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GROWTH Strategies

Advisory Minute

Your Business Partner for Success

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Is your process for getting referrals reactive, or ProActive? Here's a simple, but *effective* strategy for continuously obtaining referrals!

in this article

- **A Simple and Effective Referral Strategy**



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A Simple and Effective Referral Strategy



If there is a magic bullet for lead generation, no one has found it yet. Each lead generation tactic has its pros and cons.

Some work consistently but cost too much. Others are cheap and easy to implement but don't have legs.

This tactic is close to **FREE** and can be **REPEATED SUCCESSFULLY** year after year, and it doesn't matter what business you're in. Do this correctly it will bring in a steady stream of new leads that can

have a dramatic impact on your business!

Try using a...

Strategic Envelope Referral System

Everyone has heard that every lead generation campaign should contain a solid referral program, right? But most people's referral program consists of occasionally asking someone for a referral - *when they remember to ask*.

In my experience people will ask a happy client for referrals - from time to time - but

never in a consistent and duplicable way.

There are three keys to creating a great referral program:

- Earn the right to ask for referrals by providing solid value
- Ask clearly and unequivocally for referrals
- Recognize and reward people who provide referrals

I'll assume that you've already earned the right to ask for referrals. If not, you have much deeper lead generation problems than the ones we can solve in this article!

A favorite way to ask is the "Strategic Envelope Referral System."

It works like this:

Give your client an envelope containing a letter that says something like, "**Who says there's no such thing as a free lunch?**" on the cover. You can hand it to them, or you can mail it just as easily.

Inside, you repeat that heading, and go on to say something like:

"You are one of our valued clients; we really appreciate it, and we know the best way to grow our business is by word of mouth. We want to reward you for referrals, so when you send us a prospect who becomes a client, we'll buy you lunch for two at [XZY local restaurant]."

We like lunch. But if your average sale is a \$20,000, you might want to offer something more substantial. At **Growth Strategies**, we've offered items and packages ranging from nice restaurant Gift Cards, to Atlanta Braves baseball game tickets, to a boat trip on the lake, to cash.

There are many ways you can tailor this system for your business, but there are two keys:

1. use a reward that has a high perceived value relative to the referral
2. use the envelope

Research shows that people generally value non- cash gifts more than cash. We think this is because cash often gets spent on necessities, and that's just no fun. An exotic trip, dinner out, or even an item from the local jeweler is something that will stick in their mind.

I like to use my partners for rewards. Seek out a massage therapist, a florist, a specialty bakery company, a travel agent, a restaurant owner, etc. Work a deal whereby you get a discounted rate for the product or service, because of the introduction you're bringing to your partner. Everyone wins!

The point behind the envelope is simple: you don't have to actually ask, which removes the potential some people have for embarrassment and feelings of rejection. By using the envelope system, all you have to do is remember to hand it out or send it. No fuss, no bother, no difficult feelings!

Next, make it easy for them to respond and help your lead generation system. *Supply*

a form with room for multiple referrals along with their contact information. Multiple spaces are important, because we've found that if they're going to refer anyone, chances are they will refer more than one person.

And make it easy to send it in - email, fax, or even a web page all work for this lead generation technique. As soon as you receive referrals, thank the referrer. Let them know you appreciate their efforts, and remind them of your promise to reward them. And when those referrals turn into business, make a big deal out of it. Follow through with gusto.

There are many other systems you can use to get referrals. This is just one idea to spark your imagination. The key will be creating a system that is pain-free to your clients, and which can be easily systematized within your business.

Please feel free to Forward this on to 3 or 4 of your clients, business partners or networking contacts who can benefit from this information. They'll appreciate you thinking highly of them!

To Your Success!

Stephen Jones operates **Growth Strategies** and provides marketing strategies and a marketing structure for small business owners.

Contact us *TODAY* at **770.601.0949** or **800.261.5034**, via e-mail at sjones@growthstrategies.us or on the Web at www.growthstrategies.us for assistance with your business.

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