

Ep #258: Understanding Power Referral Sources

ROADMAP
to
REFERRALS



with

Stacey

**BROWN
RANDALL**

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Roadmap to Referrals with Stacey Brown Randall

Ep #258: Understanding Power Referral Sources

Stacey Brown Randall

Imagine you have a referral source, someone who refers you, who sends you 5, 10 or more clients every year, and then they stopped. What would you do? And more importantly, would you know how to replace them?

Hey there, and welcome to episode 258 of the Roadmap to Referrals Podcast, a show about helping you build a referable business. I'm your host, Stacey Brown Randall.

Here's the dilemma of the hour, here's the question of the hour, are you ready? Could you replace your power referral source if they stopped referring you?

Okay, wait, let me back up. Let's start with what am I talking about when I talk about a power referral source? And then let's talk a little bit about why this matters, and then I want to tell you a story of how you can solve it by using the story of one of my clients.

So, first, let's start with, "Okay Stacey, you keep saying the words "power referral source," how is that different from just a regular referral source?" Well, a power of referral source is typically — what we do inside Building a Referral Business is — and let me just first say that, if you're like, wow, a power referrals source, never even had one of those. Not everybody does, that is the reality.

Not everybody will have a power referral source. I just feel like for some reason, I need to start this episode there. So, when you hear me talk about what I'm about to talk about, you don't all of a sudden, think you're doing something wrong if you don't have one. Because not everybody that I work with has one. I definitely have a few people ... okay few is not fair, it's more than that.

But I've definitely worked with a number of people over the years that have had a power referral source. And what a power referral source is, it is somebody who consistently, meaning year after year, sends you usually your largest number of referred prospects, your largest number of potential clients by referral.

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And when I say largest number, let's just say for sake of argument, you have people who refer you one or two potential clients a year, and that's what they do every year. You kind of just know because you are cultivating them the way that I teach you in the right way — you just know they're going to send you one or two, and a good year, maybe three potential new clients by referral. And that's the average and that's what they do, and you have lots of people who do that, a lot of us do.

But a power referral source is way above that. Meaning they send you the largest number of referrals you receive in a given year, but they actually do it year after year. So, you can have what looks like a potential power referral source send you 5, 6, 7, 10, 12, whatever it is, referrals in a year.

And you'd be like, “Oh my gosh, I got me a power referral source, woo-hoo,” and then next year you don't get anything from them. Typically, that means is that you had a great connection, they actually thought about a whole bunch of people that they could send your way and they did. And maybe you nurtured it, maybe you didn't. And then eventually, they were onto somebody else that they were loving on in that way.

So, a power referral source though, what makes them a power referral source is this is consistency. This is more than one year, usually it's 2, 3, 4, 5 years. And what I find with clients that I start working with is that they come really hard to rely on those people. And so, the question I always ask is, I am so impressed you have a power referral source that is amazing? What the heck are you going to do if they stop referring to you?

And they're like, “Well, they wouldn't stop referring to me.” I'm like, “Maybe not on purpose, but maybe they get out of the business, maybe they move away, maybe they have a major life transition that happens and all of a sudden, they're not doing what they're doing now to be able to refer to you.”

I'm not saying that they'd stop referring you because you had a falling out, I'm saying they'd stop referring you for other reasons outside of your control and maybe even their control, what would you do?

So, again, a power referral source is somebody that sends you the most significant number of referrals you receive on a consistent basis, year end and year out. Now, what is the number? Well, that is really indicative of you.

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So, I have some clients that their power referral source, we're talking about 20 or 30 potential clients every year. Typically, in a situation like that, you do something that they need. Like, "Hey, I need my clients to also do this, so you're the person I use for that." And it becomes a great symbiotic relationship there of them referring people to you because they need you as much as you need them.

I have others where they'll get like, 7 referrals a year, 12 referrals a year, 14 referrals a year from their power referral source. And it's just because they're a super raving fan, and they're constantly talking that person up. They're constantly talking my client up, and so, they're constantly coming across opportunities to refer to them.

So, it works both ways, it doesn't necessarily need to be in a situation where, "Hey, I need you, so that's why I refer to you." Sometimes, it's like, I just think you hung the moon and I'm going to keep referring to you forever and ever a day.

So, do you have a power referral source is probably the first question you need to ask yourself. Well, if you don't know who your referrals sources are, you have no idea. If you think you have a power referral source, there's a really good chance you could be wrong until you actually look at the data.

Now, a power referral source does not send you one or two more referrals in a year than the rest of your referral sources. We are talking about a significant portion of your referrals coming from a power referral source because we want to really understand the why behind that and the relationship behind that. And we look at that relationship a little bit different in terms of what we do nurturing it moving forward.

And so, that's important because we can do different outreach and stuff depending on that relationship with your power referral source. So, identifying it, of course, is the first thing. Why does this matter?

Well, for what I just said, if you have a power referral source, you may do some of the outreach or the touchpoints that I teach when we're cultivating more referrals from the people who already refer us.

You may do some of those same touchpoints but more than likely, we're going to customize a few specific things you're going to do throughout the year for your power referral source. Or when we're looking at the

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touchpoints you're doing throughout the year, we may tweak them just slightly for that power referral source.

And in some cases we may remove your power referral source from some of those touchpoints you're going to do because it doesn't fit the relationship. So, there's a lot of decisions that we make on how we cultivate that relationship continuously with our power referral sources once we've identified that we have one.

So, I know a lot of people would be like, "I would love to have a power referral source," they don't just create themselves magically out of thin air. It's just not how it works, and I get this.

And I see this more than one would expect because I'm obviously in the world watching people with their referral sources and the data and stuff, because that's what I do for a living, this is what I do all day long.

Most people who I do want to just say this ... I'm going to talk about a couple examples, that doesn't mean you're going to have one, and that is okay. So, I have seen an attorney who does intellectual property law, who receives a large number of clients referred to him from a franchisor or consultant.

I have seen a real estate agent who has an Uber-connected referral source who's just a huge super fan and friend. I've seen a consultant who receives referred business owners to him through an executive at a business program. So, these are just some examples of how I see what this looks like.

But what I want to do with this episode is now that you understand what a power referral source is and why it matters, what I want to do with this episode is tell you a story of a client I worked with who found themselves in this situation that I want no one to ever find themselves in, which is you're bopping along and everything's great, and you've got this power referral source and you've got other referral sources and you're getting your referrals and things are great. And then poof, in an instant, that power referral source is done, stops, gone, what do you do?

And this is the story of how a client who showed up to me and said, "I just lost ..." she didn't know to call it a power referral source. She's like, "I just lost my best referral source," that's usually how people call them: "I just lost

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my best referral source, what do I do?” And my response is, “Well, we've got to replace them.”

Let me go ahead and get to the spoiler alert before I get to the story. You can't magically create a power referral source out of thin air. It takes a lot of cultivation and a lot of nurturing and a lot of identification of the right person, and some trial and error. So, typically, we're not trying to replace them but we are trying to replace the referrals that you had come to count on.

So, we're not always trying to replace the power referral source but we are trying to replace the referrals that they would send you by making sure we're increasing your referrals overall. So, I want to tell you a story about a real estate agent that I worked with named Tara.

The main goal when she came to me was to replace her best referral source (which I then told her is called a power referral source) since her best referral source, her power referral source had moved out of state.

Her big concern as would be with everyone's, as it is with me for my clients, is I don't want your referrals to take a big drop, so what do we need to do? And the focus was on cultivating stronger relationships with the referral sources she did have, and then looking to bring on new referral sources so she could close the gap of the number of referrals that power referral source provided to her. Her goal was to always make sure she was getting more than 25 referrals in a year.

Now, if you're not a real estate agent — I know I have a lot of agents who listen to me, so I know you guys get this. But if you're not a real estate agent, here's the two things every agent wants to sustain their business: repeat clients and referrals.

So, when you hear a real estate agent be like, “Oh, they want 20 referrals or they want 30 referrals,” more than likely, they probably also have that number in duplicate or close to it with repeat clients. And that is a really good healthy balance for a real estate agent.

You've got some clients who come back to you, and you don't know when they're going to come back to you. But you are doing the things you need to do within your client experience to stay in connection with those folks that have the potential to come back around.

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And so, it's important for a real estate agent to be focused on their repeat clients like, "Hey, I helped you buy your home six years ago, now you've had two kids, let's get you into a bigger home." Like that is a crux of a real estate agent's business. I mean, it should be. If it's not, maybe they're doing it differently.

But most agents that I work with that have long-term longevity in this business in the real estate world, they have a huge amount of repeat clients. So, she had the same thing, she'd been in business over six years, I believe. She had had a number of repeat clients that she could kind of anticipate. Not who exactly, but she would average out the number of people that would be coming back around with her. And on top of that she also had referrals.

She also had a really high closing ratio. When someone was referred to her, they were like 95% probably going to work with her. So, when we look at what she was looking to do in her business, in that first year, she was like, "Okay, lost my power referrals source, don't want to lose my referrals. Still want to come in in that 25 range of referrals for the year."

Now, here's the thing, once you lose a power referral source and you haven't been actively looking to replace that power referral source before you lose them, you are starting from behind, like you are already starting behind the gate. So, maybe, that average number of referrals for her was like 20 or so referrals every year, and she's like, "I want to keep that going, I want to keep that average up. 20 to 25 referrals next year."

I'm like, "Well, we're already starting at a deficit because your power referrals source that gave you around 10 is no longer giving them to you." So, we had to get really, really clear on the expectation of what this is going to look like.

The second thing we had to do was figure out who did she have in her list of existing referral sources that probably had the potential to do more if we just took care of them differently. Now, here's the thing, she did a fabulous job maintaining relationships.

What she really needed from me was the language, was the things that she needed to be weaving into the language, the referral seeds that she needed to be planting so she could just be top of mind more from a referral perspective than anything else.

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And so, the goal was one, let's see if we can get more referrals from the people, you already have, and identifying who we think may have the potential to give you more referrals if we just take care of them in a different way with some different language. Number two was, okay, well you're going to need some new people referring you.

So, she combined two strategies, the one we teach in Growth by Referrals, which is how do you get more referrals from your existing referrals sources and took the language piece within that program's module and really dug into the language, and making sure she was always weaving that language through. Like not in an obnoxious way but making sure she was dialed in on that. And she was an excellent student, so she did what she knew she needed to do.

And then the next thing we did was she took the strategy we teach in Referring Machines and she implemented that because that's how we create new referral sources. And she worked it, and we did replace the number of referrals lost from what we would've expected from her power referral source. And in that year, she brought in 29 referrals and that was even a very bumpy year with the market.

So, it's totally possible, it can be done. If you have a power referral source and you're worried about losing them, you can be proactive and get prepared if you do happen to lose them. And if you don't and you're still bringing on new people or more referrals, you'll just get to enjoy more referrals.

So, there is a way definitely to replace a power referral source but it takes work, it takes a strategy, it takes understanding who you have now referring you and who you need to be referring you and what those numbers, what those metrics ultimately look like.

So, the question of the hour, what we started this episode with; could you replace your power referral source if they stopped referring you? First ask yourself, do you have one? If you do, could you replace them? Well, now you know a little bit about what it looks like to do that. But what if you don't have a power referral source and you want one? Well, we'll have to swing back around on that episode later on.

Hey, I know we're coming to the end of this episode, but I do want to remind you with our pardon the interruption that when it's time to double,

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triple, or quadruple your referrals now, you really need to join us inside the coaching program, Building a Referral Business, BRB.

Go to staceybrownrandall.com/referable to learn about everything you receive inside BRB and submit your application. The link again, is staceybrownrandall.com/referable.

Hey, if you have a power referral source, let's get talking about it throughout our time together when you are a member of BRB.

The show notes for this episode can be found at staceybrownrandall.com/258. Next week episode is 259, and we're going to do a little bit of an ease drop on some things that have been happening inside our coaching program, BRB, Building a Referable Business, and let you hear some of the stuff I'm helping them work on right now.

So, until then, you know what to do, take control of your referrals and build a referral business. Bye for now.