

Ep #284: What People Get Wrong About Referrals



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With Your Host

Stacey Brown Randall

Stacey Brown Randall: While referrals are an excellent way to grow your business, they can quickly become complicated and complex if you get

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these important points wrong. So let's make sure that doesn't happen to you.

Hey there, and welcome to Episode 284 of the Roadmap to Referrals podcast, a show about helping you build a referable business. I'm your host, Stacey Brown Randall. My journey from a business failure to a successful business now 10 years in, I know, generating referrals naturally and consistently has made all the difference. Working with clients around the world, we leverage the science of referrals, protect relationships above all else, and help you build a referable business.

There is nothing worse than me seeing or hearing the frustration someone has about referrals when it's based on incorrect information. Make no mistake, referrals are an excellent way to grow your business. But they can quickly become complicated and complex and just downright confusing if you get some very important things wrong about referrals.

So for this episode, we're going to dive in because this is the stuff you need to get straight in your brain before you move forward and conquer referrals in your business this next year. Alright, we've got a couple to go through, so let's get to it.

Number one, using the incorrect definition for referrals. Or sometimes I say this as, confusing things that are not referrals as they are referrals. Meaning, when I hear someone say, "oh, I got a word-of-mouth referral" or "you should do referral marketing" or "I got this great referral." And actually, it's none of those things, I know they actually don't know the definition of a referral.

It seems pretty basic. I mean, I think that most of us, and I'm sure all of you listening, if you're a new listener to this podcast and you're new to the world of referrals without asking, the way that I teach it, you may think, I got this, Stacey, I know the definition of a referral. It's when a client lands in my lap, right? Or it's when I actually have somebody that's sent to me by somebody else.

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But those are generic definitions of a referral. You really need to understand the two parts of a referral and its definition so that you can then see how introductions, warm leads, word of mouth buzz, and terms like referral marketing or relationship marketing aren't actually what we're ultimately after with referrals.

So let me break it down for you. A referral has two things to make it a referral. One, personal connection. It means that the person who's referring someone to you. We call that the referral source. Some people call it a referral partner. It doesn't really matter to me. Just make sure you're calling it one or the other, right?

We call the person who's referring someone to you your referral source. The person they're referring to you is the prospect. And there has to be a personal connection from the referral source to the prospect to you. Meaning the referral source is going to connect you to the prospect.

That typically is going to happen over an email with most of the companies that I work with. That's going to happen over an email. It can happen over a text thread. And sometimes, yes, if you happen to all be at the same event, it can happen in person. But you are actually personally connected. Which means, when somebody says to you, "oh, I sent someone your way, I told them they needed to hire you, and I gave them all of your contact information, don't worry, they'll follow up". That's not a referral.

Because that person, whereas they talked about you, there's somebody out there who has a need for you, you don't know who it is. You're not in the driver's seat, and you don't know who it is. So while it's a really, really close to being a referral, it's not. It's actually word-of-mouth buzz.

It's the same thing when you get an email when people are like, hey, meet so-and-so, hey, so-and-so, meet so-and-so, you are two good people, and you need to know each other. And that is an introduction. There is no, and this is the second part of a referral definition, need identified.

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So to be a referral, you need to be connected to the prospect by the referral source, the person the prospect trusts, and the prospect needs to know they're the prospect. There needs to be a need identified in the prospect, and they're at least open to discussing how they're going to solve this problem that they have, which means they need to know they have a problem.

Lots of times you're told, hey, you should follow up with so-and-so because they need you. But so-and-so, whoever that is, they don't know that they or don't believe that they need you. So now you're chasing some kind of maybe lukewarm/warm lead, but it's really somebody who's like, somebody else thinks I need you, but I don't. So that's not what we're after.

So I see people incorrectly talk about referrals. I also see this happen when people talk about referral marketing or relationship marketing. Referrals aren't marketing, period. Those two words do not go together.

Referrals is a part of your sales strategy, but it is on equal playing field with the marketing you will do and the prospecting you will do. There are three legs to your sales strategy stool, and that is prospecting, marketing, and referrals.

Referrals should not be grouped under prospecting. That's where you get asking advice and compensating advice. And it should not be put under your marketing activities, which is where you see things like be gimmicky and promotional.

So equal level playing field, referrals are not marketing. So when I see people say, oh, referral marketing or relationship marketing, when you use the term marketing, you're creating a dynamic of how you're going to then go do whatever you're trying to do to get referrals, but you're going to do it from a marketing perspective, and that is the wrong mentality. You have to do it from a referral perspective.

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Okay. I have like, I dive into this in my whole book. Like there's like a whole chapter on this. Okay, it's not a whole chapter, but it's pretty darn close actually in *Generating Business Referrals Without Asking*.

So if this is like the first time you're hearing from me and this just blew your mind, awesome. Welcome to the party. We're so glad you're here. Go grab my book, *Generating Business Referrals Without Asking*, wherever books are sold and read it because it'll break this down more for you, but it's super, super important.

We talk about this, I have a mini program called *Saving Lost Referrals*, and we talk about this in that program about you can't confuse referrals with things that it's not, because the minute you use the incorrect definition or an incorrect term, your brain starts thinking about what you should do differently. And that's where we get into trouble.

A referral is a referral if it has personal connection, need identified, and it's separate from marketing. And so knowing that, allows you to think about referrals differently.

Okay, here's the next thing you got to make sure you have right, alright? Number two is thinking that people refer to you because of you. Oh, my sweet friend. Oh, I know it feels so good every time you get a referral. It's like, it's Christmas morning, right? All day over again. It's like, oh, a new client. Oh, just fell into my inbox. New client. Oh, just fell into my lap. This is so exciting. It is exciting. And it feels amazing. I love them. I'm sure you love them, right?

We all love receiving a referral. But when that referral is being made to you, please do not confuse your joy of receiving it with you being the reason it happened, because you're not. The reason somebody refers someone to you is because you can solve a problem that they've identified in someone else that they are trying to help.

So in the moment that a referral is happening, you're not actually the first thing that comes to mind. You're the second thing. The first thing that

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comes to mind is, oh, wait, I can help this person. I'm going to do a good thing. I'm going to be the hero. I'm going to help this person. We are built to do that. I mean, most of us, some people are dead inside, but not you guys, not me, like not the listeners of this podcast, right? We want to help people.

And so the idea here is that when your referral source is talking to a potential prospect, but yet doesn't know it, and that prospect says, hey, I've got this problem, the referral source is thinking about them, the prospect. Oh, my gosh, I can help you. And they're the hero in that moment.

The second thing they think of is, who am I going to send them to? Oh, yes. Of course, I'm going to send them to Catherine. Oh, yes. Of course, I'm going to send them to Brian, right? You come second. You're not first. So don't believe that people refer to you because of you. You are an important part of the equation. You're just not the most important part of that equation.

Okay, number three. Here's the other thing I don't want you to get wrong. Referrals, they are simple, but they're nuanced. And I know the minute you use the word something like nuanced, it feels a little bit more complex and complicated. But it's not when you understand it.

When you understand how referrals work, and you understand the science behind referrals, and then you understand how referrals should be working within your business, what we call the referral ecosystem, when you can see all the pieces and you understand what to do in certain situations or what to say in certain situations, and you have specific processes running in your business to be able to cultivate referrals in an ongoing way, it's actually very simple.

But when you're first kind of like learning it or you're first like introducing yourself to it, there's this idea that it's just a referral, like you just I need to get more referrals and I do this one thing to get referrals.

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Oh, no, no, no. There's nuances to it. There's understanding the human dynamic of what's going on when referrals are at play in your business. And so, yes, referrals are simple. But there's nuances that you need to understand.

I spend a lot of time with people in my coaching program, Building a Referable Business. I spend a lot of time helping them see the nuances of the situation. Yes, I know this was said to you, but if we're reading between the lines, it's probably this, and this is how you should respond.

And those are muscles anyone can build and grow and flex. But until you know the muscle is there and you need to be using it, you don't know. You just don't know what you don't know.

So I spend a lot of time with my clients in my coaching program talking about those nuances. And talking about what we say and do in certain situations so that we can hopefully get the outcome we're wanting. And it's easy to be learned, but it's not as simple as, I want referrals, I do this one thing, referrals show up. They are nuanced.

And while simple, it does mean you need to understand what's going on and what's happening. And when they don't go according to plan, that's when you really understand that they're nuanced. So keep that in mind.

If you've read a book on referrals and everything was like, just do this and do this and do this and you're done, it's probably missing a large majority of what's actually happening in your business and when referrals are actually happening for you. And there's probably a lot more for you to uncover.

So while referrals can be simple, understanding the nuances is actually what makes you successful. And there's a difference. And I want you to be successful with your referrals.

Hey there, pardon the interruption. To make progress with referrals in your business, you shouldn't go it alone. If you want to double, triple, or quadruple your referrals, then let me give you the roadmap and show you

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exactly how to do it. Join me and the other members inside my coaching program, Building a Referable Business, and we'll do it together. Find all the details of the coaching program and the link to complete your application at StaceyBrownRandall.com/referable. Now back to the episode.

Okay, so we've covered three important facts or facets or things you need to know about making sure that you are getting referrals right and you're not getting things wrong. We've got a couple more I want to get through. So let's keep going.

The next thing I would say, this would be number four, is believing there's something wrong with your business if it's based on referrals. Okay, so I want to laugh when I say that out loud, because to me, I'm like, are you kidding? That's what I help people do all day long, is build a business where hopefully their largest generator of new clients, or at least prospects, comes through referrals.

But the truth is, there are people out there who believe that if their business is being built by referrals then somehow this is keeping them from a scalability factor or somehow this means their business isn't serious because for whatever reason they have it in their heads that like they need to be running Facebook ads or they've got to be having all these other marketing strategies and tactics that are out there that are working.

And it's just crazy to me because I'm like, oh my gosh you know exhausting all those other things are? To be like, oh, you belong to like 14 different networking groups, and you're going to networking events all day long, or all week long, or all month long. And oh, you're spending hundreds, if not thousands of dollars in Facebook ads, or any kind of ads that you're doing.

Oh, there's a lot of great ways to grow a business. And you've got to figure out what works best for you. There are some people who are like, all in when it comes to making their business grow and it is all about like ads and SEO and digital marketing and all those things. That is great. You do you.

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But in this world, I don't actually want to work that hard and it's easier for me to grow my business through referrals. Now I can understand if you have a high, high-volume business. If you need hundreds of clients every month or every quarter, or even maybe every year, I can understand how growing a business based on referrals is not the right fit for you, and you need other ways to grow your business. Referrals could be a component, but it's never going to be the biggest component. But those aren't the people that I work with.

So if you're listening to this podcast and you're like, I need 100 clients a month, what you're gonna learn from me will be valuable, but it's not actually going to get you there. Because I don't teach, that's not who I teach for. I don't teach for high volume, high transactional type businesses. I don't teach strategies that work for those types of businesses.

So if you need hundreds and hundreds of clients every month or even every quarter or even every year, it's not the right fit. That doesn't mean you may not need a hundred clients in a year, totally, right? But you don't need like hundreds eking up to like the 400, 500, the thousands, like that is a different realm of probably how you want to grow your business. And it's not the realm that I work in.

So when I hear someone say to me, I think there's something wrong because all I get is referrals. I'm like, oh, sweet goodness, you just don't believe that you're a real legitimate business because you're not deploying some other strategy or tactic that some other guru told you that you ultimately need. And I know that is a reality that people absolutely feel and face. And so I think that's an important one for folks to recognize and to acknowledge.

It's okay, right? It's okay if your business is based on referrals. In fact, it's the greatest thing in the whole wide world. But probably where I see people are like, oh, I'm only getting referrals. The sense there isn't the referrals, it's that you're not getting enough.

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Because if you were filling your pipeline all year long with the clients that came from referrals, you'd never think there's something wrong with it. You'd think this is the greatest thing since sliced bread because this makes my life so much easier.

So usually when people are like, oh, I'm really only getting my clients through referrals, what they're not saying and what's actually behind that is they're not getting enough. And so they don't feel like their business is growing. Sometimes it then leads them to believe things that aren't true, but like they're not legitimate or they're not a real business, like none of that's true.

If your business is bringing clients in and you're making money, you're legitimate. If you're helping people, you're legitimate.

And so the idea there is that when people are saying, hey, I mean, I'm only getting referrals, it's not that they're only getting referrals because they're not getting every client by referral. They're stressed because they're not getting enough business. So please don't believe that something is wrong with your business if it's based on referrals.

Now, number five is on the flip side of that, people believing something is wrong if their business is not based on referrals. So let me talk about the flip side of that.

If you're not getting any referrals in your business, that doesn't mean there's something detrimentally wrong with your business, as long as you're bringing in clients in another way. Now, you're here in my world, so I'm going to give it to you from my perspective.

When I work with someone, I want how you generate clients through referrals to be the biggest piece of the pie. If you need, let me just, I'm going to take an interior designer, for example. Let's just say an interior designer needs 15 projects, 15 clients in a year. They don't all start on January 1st, right? They're going to be at varying stages throughout, the 15 projects, the 15 clients that they need in a year.

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And if we're looking at those 15, I want as many of that 15 clients to have come through referrals, which probably means you're going to need more referrals than that because you're not going to close them all, right? But the idea here is that I want as many of those to come through referrals.

But a lot of people are like, I'm getting some from Houzz, which is like, it's like an online Google. And that's the terrible way to describe it, probably. But it's like an online Google for interior designers where people go and look and then they can be, like by location can find designers and stuff. And so they advertise or they post work and things like that on Houzz. I'm like, probably not explaining it perfectly. For the benefit of everybody else, that's a pretty good description.

And so there's this idea like, well, I get some business from Houzz, right? And then the interior designer will tell me. And I mean, I get some business from just people that I know that know I've now become an interior designer or that I am an interior designer. Or, you know, I got real lucky and I had something published and I got some PR, I got a spread and a magazine, either locally or nationally, and that created some buzz and I got some clients from that, but I'm not getting a lot of referrals.

There's nothing wrong with your business if it's not based on referrals, as long as you're bringing in clients. But in my world, the way we think about that is we want to flip that, and we want the majority of your best clients to come to you through referrals. I want you to put in processes and procedures. I want you to understand language and relationships. I want you to know what you need to do to generate more referrals.

But there are businesses out there that grow without referrals and they're doing fine. So there's nothing, I'm going to combine now these four and five, right? There's nothing wrong with your business if it is based on referrals. In fact, it's amazing. You should celebrate it more.

And there's actually nothing wrong with your business if it's not based on referrals, but you can change that if you want to. But people get so in their heads about if my business looks right or if it's working the way it's

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supposed to versus paying attention to what do you want it to look like. That is most important above anything else. How do you want to grow? How do you want to bring on clients? And if referrals is a part of it, celebrate that if it's happening. And if it's not happening, well, let's get together and do some work so that you can start receiving more referrals.

Alright, let's move on to number six. Here's another thing that I see that people get wrong when it comes to referrals. Believing that all you need is some basic follow-up. I'll just set up an email drip campaign and I'll just drip on people, and they'll just give me some referrals, right? Or I'll have coffee with folks twice a year and it'll be a great coffee and then they'll just give me some referrals.

This is not how it works. Basic follow-up is not gonna cut it. You need to stay top of mind, and staying top of mind is actually elevating yourself above keeping in touch. It's like basic follow-up, then you go up a level to keeping in touch, and then you really go up a level when you get to top of mind, most, most important.

So if this is like, wait, what does she mean by basic follow-up versus keeping in touch versus staying top of mind, and like, how do I make that work so I'm not drowning in follow-up, right? Then I want you to go back and listen to [episode 281](#). It's an episode we did, it was titled Automation, Personalization, and Referrals. And there's a blend of what that looks like in your business. And so you can use automation, but you also need to balance it out with personalization. And we talk about that in [episode 281](#).

I will link to that in the show notes for this episode. And the show notes page for this episode, of course, is StaceyBrownRandall.com/284. That's 284, just the numbers.

Okay, so that's another one I see. People are like, I got some basic follow up. I got my email newsletter going out once a month. And I'm like, that is not going to help people, trigger people to get you some referrals. It's just not how it works.

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Okay, here's the last one. I know, we made it. Thanks for sticking with me. We made it. Here's the last one. Number seven, I believe. There is a difference between a business owner who generates referrals and can tell you what they do to generate those referrals versus an expert teaching you strategies that are proven to work because they've worked for hundreds or thousands in different industries with people who have different personalities.

This is a big one. So let me just say it again so you hear what I'm saying.

There's a difference between a business owner who has generated referrals following a process, following a system, following a strategy, and they can tell you what they did in their business. I'm not saying that's not valuable. But it is, hey, this is what I did, and this is what worked for me. That is one type of advice you can take.

And I see a lot of people out there like, hey, I got a whole bunch of referrals, and now I'm going to teach you how I did it. It's how I started. But there is a big difference between somebody positioning themselves as an expert to you, but all they have is what worked for them, versus somebody who is an expert that can teach you strategies that are actually proven to work and have been proven to work for over, I mean, what, 10 years now?

And they work in different industries, not all industries, but some different industries. Like an interior designer, attorneys, CPAs, coaches and consultants, real estate agents, financial advisors. And all those people have very different personalities.

Now, here's the thing. I built the referral strategies and the philosophy and the methodology that I teach because I needed it to work for me. And when it started to work for me, I had people ask, hey, can you teach it to me? And I was like, oh, crap. I don't know. Does it just work for me? Let's test it out and see.

And so in very small groups of people, like one-on-one and then workshop-based settings, I would teach my strategies. And then I would see, is it

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working? Once it started working for them and working better than sometimes it even worked for me, that's when I really dove in and changed my whole business to it.

That's just different. If you're going to listen to someone teach you about referrals, just know what's their history with it. The truth is, 10 years later, I teach referrals so much better than I did 10 years ago. I mean, I've grown. I've learned. Now, we really, truly understand all the science behind it and all the nuances behind referrals. It's why I have 19 strategies, not just one.

But there's a lot of people out there who generate referrals in their business. And then they go sell that as like, I'm going to show you how to generate referrals. And there's just a difference, right? There's just a big difference between somebody who's generated referrals for themselves and can tell you how they did it.

Not saying that advice is not valuable. But it's not the same thing as working with an expert teaching you strategies that are proven to work.

What I want you to hear and what I want you to understand is that there are lots of people who can teach you referrals. But if you're going to put a whole strategy in place, there is a difference between somebody who has been doing this for a really long time and somebody who had some success with it and just decided, hey, let me see now if I can teach this to you.

As long as they grow and they continue to make sure what they're teaching works beyond themselves, great. Welcome to our party. But if they're just going to teach you what worked for them, it's going to be a very narrow focus. And the truth is, the way I talk about my strategies, it isn't one size fits all.

There are certain things that my extroverts will do that my introverts are like, are you crazy? I'm not doing that. And guess what? It works for them, too, because we can modify and customize what we teach. And that is

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based on understanding how it works and the science behind it and the foundation behind it, not just I do a couple of things and it's worked for me.

I just think that as the marketplace gets more crowded and as our economic uncertainty continues, if you're going to spend dollars anywhere with anyone to learn any topic, really dig in to how they've been successful, who they've helped, what that success looks like, and how long they've been doing this. Because I think it matters more than people believe it does. And it really, really does if you want a system that you can customize to work for you. in a way that you will want to keep going because that is the whole point is to keep it going.

Okay, thank you for sticking with me. The resources mentioned in this episode can be found on the show notes page at StaceyBrownRandall.com/284. And we're back with another great episode next week created with you and your needs in mind. Until then, you know what to do my friend, take control of your referrals and build a referable business. Bye for now.