

Don't Ask For Referrals: there's something better

Here's a checklist to help you assess whether this article may help you or not. Simply check the box of each statement that is true for you.

- I do not ask for referrals well or when I should.
- I often do not quickly contact the referrals I do get.
- I sometimes never contact the referrals I am given.
- I feel that to ask my clients for referrals I have to be manipulative or pushy, imposing myself on my clients, so I am reluctant to ask for referrals and jeopardize our relationship.
- When I do ask for referrals, it is a surprise to my clients because I never told them this is part of our agreement for conducting business together.
- When I ask for referrals and my clients tell me, "I don't do business this way," I accept their position and back off.
- My clients owe me referrals.

If you checked one or more of these statements as true for you, read on. The revelations in this article may cause great and positive change in your business results, such as lowering the acquisition cost of new business, raising your average case size, acquiring more clients suited to your preferences and making you feel better more often. Okay, Melchinger; isn't this just a consultant's hype or brag? *No way.* This month I'm giving you the most powerful overall, long-term impact marketing tool I've ever created; complete and unabridged.

Warning: The following marketing technique is so unlike what the life insurance business traditionally teaches that it disturbs the establishment. One company asked me not to teach it to their agents because they could not explain it compared to the system they endorsed to ask for referrals; another company would not approve it because it "does not create enough activity, and this is a numbers business," totally ignoring the fact that this technique nets greater profits and dignifies the broker. Those of my clients who

use this technique the way it is designed benefit tremendously.

My philosophy is simple enough: *Although change does not always mean progress, progress always means change.* Here's how to obtain introductions (*not* referrals) to the people you want to meet.

Asking Clients for Personal Introductions

Clients want this

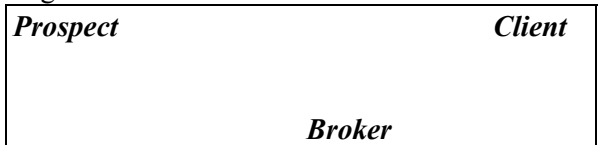
Surveys of policyowners in several insurance companies indicate some attitudes that may, but should not, surprise you. First, of all the things they say they like and dislike, the only constant reply in their "I don't like. . ." category is "I don't like the way my agent asks for referrals." They add clarifying statements such as, "He acts as if I owe him;" "I am the client, after all, aren't I?;" "I don't really know what she wants, so she just gets names;" "This is the only place where I've ever seen him hesitate."

Brokers want this

They must, or they would not have the symptoms of reluctance to ask for referrals, not calling on the people referred, or not liking the referrals in the first place.

What is this?

Imagine, if you will, a not-so-eternal triangle.



Which is the strongest, most important relationship? At first glance you might say that the strongest and most important relationship is between you (the broker) and your client. After a bit more thinking I hope you come around to realize that although this may be true from *your* perspective, your client probably thinks that the most important relationship is between him and

the prospect you want to be introduced to. *Draw a line between the broker (you) and the client; then draw a thicker line between your client and the prospect you want to be introduced to.*

Why do I hope you come around to see this? Because this is exactly what your clients think, and because marketing focuses on the needs of the buyer, not the preoccupations of the seller to make a transaction now. Give your clients what they want and they will introduce you to very nice prospects. And I mean personal introductions, made face to face; not passively given referrals you have to chase down. Here's how.

1. **Choose your best clients to ask for introductions.** Identify the ones with whom you share mutual respect, who you also know you would want more of as clients if you could clone them.
2. **Develop an "Ideal Client Profile"** of those best clients. Make your outline of their important characteristics as close to your ideal as possible. For example, you might list the following for a certain type of business owner:
 - Leads a business; a family
 - Cares
 - Open to new ideas
 - Potential to retire successfully
 - Candid
 - Self-directed

You will use this later in some very important interviews, so do it up nicely on your letterhead under the title "My Ideal Client."

1. **Ask for an interview to a) review your business relationship and b) explain the profile of your ideal client and ask who your client would be very comfortable introducing you to.**

Hi, Bill, this is John. . . . Bill, I'd like to get together with you for two specific reasons. First, to review our business relationship and make sure I understand your expectations and how we're meeting them. Doing this from time

to time keeps us current with our clients and allows us to make appropriate adjustments in the way we run our business. Second, I'd like to show you the profile we've developed of our ideal client, and ask who you know who you'd be very comfortable introducing us to, who also comes pretty close to meeting that profile. On that basis, how would you like to get together for lunch next week? We could enjoy the time together over a nice meal.

By being up front about why you want to meet, your client will give you a straight answer, be curious rather than defensive, and appreciate your candidness. Many brokers are surprised at just how effective being up front is. Some report that their clients come prepared and enthusiastic to do both parts of this meeting with them. And remember, you don't have to make it lunch. Some clients may prefer breakfast or a meeting in your or their office over coffee. You decide where the best place to meet will be. Just be up front about why you want to meet and let your client decide that s/he wants to.

2. **Conduct the meeting just as you said you would.**

State your two objectives.

My purpose in meeting with you today—aside from sharing a nice luncheon and relaxing a bit—is two-fold. First, I'm hoping that because we have worked together in the past—and I believe we've been pretty honest with each other—you will give me important feedback about my business. It's important to listen to clients, and I value your opinions. And I certainly want to keep on solid ground with my constituency.

Second, and in the same vein, I want to sustain a reasonable growth rate as every smart businessman does, so I'm going to ask for your help identifying people you know who fit the specific client profile I've developed, and introducing me to them.

Ask for feedback. It's okay—and may be advisable—to take notes.

When we first started working together, you had objectives . . . things you wanted to accomplish. Do you remember your original reasons for our getting together?

Wait for your client to recap why s/he wanted to get together in the first place. This sets the framework for remembering your roots together and assessing your relationship from an overall standpoint.

Since we've worked together, what have I/we done that is right for you . . . that you feel helped you achieve your goals? . . .

Listen carefully, thoughtfully, perhaps thanking your client for remembering a good thing, or telling you for the first time the real value they've found in what you've done.

Is there anything else?

Listen. Get your client's feedback. Once you think there's little more forthcoming and that to ask for more would be milking it, go to the next question.

Active listening is an important skill here. You can demonstrate that you are listening to what your client is saying by any of the following: nod once in a while in response to a point s/he's made; write a note about what s/he is saying; ask a clarifying question; if someone interrupts, make sure to come back to the point being made at the time and reestablish the conversation so not to lose any content

No one is perfect, but I strive to be close. What I'd like to know is, if there was anything I/we could do again, but differently next time, how would you have it done differently next time and why would that be better?

Make sure s/he deals with the negatives by explaining how s/he wants it done next time. You are asking for coaching, and all good coaching is in the context of "next time." Take notes. It shows respect for the opinions your client expresses. When you have clear answers to how you might do things better next time for

this client, end this review section of the meeting with the following:

Overall, on a scale of 1 to 10 and 10 being best, how would you rate our performance with you?

Wait for the answer. You'll get a score. Most people will rate you from 6 to 9. We all know that 10 is a lie (but a nice compliment if it isn't sarcastic); 5 is just some overly critical person's 6 or 7 from someone else. If you are getting 5 and below as regular scores, you are either asking the wrong clients or you have a serious problem satisfying clients.

What did you expect? Have I/we met your expectations?

The score you receive from your client may be above or below the client's expectation, showing how you fared overall and within the client's context. It solidifies your worth—at least based on past performance—in your client's eyes.

Summarize your client's input and thank him/her for it.

Thank you very much for your candor. Your points regarding (cite one, two or three main points s/he made) are clear to me. What I will do with this information is to add it to the other feedback I get from clients with whom I do this type checkup, and make appropriate adjustments in my business as the consensus indicates. I value your input and will use it to help provide the kind of service that fosters productive relationships.

If there is a real problem that came up with this client, you might want to address it now or promise to resolve it within a specific timeframe and get back to your client. Regardless, at this point you have established your serious concern for your client and all clients in general, so the positive impact your review makes on your client will impress.

Segue to asking for introductions.

As I said at the outset, my purpose for meeting with you today is two-fold. You are someone who pretty well meets what I consider my "ideal client profile". You've benefited from—and said you've been pleased with—the work we've done, so I thought you might introduce me to others who also fit this profile.

Hand him/her the "Ideal Client Profile" on your letterhead.

Now, I wouldn't expect you to know off-hand the type of people I work with regularly, so this profile pretty well describes my clientele. It's not exact, of course, because every individual is different to varying degrees, but it does paint a pretty clear picture of my typical client.

How much do you think you fit that profile?

Wait for his/her response. Comment as appropriate. Most everyone will say they are no more than "pretty close" to your ideal profile. They just don't want to be compared to the criteria point by point.

I agree that you are pretty close to my ideal client. Because people tend to associate with people like themselves, you also know others who - like yourself - pretty much fit this profile. Who do you know who also, like yourself, fits this profile, who you would also be very comfortable introducing me to?

Wait for a name.

Why did (name) come to mind? How does (name) resemble my typical "ideal" client?

Listen to this preliminary qualifying information about the possible suspect. Then confirm

. . . Is (name of prospect) someone you would be comfortable introducing me to?

Obtain positive response.

What would be the best way for you to personally introduce us?

Listen to how your client wants to introduce you. Here is where you may be negotiating your client's need to control the introduction

or willingness to give you the lead to follow up. The more involved your client is in the process, the better the introduction will be!

There are really two acceptable types of personal introductions. First, your client and you meet the prospect face to face and your client introduces you. This is the best way. Second, if it is actually difficult to get all three of you together at the same time and place, then you want to prompt your client to obtain the prospect's agreement to extend to you *the courtesy of an interview*. This one phrase—*the courtesy of an interview*—works well to teach your client how easy it is to ask the prospect to see you. When you then call the prospect, s/he will have agreed to see you and you can simply ask to set time date, time and place. This sure beats chasing shadow referrals and relies on the strong relationship between your client and prospect to make it happen for you.

How would you like me to follow up with you about (name)?

When your client answers this question positively, you have commitment to making the introduction happen. Repeat the question cycle by asking who else your client knows who fits the profile. Continue until your client or center indicates it's time to stop. Some clients may make you work hard for one introduction, others may easily go to four, five or more, depending on how they feel.

Make sure you agree on the logistics of these introductions you arrange because you are allowing the client/center to make them the way s/he'd like them to be made. This is the golden rule in action. You may find some personal satisfaction from the way you meet, as well. Some introductions have been made over a round of golf, during a charity meeting, at a meal, a little league ballgame and at a wine-tasting gathering. The possibilities are endless, and there should be some fun for you both if any of your clients are creative at setting up the meetings. This can be the fun part of this business, because this way you may get to spend more time together with the prospect during your first meeting, allowing you both to get to know each other and check

the chemistry between you. . . with your client as matchmaker.

If your client/center balks at making introductions, s/he may offer to give you “referrals” instead. Don't back off easily. Your client agreed to this up front, so s/he should stick with the theme of your meeting. Clients who get cold feet at this point have other issues, so you should find out what they are. Simple questions often work best, such as, *When we spoke about getting together, I did say that I wanted to show you my Ideal Client Profile and ask who you would be very comfortable introducing me to who pretty much meets that profile. Did I do something to put you off this?* This is often enough to get your client “over the hump” of making personal introductions.

That's about it. Leave the profile of your ideal client on your letterhead with your client. This ideal client profile would be presented on your letterhead in a nice, bold laser printed font. It needs its content to be based on your targets and your personal style of talking clients and centers through it. **Important: Make your own criteria and practice how to communicate them to your clients and centers.**

Example: Remember the profile at the beginning of this column? Here's an example of how you might present it. The profile is in bold and the explanations you speak about it in italics.

My “Ideal” Client

- **Leads a business; a family**

My ideal client runs a business and has close family ties. In fact, many of my client lead family owned businesses they would like to keep in their family.

- **Cares**

. . .and demonstrates that s/he cares about people. Not just the family, but also the people s/he works with. For example, I have one client who insists on paying the medical insurance premiums for the dependents of her employees because she believes that an employee who feels secure and comfortable at home is more loyal and productive at work. That's just her way of showing she cares.

- **Open to new ideas**

We all know businesspeople who know the one right way of doing something—their way. I work best with people who want to make informed decisions from what is actually available to them, without preconceived notions and prejudices.

- **Potential to retire successfully**

Not every business owner wants to retire necessarily, but the best actively seek the financial independence that will enable them to make that decision one way or the other. I work best with people who truly want to achieve financial independence. And they usually talk about it to some degree.

- **Candid**

Had we not been quite candid with each other, I never would have been able to make recommendations you could respect or act on because you would know I was making them based on incomplete information. Thanks for your candor. It's critical in my work.

- **Self-directed**

The people I work well with don't need or want hand-holding; they want enough good information to make informed decisions. They are incisive and decisive, and I enjoy feeding their decisionmaking style.

That's about it. At first you may feel awkward learning this procedure and dialogue, but you will get used to it. Your clients will like it much better than your simply soliciting referrals over which they have little control after releasing the names to you. Trust me on this one; your clients will enjoy this more than you can imagine, and you will enjoy the results.

Warning: Change the procedures, flow and questions in this technique entirely at your own risk. The questions are explicit and are meant to be asked as they appear here.

The Bottom Line: You will obtain about 1.5 personal introductions per request using this approach. . . and one such introduction is worth about 8 to 12 referrals in any target market. That's what my clients tell me.