

Hired thru the Grapevine

by Nancy K. Austin

Referrals are a superb way
to get new work. Here's how to
harness the most powerful
marketing tool around.



In the 12 years from 1966 through 1977, at Merollis Chevrolet in Eastpointe, Michigan, Joe Girard was the undisputed king of car sales. He sold 13,001 automobiles in all, more than anyone else in the world, a feat that landed him in the *Guinness Book of World Records*. When asked to spill his sales secret, he explained: "I send out over 13,000 cards every month."

Cards?

Joe G's signature marketing strategy was to pelt customers and potential customers, just about everybody he met, with greeting cards. He sent cards on Valentine's Day, cards on George Washington's Birthday, cards on St. Patrick's Day. Cards showed up on Thanksgiving and Christmas. Whatever the occasion, the message was much the same: The front cover was always emblazoned with something unabashedly cheerful like "I like you," and inside would be "Happy New Year from Joe Girard" or "Happy Halloween from Joe Girard."

In time, those relentlessly upbeat missives snowballed into a big honking wave of positive word of mouth. Pockets of Joe Girard groupies — people who enjoyed getting the cards and talking about them — began to spring up around metropolitan Detroit. So when somebody asked, "Where should I go for a new set of wheels?" odds were you'd hear, "Go see Joe Girard. You'll just love him."





What set

Girard apart from your average pitchman was a certain guilelessness backed by an ironclad commitment to stellar after-sale service. His friendly little cards sparked one of the most successful word-of-mouth campaigns in sales history, and in 1978 helped launch Girard's new career as a motivational speaker and best-selling author.



So if you're wondering what an independent professional like you has in common with Joe Girard, it's this: No matter what you're selling, nothing



builds business better or faster than good old word of mouth. When it comes to garnering new work, savvy IPs of all stripes harness the persuasive power of the personal recommendation. And why not? Who in their right mind would suffer the paroxysms of cold calling, for example, when they can have new business flow straight to their front door?

Oh, it would be easy — but wrong — to assume that referrals just happen to

Networking Dos

1. Ask everybody — friends, colleagues, suppliers, clients — for referrals.
2. Use this exact phrase: "Who do you know who ...?"
3. Ask people who are pleased with your service to talk to other people about it.
4. Always keep your brochures, samples, or presentation book with you.
5. Offer a special price or special services to people in your buzz network.
6. Keep track of the people who send you referrals and of how those referrals turn out.
7. Set specific goals for meeting specific people.
8. Write and practice a short introduction to use when you meet a new group.
9. Volunteer for service-group assignments.
10. Nonbusiness referrals count too. Recommending a good vet, mechanic, or plumber can generate business for you in the future.

the lucky dogs who seem to have a knack for being in the right place at the right time. That sort of thinking can leave IPs — and their businesses — languishing. Referral marketing is better than luck. It's a kind of Super Strategy, more potent than a ton of advertising and a slew of salespeople put together: One recommendation propels you to another and then another; and pretty soon, you've got so much business you don't even need a listed telephone number. What's not to like?

Your Network Neighborhood

Before you can unleash all those referrals, you have to do a little planning. Start by mapping out your *buzz network* — your own constellation of potential referral sources, people who can use their influence to spread the good word about you and your business to people in their own circles. Don't go plucking names out of the blue; your network members

TIPS

must always have a real and durable connection to you, or they don't make the cut. They are never strangers. Try these for starters:

- Happy clients
- Vendors and suppliers, the people who get more business when you get more business
- Family, friends, and colleagues
- Anyone you've given referrals to
- Anyone who's thrown business your way

Since this is the core group that will generate most of your referrals, you should lavish time and attention on identifying who belongs here. Over time, these "founding members" will steadily enlarge your network by linking you to new people who, in turn, will bring you new work.

Relationships Rule

Once you've got a pretty good idea of who's in your buzz network, focus some of that famous IP energy on beefing up those relationships. Referral marketing works because people trust you not to make fools of them for recommending you in the first place; you'll never have to worry about that if your relationships are solid.

Don't confuse relationship building — a long-term process that requires patience and care and yields referrals naturally — with hunting and hounding, which is just another form of the classic hard sell. Consider the reckless fellow who showed up at multiple church services each Sunday morning like a heat-seeking missile. His idea was to speed-schmooze the congregation, let fly a flurry of business cards, and sit back



and take orders. The close-knit parishioners, of course, were unmoved, and they weren't about to fall for this gate-crasher masquerading as a member.

No surprise there, says Dr. Ivan Misner, founder of Business Network



International, the largest business-networking organization in the world, and co-author, with Don Morgan, of the best-selling *Masters of*

Networking (Bard Press, 2000) and, with Robert Davis, of *Business by Referral* (Bard Press, 1998).

TIPS

Networking Don'ts

1. Don't use church or service groups for target practice.
2. Don't forget to thank the people who send you referrals. Do it the same day, in writing, and keep it short.
3. Don't bombard your referral partners with phone calls or your promotional materials.
4. Don't brag about every achievement, and don't drop every name.
5. Don't send out form letters asking for referrals.
6. Don't promise to serve on a committee and then back out.
7. Don't ignore your friends and family and all the other people who already admire and respect you.
8. Don't just wing it; take the time to craft a formal word-of-mouth marketing plan.
9. Don't assume everybody knows all about your business already.
10. Don't allow more than 24 hours to go by before you follow up with people you meet at meetings or mixers.

"What, you worship God so you can make sales in three places? If you pulled a stunt like that with Kiwanis or Rotary, they'd throw you out. The key concept in referral marketing is building relationships."

Relationships need at least three things to green up and thrive: consistent contact, conversation, and consideration.

"People wonder why a lunch date six months ago didn't produce referrals," Misner says. Sure, you can fire off a couple of cold calls in two minutes flat, "but referrals only come when people know and trust you, and that takes time."

People can't get comfortable with you, let alone throw business your way, if they don't know the first thing about you or what you do. It seems obvious, but the problem, according to Misner, is that "most people are cave dwellers! They sit in front of a big-screen TV and can't understand why nobody refers business to them. Networking," he insists, "is a contact sport." This is a numbers game: You have to get out there and meet people, lots of people.

If you want to get noticed, one of the best ways is to join one or (at most) two community service groups (chamber of commerce, Kiwanis, Rotary). Whichever group you pick, live up to the responsibilities of membership: Show up for meetings, serve on a committee, help organize a charity drive. Heaven help you if you let the members down. The quickest route to service-group oblivion is to give the impression that you're a showboat who's more interested in making a fast buck off the membership than in contributing something of value. You're not fooling anybody if you try to infiltrate a close-knit group to milk it for all it's worth. The point is to get to know new people and let them get to know you; that's the down payment referral marketing requires.

Another way to pump up your visibility is to give a little something away, a technique practiced to perfection by Pamela Lee, a San Francisco-based IP who's known by her many fans as The Bakelite Lady. Lee sells gorgeous vintage

Bakelite jewelry and accessories, some of the hottest collectibles around. She conducts much of her business from her booth at antique shows around the country. If you think that's bush league, think again: Lee's average sale is a whopping \$500; and at a recent show, one of her eminently collectible bracelets went for a cool \$18,000.

Lee is a word-of-mouth marvel. She makes sure that all who visit her booth — even if they're only ogling the bangles, brooches, and beads — take away her business card, which she packages in



a tiny plastic bag with a piece of candy. "You can always find something to give away," Lee says. "At my last show, I gave away See's candy suckers and barrettes, and people remembered me."

Of course, even the world's best lollipops don't sell jewelry. Nobody knows Bakelite better than Lee, and it's that knowledge about her in-demand wares that clinches sales: "In antiques, most people are generalists, but I sell the one thing I really understand and like. I do a show a week, and that's how I got to be very well known."



Be an Active Part of Your Community

You want people to think of you when they need help? First, they've got to know that you're capable and reliable . . . and alive. Joining a service group introduces you to people in your own backyard, and it can be the ultimate showcase for your distinctive skills and talents.

- The **Association of Junior Leagues International** (ajli.org) is an alliance of women's volunteer organizations that works to develop the potential of women and to promote healthy communities.
- The **Benevolent & Protective Order of the Elks of the USA** (elks.org) helps children in need, honors veterans, and responds to the victims of natural disasters.
- The **International Downtown Association** (ida-downtown.org) brings together nonprofit and for-profit businesses with civic groups to revitalize cities. Independent professionals are welcome to join in the community.
- The **Kiwanis Club International** (kiwanis.org) is a community-based service organization that works to promote children's welfare and development worldwide.
- One of the oldest business-led service organizations, **Lions International** (lions.org) has chapters all over the United States, and as the name suggests, abroad.
- The **National Exchange Club** (nationalexchangeclub.com) is a volunteer organization that focuses on improving local communities and developing leadership skills.
- **Rotary International** (rotary.org) is an alliance of business professionals that promotes high ethical standards and undertakes humanitarian projects.

Credibility Counts

You've landed on other people's radar screens. What now? What people really want to know is whether they can trust you to deliver what you promise. In other words, do you have credibility?

To gauge a person's credibility, most of us gather opinions from a range of sources — clients, longtime associates, friends — and do our own kind of reckoning: *Does he keep his promises? Will she come through in a crunch? Is he honest? Is her work top-notch? Given the chance, would people work with him again?* Or, to put it another way, if investors could buy shares of you on the IP stock market, would they? Or would they sell?

The net result of all this is what you might call your *credibility quotient*. Say you give yourself 1 credibility point for every positive rating and subtract 1 for every less-than-glowing report. Add up the positives, subtract the negatives, and take a hard look at the result. The higher the number, the easier it's going

to be to ask for what you want . . . and get it.

Your Business in 25 Words or Less

Finally, you need a marrow-deep understanding of what you do and how you do it. This is more than a description of your work: It's knowing how you want to work and what you want your work to represent. The idea is to make it easy as pie for people to (1) understand what you do and (2) remember it. Shoot for 25 words or less. Mike Ryan, an independent

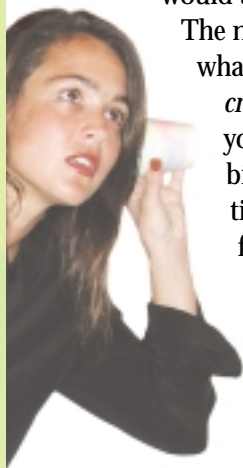
financial planner in Pasadena, California, recommends starting with an "outline of the business philosophy you want to work by and how you want to get it across to people. Then you can pick up the phone, call people you already know, explain what you do, and candidly ask for their help." Today, Ryan, who didn't know a soul when he started out in 1968, does absolutely no advertising; he never even travels out of his office for meetings. "All my clients come to me," he says.

Ask Now

Okay. You've made yourself visible, you've earned credibility, and you've thought long and hard about your business. Now what?

The ground rules for asking for referrals are actually pretty simple. First, make a habit of it. The more you ask for referrals, the easier it gets. And if the very idea of asking for a referral makes you pale with panic, limit your risk by starting with someone in your buzz network, someone who knows and likes you, who's more likely to listen and come up with a name or two.

Pick somebody — the printer you've worked with for years, an old college professor, your brother-in-law the zoologist — and call. If you're clueless about what to say, referral guru Misner suggests memorizing, practicing, and using this opening phrase: *Who do you know who . . .*



Needs accounting advice? Is thinking about starting a Web site? May want some help designing a brochure?

"Laser-specific is what you have to be," Misner says. Don't worry about missing some colossal opportunity by making your referral request too narrow. If you're a meeting planner and you need a contact at the Four Seasons, ask, "Who do you know at the Four Seasons?" not "Do you know anybody who works in the hospitality industry?"

And don't worry about devising fancy rewards for the people who recommend you. You don't need elaborate incentive schemes or prizes for the one who funnels the most referrals your way. A simple thank-you is good — even if no work comes of a specific referral — and a thoughtful referral in return is even better.

Develop an ear for the music of referrals. If a business colleague happens to tell you, "I don't know how to get this project off the ground" or even "I can't find a good veterinarian to take care of my Brittany spaniel," recognize the potential for referrals in her confusion. This is your cue to take up the coveted role of gatekeeper, the one who opens doors and makes all-important connections. "Hey," you might say, "I know who can help you with that project" or "I know a great vet."

Supply the particulars, and leave it at that. Don't keep bugging her to see if she's followed your advice. And whatever you do, don't tack on a commercial for yourself at the end of the conversation ("Oh, while we're talking, how's your insurance coverage looking?"). Always keep in mind that the more referrals you give, the more

you'll get; and that one day that woman with the successful project or the new veterinarian will tell you what a great resource you were and ask, "By the way, what is it that you do?" Be patient and tread softly. But by all means, keep on treading.

Over time, as referral partnerships mature, referrals become a natural and hugely profitable way of solving problems and doing business. Gone is the angst of cold calling, the high cost of advertising. Referrals have the ability to reshape your whole business landscape (and free you from cold calls forever). They represent the kind of personalized recommendation that people are starved for, and all you really need to get started is a single word:

hello.

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