



My Summer Referral Strategy

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If you're thinking, "This is the summer I promise to work on my referral strategy", then this is your "must read this summer" article! (If you're not thinking, "This is the summer I promise to work on my referral strategy", perhaps you should be.)

You may have already started a formal referral program (or not). You may even have one that produces results month after month. In that case, you might still find a tip or trick in the four referral sources and examples listed below. However, if your referral strategy is languishing in the dark (similar to that less-than-appealing coleslaw in the back of the refrigerator), you'll do well to take note of the ideas below.



BEFORE YOU START

The basics of a referral relationship have to be in place before you even consider incorporating this strategy into your marketing plan. Those basics include: (1) a trusted and valuable existing relationship with the client, (2) an in-depth understanding of their business challenges, and (3) a personal connection to the individual you're asking. If you don't have that type of relationship, work on establishing the trust and loyalty of your referral source before embarking on the next steps.

HOW TO GET STARTED

Like many things, getting started is often the hardest part, but once you do, you find that it's easier than you expected. As with any marketing strategy, start with OBJECTIVES or GOALS. Your objectives may be something like this:

- » Create a unique client experience that drives ERP and CRM referrals for Microsoft Dynamics by nurturing the existing client/referral base on a consistent and regularly-timed basis.
- » Utilize various methods of reaching clients such as existing communications (your User Groups, Convergence, client training sessions, phone calls, and e-newsletters) and incorporate social media (i.e. your LinkedIn customer group and Facebook page) to complement those efforts.
- » Create reasons for clients to send referrals to you such as public acknowledgement or a thank you, incentives, and rewards (that unique client experience your firm delivers so much better than the competition does).
- » Drive 10 qualified referrals per year with a close rate of 50 percent resulting in \$150,000 in revenue (software and services) from the program.

NEXT, IDENTIFY YOUR REFERRAL SOURCES

We all know that happy customers are the best referral sources. They can help you generate the most qualified prospects. And the people they refer are predisposed to trust you, which can significantly shorten the sales cycle. But there are other people – and places – that could send leads to you. Who's on your list?

- » Of course, your #1 “go to” group is delighted ERP and CRM clients. There's no question that they know and trust you based on your past history with them.
- » Close influencers – colleagues, ISVs, CPAs, hardware partners, infrastructure partners, and community leaders you know and have business or personal relationships with. For example, the CPA that handles your business taxes is a prime example of (a) someone you have a close relationship with and (b) already knows what you do.
- » Employees – your team is connected to their own set of business leaders and colleagues. Equip them with the tools and training on how to ask for referrals, but don't forget the rewards as well!
- » Social media sources such as LinkedIn make it easy to connect

and be connected to thousands of potential business contacts. For example, through LinkedIn, I'm connected to 5,840,919+ professionals. If there's someone I want to meet, I can ask one of my contacts for an introduction.

HOW DO YOU SAY THANK YOU?

As mentioned previously, a personal connection to the referral source ensures that you will receive quality leads. With that “personal connection” comes the assumption that your “thank you” should be something the recipient will like and remember!

- » Surprise them – A surprise of “something extra” gives a client a reason to talk about you. It could be one of the rewards mentioned below, the delivery of a box of Krispy Kremes for the morning coffee time, chocolate-covered potato chips (one of my favorites), or a book relevant to an interest they have. For example, select a popular business book, a CD, tickets to a sporting event, a special wine, or an iTunes gift card.
- » Never underestimate the power of SWAG – Take the time to educate your clients on what a quality lead looks like in terms of business type, size, role of the contact person, etc. Provide feedback on the referral to the client each time he/she sends someone to you, even if it wasn't a good lead. Reinforce your appreciation with a company-branded item as a thank you for ANY referral.

DESCRIPTION	INVESTMENT	ESTIMATED ROI
Top 10 referrers	Limit of \$25 per person. Example: Search for “The Best Books of 2012” 10 referrers x \$25 = \$250 + assume \$50 for mailing costs of the items = \$300	Assume all will refer someone to you and you close 50% of those leads = 5 sales x \$30,000 each = \$150,000

- » Help a charity – For those referral sources who cannot accept other gifts or rewards, consider sending gift certificates to a charity such as www.kiva.org or make a donation to a local charity in the name of your client. The benefits of saying “thank you” include:
- » The client (or referral source) is acknowledged and rewarded for the referral.
- » Sharing of statistics (see example) in your newsletter and on social media sites keeps your clients engaged and interested in the progress of “Our Charitable Giving Team”, i.e. you and your clients together.

MAKE IT PROGRAMMATIC

For ease of managing the program, make it as “programmatic” as possible without losing the personal touch needed to make it effective. You could:

- » Hire a writer to craft your regular communications and updates

to your referrers, customizing them slightly so each person receives that unique client experience from you and your firm.

- » Invest in creating a theme with a memorable image that inspires your referral sources to think of you when they see it. Use the theme consistently.
- » Don't cut it short. As with any marketing program, it will take time to build momentum and awareness. If you don't give yourself six to eight months to fully roll it out and to get your referrers to notice and embrace it, then don't bother to start.

SUMMARY

Priorities to ensure a successful referral program include:

- » Personal relationship with the referral source. No one will refer you if they don't know you, don't know the excellent work your firm does, or don't trust you.
- » Consistent communication (not necessarily frequent but consistent) with your referral sources.
- » Ask correctly. Never use, "Do you know anyone who could benefit from our services?" When you say "anyone" the client will think of "no one". Instead ask, "Do you know of any manufacturers (or non-profits or retailers or doctors) who may benefit from our services/software/training like you did?"
- » Don't forget your manners. Show public appreciation to your referral sources by noting it in your newsletter or on your Facebook page. Whether you call, send a note, send a gift, or make a donation, we all like to be noticed for the help we give. The bonus is that you will likely develop a better relationship with your referrer at the same time. 🌟

Cheryl Strege is president of The Partner Marketing Group and is proud of her team's commitment to "pay it forward" by making charitable contributions on behalf of clients. For marketing ideas to drive your business forward, subscribe to TPMG's monthly newsletter at www.thepartnermarketinggroup.com/contact/ or contact Cheryl at 605-574-9432 or Cheryl@ThePartnerMarketingGroup.com.

RESOURCES:

- » "Fearless Referrals: Boost Your Confidence, Break Down Doors, and Build a Powerful Client List" *by Matt Anderson*
- » "Word of Mouth Marketing" *by Andy Sernovitz*
- » Damn, I Wish I'd Thought of That! *blog by Andy Sernovitz, www.damniwish.com*

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