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## ARE YOU GETTING THE REFERRALS YOU WANT, NEED AND EXPECT?

Many advisors are of the mindset that if they just do a great job for their clients, the referral floodgates will miraculously open and a steady stream of referrals will come pouring in. Unfortunately, this is what we call "urban legend."

Every financial advisor recognizes that the key to a thriving, quality business is referrals. Yet, referrals and how to get them on a consistent basis remains one of the most elusive topics there is in the entire business. **The truth is only about 2-3% of financial advisors actually have any kind of systematic approach for generating referral business.**

In this article, I outline 4 easy steps you can follow to finally build the Referral System your business has been missing. This is the exact system our clients have been using successfully for over a decade to get the referrals and introductions they want and need every month. A key advantage to this system is **it's easy enough and comfortable enough that advisors will actually do it.**

The system can be a true game-changer for your business but for that to happen you can't just read this article. You must take action. There is no easier way to get the referrals and introductions on a consistent basis.

### Step 1: Referral Conditioning

Most people, unless they've been in sales before don't even think about referrals. The first thing you must begin doing today to get referrals and introductions on a regular basis is start **conditioning your clients to think in terms of referrals.**

#### ***Conditioning Technique #1: Referral Letter***

Once a year, send a referral letter to the A, B+ and B clients in your book you wish to duplicate. Use subtle and low-key language in the letter to tell them exactly who you're looking for in a referral. You may think they know, but chances are they don't. You may get a couple of referrals trickle in as a result of the referral letter but that's not really the purpose of the letter. **The purpose of the letter is to communicate to clients in a totally non-threatening manner that you want and expect referrals.**

The referral letter requires no follow-up on your part. **Follow-up after a referral letter adds very little in additional results.** They're either going to send you one or they won't. Either way, the letter has served its primary purpose which is to communicate to the client in a non-threatening manner that you want and expect referrals.

## ***Conditioning Technique #2: Referral Process Explained***

**You ever wonder why people are so reluctant to give referrals?** There are three primary reasons.

- They're afraid you may lose money for the person they refer to you. That's the one objection over which you do not have complete control.
- They're afraid you're going to hound the referral and that person won't appreciate them giving you their name.
- They're concerned about confidentiality issues.
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If you can eliminate two of three major objections to giving referrals **before they happen**, it will clear the way for more referrals in your business. This is precisely what the **Referral Process Explained** is designed to do. **Once a year**, take only the clients you wish to duplicate through the following process.

Do this at the very end of their annual review as a "by the way" statement: ***"By the way Ms. Client, there's one last item I'd like review with you. I'd like to take just a minute to walk you through my referral process so you're comfortable with it and I can answer any questions you have."***

**Do not ask for a referral.** This is purely a referral conditioning technique. It clearly communicates to the client in a completely nonthreatening manner that you want and expect referrals.

Remember your objectives here. You want to eliminate their concern about hounding the referral and address the confidentiality issue. As you walk the client through your referral process, **describe it within the context of those two objectives.**

## **Step 2: Branding**

Once you've started conditioning your clients to think in terms of referrals, **your next step is to start conditioning them to say the right things to potential referrals.** You do this by building

your personal brand. Branding is purely a function of conditioning and conditioning is purely a function of repetition.

Start with your elevator speech because it will force you to be succinct in what you want people to most remember about you. **From the elevator speech, pull your conditioning phrase.** This is a phrase or a couple of key words from your elevator speech that you will use over and over and over again in as many different ways as possible with clients: conversations, email taglines, letters, in any and every way possible.

**The objective here is to have your conditioning phrase so branded in the client's mind, that it becomes almost synonymous with your name.** They should be able to communicate it when talking with potential referrals without even thinking about it.

### **Step 3: Referral Detective Strategy©**

Most advisors have radar when someone is mentioned within the context of an investment or business-related conversation. However, there are **some real gems in terms of prospects that are mentioned to you within the course of all those plain, run-of-the-mill conversations you have every day.** These are often overlooked gifts and many have tremendous potential. The **Referral Detective Strategy© is the proactive component** of our Referral Success System and it helps you capture these on a consistent basis.

The Referral Detective Strategy works because it's based on the old "birds of a feather flock together" concept. **If you have a million-dollar client, chances are many of the people they mention in personal conversation will be very close to their own socioeconomic status.**

The only purchase required is a pocket calendar sized notebook with blank pages. You'll want a size that you can carry with you 24/7 wherever you go. An alternative to using an actual notebook is to use your cell phone and make entries in the Notes app.

Each entry in the notebook should have the **date** of the conversation, the **source** which is the person you're talking to and as many **notes** as you can remember about the person mentioned. You don't even need a proper name. You just need enough in your notes that when you go back to the source for the introduction, they'll know who you're talking about.

You want introductions because they are far more effective than simple referrals. The Oechsli Institute did a study of affluent investors with over \$500K in investable assets. They found that 49% of the investors surveyed, almost half said they **would be willing to introduce their advisor to a specific person if asked.** This is exactly what you're doing with Referral Detective. You're going to be asking for an introduction to a specific person who was mentioned to you in conversation.

Collect entries in your Referral Detective Notebook all month long. At the end of each month, you'll put together your Referral Detective Hitlist. These are the entries you feel have the greatest potential as prospects and clients. You'll make this determination based **on your notes about the entry and the quality of the source.**

Now you go back to the source for the introduction, and according to the Oechsli Study, you have a 50/50 chance of getting that introduction. Always put the source in an advisory role on how you can best meet the introduction and remember, your source is probably not a salesperson, so help them out by making some suggestions.

**Average just 1 Referral Detective entry each business day** or 20 per month. **Even if 80%-90% drop out for whatever reason, that still leaves you with 2-4 solid introductions every single month.** Most advisors would be ecstatic with 2-4 introductions every month!

## Step 4: Drip System

Sometimes your timing is perfect and your introduction becomes a client immediately. When that happens, it's awesome but that's usually the exception and not the rule.

If an introduction doesn't become a client immediately, that means they're a prospect and **ALL prospects MUST be on some sort of structured drip system.** This is for you as much as it is for them.

If a prospect doesn't become a client fairly quickly, what usually happens is the advisor tends to lose interest. What was once a warm introduction or prospect falls through the cracks and goes cold. **You work too hard to get warm prospects and introductions to drop the ball on the follow-up.**

To be truly effective in working prospects through your pipeline, you really need two drip systems:

### Long-term drip

- Primary objective: **keep your name in front of the prospect** so if and when they're ever ready to do business, you're the one they'll think of
- **Should be as automated as possible:** monthly e-newsletter, quarterly phone call, additional information sent on the market or news stories as needed

### Short-term drip

- Primary objective: **qualifying drip system**
- **Should be high-touch:** mix up your touches and touch your prospect every 14 days for 98 days
- At the end of the 98 days, you will have: a client, a very warm prospect, someone you know is qualified and can be moved into long-term drip or someone you know is not qualified and can be dropped

Although the 4 steps outlined above are all relatively passive in nature, do not be fooled by their simplicity. **They are powerful tools for your business.** Remember, most people don't even think in terms of referrals and that's the weak link in most referral processes. Change that and you'll change the number of referrals and introductions you receive on a regular basis.

**Follow these 4 steps to finally, build a complete referral system for your business that works.** This is a system with a 10 year, “proven-in-the-trenches” track record of generating referrals and introductions each and every month for the advisors that use it. Most importantly, it’s one that is **easy enough and comfortable enough** that advisors will actually do it on a consistent basis.

We get questions every single day about referrals and how to build a "repeatable" Referral System. Now we want to hear from you.

**Please take 30 seconds to share your *most burning* questions about referrals with us in our [1-Question Referral Survey](#), and get your *Free Prospect to Client Shortcut Kit* as our thank you. The kit includes our Drip Tips Cheat Sheet with a link to our 98 Day Prospect Spreadsheet. These are both essential components of your Referral Success System.**

#### **Action Steps For Success:**

1. Reread this article and take action! Everything outlined in this article is very easy to do but it's also very easy not to do. **Get started on the 4 easy steps outlined in this article TODAY** and finally, start building the Referral System your business has been missing.
2. **Please share your *most burning* questions about referrals with us** in our [quick 1-Question Referral Survey](#) and get your *Free Prospect to Client Shortcut Kit* as our thank you.

