?

If you can answer these questions confidently and accurately, with the minimum of checking your records, congratulations. If you've even got up to date records of the referrals you've requested and received then you're ahead of the crowd.



The sad truth is that most business owners, company directors and sales people treat referrals as an afterthought. Sure, many pay lip service to referral generation but focus tends to slip quickly and the same, ineffective campaigns are resorted to time and again.

Over the next few pages I'd like to share with you seven of the biggest mistakes that lead to far fewer referrals being received, and less business being written, than there should be.

How many of these mistakes are you making? And what can you do to generate much more business with the help of your network?

**Andy Lopata**

## Mistake Number 1 – Not Knowing What You Want

If someone asked you whom you would most like to meet, could you answer? Amazingly, most people can't respond to that question, certainly not in a way that would help them to get referred.


When I ask that question in my seminars and workshops, the most common responses (apart from the occasional blank faces) are usually along the lines of "anyone who needs my services" or "anyone with money to spend/invest".

*Asking for 'anyone' will lead you to no one.*

If you don't have a clear picture of the people and the businesses you would like to meet, then how can anyone else? While you're reading this, how many people in your network are sat across from someone you'd like to meet? How many of those people recognise that fact?

A vague idea of who your customers might be won't get you referred. Without a clear focus on who your prospects are, you will be unable to communicate your referral needs to your Champions. They will be spending a collective lifetime sat in front of ideal connections for you without realizing it.

How much business does that leave on the table for your competitors to benefit from instead?



**Asking for 'anyone' will  
lead you to no one.**



Take some time and some paper and start to describe your ideal customers. They won't all be the same; you'll have a mix of people you want to meet, from the 'bread and butter' everyday transactions to your dream client.

Picture them in your mind and then think about their interactions with your shared network. How would the people who might refer you recognise them and know they are a prospect for you?

Next time someone asks you who you most want to meet, you should be able to respond straight away. And if your Referral Mix is clear in your mind, you'll answer each question with a different response, depending on the network and area of understanding of the person asking.

## Mistake Number 2 – Settle for Long Shots

A startling amount of business opportunities are missed purely because we don't seek the highest quality introduction possible. Whether it's due to laziness, a lack of understanding or, in many cases, a desire not to be a burden, we're happy to settle for much less than a referral.

Generally speaking, there are four types of business introduction you can look for from your network:

**Tip – A piece of business information that may help you to identify a possible prospect.**

**Lead – A name and a number. You may be able to use someone's name when ringing but this is essentially data for a cold call.**

**Recommendation – Someone tells your prospect about you and passes on your details. This is always wonderful when they ring but until (if) they do, you can only sit there and wait for the phone to ring.**

**Referral – Someone has spoken to your prospect about you and arranged it so that they are expecting your call.**

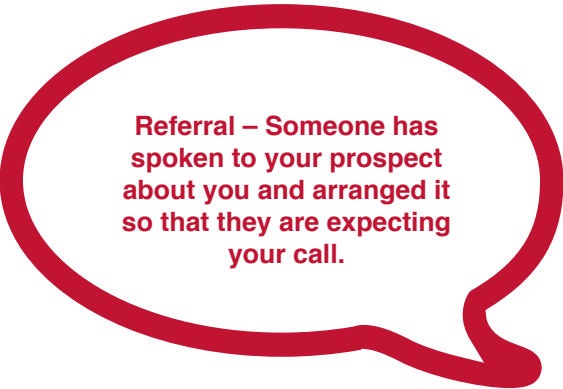
All too often we simply say 'thank you' when people give us some information or a name and suggest we call or when they tell us that they've recommended our services.

Stop sitting back and take control!

If it's a tip or lead, ask your Champion if they will be speaking to your prospect soon and if they would be happy to mention you and set up the referral. If someone has recommended you, ask if they would be happy to go back and ask your prospect if they would prefer it if you called them.

Of course, a lot depends on your relationship with the people offering you these opportunities. You may feel more comfortable asking a long-term friend or business acquaintance to convert a recommendation into a referral than you would someone you've just met.

But help your Champions to help you. They are offering you opportunities both because they believe in you and they believe you can help someone else in their network. By asking for a better quality introduction you are doing the first bit in ensuring their action leads to a successful conclusion.



**Referral – Someone has spoken to your prospect about you and arranged it so that they are expecting your call.**

## Mistake Number 3 – Be Lazy

In the introduction I mentioned that most referral strategies are lazy and reliant on cliché. Here are the top four approaches to generating referrals and why they simply don't work:

**Passive Reactive** – we believe that if we do a good job then our customers will recommend and refer us. But this assumes that our customers are focused on how they can help our business grow. Most aren't.

Waiting for others without at least asking is not a strategy. It's hope at best.

**Mud at the Wall** – Membership organisations, such as health clubs, networking groups and wine clubs, are classic exponents of the 'Mud at the Wall' approach to generating referrals. In other words, they ask everyone on their database at one time, "will you refer us".

The challenge with asking everyone together is that any individual receiving that message is easily able to ignore it. Responses tend to be very low as a proportion of people asked. I believe that you'll get much greater results from asking ten people individually for referrals than from emailing a general request to 1000.

**The Columbo Close** – "Just one more thing...". A catchphrase associated with the TV detective Columbo but also with countless salesmen assaulting their prospects at the end of a sales meeting.

"Just one more thing. Are you happy with what we've covered? Do you know anyone else who might need something similar? Could you give me their name and number?"



This approach is lazy, poorly timed and ineffective. And hopelessly outdated. Asking people who haven't even bought from you themselves yet for low value, unqualified leads is about as far from an effective referral strategy as you can possibly get.

**The Holy Quadruplicate** – Ask any accountant, solicitor, banker or financial advisor for their best source of referrals and the chances are they will mention the other three. And turning to intermediaries for referrals should work well.

Unfortunately most people don't nurture the relationship with their referral partners, simply shaking hands on an agreement and expecting the referrals to flow. And of course, when you ignore a potential Champion the referrals start to dry up instead.



## Mistake Number 4 – Limit Yourself

Unfortunately it's all too easy to become blinkered in our referral strategies. Most businesses and sales people only look in two directions for referrals – to the aforementioned intermediaries and to their clients.

Don't get me wrong; if you pay attention to the relationship between you, then your intermediaries will generate new business opportunities for you. And clients are certainly best placed to refer you, as they understand the value of what you do.

But they don't necessarily have a vested interest in your success. The busier you are, the less attention you can afford to focus on them. And shouldn't our relationship with our clients be one of serving them, not them serving us?

Your suppliers, on the other hand, do have a vested interest in your success, the busier you are the more you will need to buy from them, and their role is to serve and keep you happy. Yet how many people turn to their suppliers for referrals as frequently as they do their clients?

In fact, by restricting our strategy to just clients and intermediaries, we ignore a mass of potential referral partners. Family and friends have more interest in our success than anyone else, yet many cultures consciously veer away from asking them for help.

And don't forget that people in our social circles have a life beyond the life they have with us. Who do they know and to whom do they talk when they're not spending time with you? How many of your potential clients do they know and influence?

Stop pigeon-holing people and open yourself up to referrals from across your network.

## Mistake Number 5 – Don't Allow People to Help You

One of the biggest factors stopping people asking for referrals seems to be fear. The fear of being a burden, or the fear of looking weak and vulnerable. Let's look at each of these in turn.

I'd like you to think of someone you have helped recently, particularly someone you like. Maybe you've given them a referral, some advice or helped them to find a new job. If that help led to a successful outcome, how did you feel?

I'm pretty sure that you don't recall any negative feelings about offering that help. About feeling that it was a burden to you. In fact, the chances are that you felt pleasure about being able to make a positive difference in the life of someone you like.

So stop thinking that you're being a burden if you ask for help. As long as you only ask people with whom you have a strong relationship then, rather than being a burden, you'd actually be denying them pleasure if you didn't ask.

As for looking weak and vulnerable, that all depends on how you ask.

If I said to you, "My business is struggling, I'm losing my confidence and I don't know what to do next. Please refer me to help me out", I'm not exactly going to fill you with confidence, am I?!

However, if I said, "I've just finished a contract with Company A. It was a great success and we've managed to increase their revenues by 50% with just a small change. They're delighted. I know that Company B have had similar issues and I'm confident I could help them in the same way, would you introduce me?", your perception of my abilities and confidence might be somewhat different.

In both cases it's simply a matter of reframing and rephrasing. Fear is certainly no excuse not to ask for referrals.

## Mistake Number 6 – Fools Rush In

Temptation often kicks in and gets the better of us when we meet someone well placed to refer us. So many times people ask before building a relationship first and think that a financial incentive will be enough to secure the flow of new opportunities.

In my experience, however, people predominantly don't refer because they will earn out of the transaction. Yes, some people do and in some cultures a financial inducement is expected, but generally there are other motivating factors at play.

In many of my workshops and presentations I run an exercise asking delegates what inspired them to make a recent referral. Interestingly no group, irrespective of geography or industry, has ever had anyone volunteer 'commission'.

People refer because they trust the person delivering the service, because they like and want to help them, because they feel they will be a great fit with the potential customer, because they want to help the person who needs the service being referred.


They refer for a range of reasons but a strong relationship is one of the major factors in driving referrals. This is one reason why 'The Columbo Close' amazes me so much – we ask prospects we've only just met, more than we do people we've done business with for years.

## Mistake Number 7 - Confuse Your Champions

In outlining Mistake Number 1, I asked if you don't know who you want to meet, how can anyone else. Not painting a clear picture of our ideal prospects serves to severely limit the quality of the referrals they can pass.

As discussed earlier, people will often say 'anyone who can use my services', which tends to lead to nothing in return. Alternatively, the temptation is to list all of the products and services on offer and all of the different type of customers who might be interested.

The philosophy seems to be to cram in as much information as possible so that no opportunity is missed.



**Yet the more you give me  
to remember, the more I  
have to forget**

Yet the more you give me to remember, the more I have to forget. Keep your message simple and concise. It needs to be both sticky, so that people can remember it accurately, and transferable, with people able to repeat it accurately.

When your Champions have conversations about you there is a strong chance that you won't be there. So they need to be able to speak confidently about you without getting confused. That means you have to make their life easy with clear, concise requests that allow them to recognise the right opportunities for you and convert them into referrals with confidence.

## If You DO Want Referrals

Have you been making any of the mistakes in the pages of this tips book? It's not too late to change your approach.

I believe that an effective referrals strategy is built upon strong relationships, clear focus and precise communication. It involves engaging with your network both face to face and using social media. Most importantly, it is developed around a small number of individuals in your network who are ready, willing and well placed to talk about you.

I believe that an effective referrals strategy is planned and measurable so that you can monitor progress, recognise what's working, identify changes you need to make in good time, replicate and teach it and allows you to forecast revenue expected from referrals in the next year.

The Referral Book™ approach is outlined in my book ***Recommended: How to Sell Through Networking and Referrals*** (Financial Times Prentice Hall 2011) and also in a number of blogs, podcasts and webinars in the free resources section of my website ([AndyLopata.com/Resources](http://AndyLopata.com/Resources)).

I hope that you do take on board the advice contained within these pages and implement an effective referrals strategy so that you can generate the business from referrals that lies hidden in your network and stop making the mistakes that hold so many others back.

Happy Networking – Let me know how you get on!

## About Andy Lopata



Labelled ‘**one of Europe’s leading business networking strategists**’ by The Financial Times, Andy Lopata was called a “true master of networking” by The Independent.

The author of three books on networking, Andy is a regular blogger for The Huffington Post as well as being quoted in national press, both in the UK and overseas.

Andy is a Fellow and a former vice-president of the Professional Speaking Association, a Fellow of the Institute of Sales and Marketing Management and of the Learning and Performance Institute.

### **Working with Andy, clients can achieve:**

- A clear networking and referrals strategy that optimises return on investment
- Improved relationships with existing clients and a greater average lifetime client value
- Motivated teams who enjoy their networking and get measurable results
- An increased profile and an increasingly rewarding network

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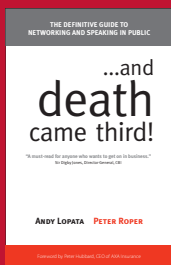
*“We engaged Andy Lopata to conduct a seminar on networking at our offices in Waterloo, Belgium. Andy is an energetic presenter who quickly captured our audience’s attention. The content of his presentation was excellent and fostered lively commentary and questions. Networking is a critical skill for success and Andy offered many helpful tips that were relevant and useful to our pan-European employees.”*

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**Jennifer Rademaker,**  
**Head of Core Products Europe,**  
**Mastercard**

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