

A More Powerful Way to Look at Referrals

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It's time that the financial services industry changes its paradigm about referrals. It's time to make the switch from a producer-centered referral process to a client-centered approach.

Producer-centered referrals

Most advisor/agents/ reps have been taught an approach to referrals that is producer-centered. They learn to tell their prospects and clients, "I get paid in two ways." They are taught to say, "I'm trying to build my business and I need your help."

What's wrong with that?, you may be asking. Well, there's nothing inherently wrong with those approaches. In fact, they still can, and do, produce a trickle of results. But let's take a closer look.

First, unless you're charging for a financial plan, prospects don't care how you get paid. Once they've become a happy and loyal client and see you doing work on their behalf for which you might not get compensated, they might care about how you get paid. They know you wouldn't be in front of them if there wasn't some potential for compensation. Telling people how you get paid is *you* centered.

Are you earning the right?

Referrals are an earned right. No prospect is obligated to give you referrals, you earn the right to their introductions by the value you bring to the relationship. Your goal with every prospect and client should be to become referable as *quickly* as possible. You do this by making every appointment with your prospects and clients valuable experiences they want to tell others about. If you're delivering value to your prospects, they'll see it and they'll want others to experience it, as well. Setting up referrals as an obligation will often increase the tension during an appointment — something you usually work so hard to reduce.

Client-centered referrals

A client centered approach to referrals always puts the client's or prospect's interests first. For example, if you insist on telling people that you get paid with referrals, make sure you do it in a client-centered manner. "The second way I get paid is when you see the value in the work I do for you, and introduce me to others who might also value this work. What this means to you is that I hope to earn the right to those introductions. I'll make sure we think of the big picture and that you understand everything along the way. If any problems arise, I won't run away. I'll be there for you. Through value and service, I hope you'll feel comfortable introducing me to others."

The key phrase here is "what this means to you." When telling people about your practice, you should always explain the benefit to them — this is becoming client-centered.

A mission to serve

The most powerful way to ask for referrals is to be on a mission to serve. The truth is that many people are getting bad advice or no advice at all. We know that's a prescription for disaster. Be on a mission to bring your valuable work to others and tell your prospects and clients about your mission. Then, when you ask for help, they'll respond.

For example, "George, I'm glad you're seeing the value in what we're doing here. Truth is, there are many people who never take the steps you've taken. There are many people who are getting bad advice or even no advice. That's why I'm on a mission to bring this important work to others. Could we brainstorm for a minute about who you know and care about who should know about the work I do? Let me put it another way. Are there some people in your life who you want to know about my process?"

Using a client-centered approach to referrals works better, because it's based on the primary reason people give referrals — to help others whom they care about (not you). Now, they may like you and care about you and be happy to help you, but they won't connect you with others unless you have first brought value to them. Always think *value first*.