

Using Internal Referrals to Grow Sales

You will grow revenue more quickly and profitably by leveraging your current clients for referrals.

Let's look at the facts:

1. A cold lead, or an inbound lead from a random source, has a closing rate of around 25% to 30%.
2. In contrast, you double your success with a referred lead, which traditionally has a closing rate of 50%.

With referrals you're not taking any additional time with the sales process and probably less time to prospect, with results that are leaps and bounds better. Accordingly, by simply switching to a referral-based sales process, your team will see a dramatic increase in their sales numbers.

There are two sources of referrals: **Internal referrals** from a client to other buyers in their business such as to other buyers, divisions, or departments; and **External referrals**, introductions to friends, family, suppliers, vendors, and partners outside of their business.

In this article we will look at **one effective way to gather internal referrals**.

To find the best internal referrals **start with identifying the key new contacts** you want to meet:

1. Work from your client's organizational chart. If you don't have one ask for one, or find one online.
2. Sit down with the client to review the organizational chart with names and titles. Engage client, Mark, reports that, when faced with blank spaces on an organizational chart, his clients pick up the pen and start filling in spaces.
3. Decide whom you want to meet. You can either decide quickly in that meeting or take the organization chart away for more research. Either is fine as long as you eventually get to step four.
4. Ask for a specific introduction. *"Bob, you mentioned Andy is the VP of sales for South America. Do you mind if I call him next week?"* Or *"Sarah, I will be calling Mark next week in your finance department. Can I tell him we do business together?"*

Next, **conduct a business review on site** with your client to meet these new contacts in a non-threatening way. At a minimum you should be conducting them twice per year.

Business reviews are critical to internal referrals because they ensure you are in front of the client more often than the competition, building deeper relationships with increasing numbers of people and delivering them value beyond the expectations of the project.

A business review is NOT a sales meeting. And, this is precisely why it is such a great tool for referrals. Business reviews are your opportunity to have a value-based discussion focused on the client's needs and interests in four areas:

1. **The current levels of value that the client is receiving from you** now and how that value compares to the expectations that were set at the start of the relationship. In other words are you performing below, at or above expectations?

2. **What the future holds for your client.** What are their strategic initiatives for the next year?
3. **What your company is planning for the year** that the client needs to be aware of. This is your chance to share product and service enhancements, expansion plans or other key initiative relevant to the client's relationship with you.
4. **The industry in general.** This will allow you to showcase your expertise in their business and industry by sharing insights from your unique vantage point. Specifically, what trends do you see coming that the client needs to either leverage or de-risk for?

Business reviews must be attended by your buyer, as well as any key stakeholders and project participants. This is also your opportunity to add new relationships by identifying people you have not met and inviting them to the business review. You will find that it's easier to both get new contacts to meet with you the first time, and get your clients to refer you internally to other people, when you are requesting they attend a group meeting. Simply put, **meeting in a group is less threatening than meeting one on one with a sales person!**

Treat internal referrals as something you obtain from clients **as a rule**—not as an exception. They are vital to growth. Not only do they help attract new projects, but they also help you broaden your network and maintain customer loyalty.

Current clients who refer you consistently to new business *tend to stay clients for a longer period of time*. They want to stay because their entire network is in your community and/or because you have become a high trust and pervasive supplier to their organization.

I suspect over the next years we will see an even greater disparity in results between making cold calls with and without referrals. The perceived risks associated with buying from a stranger in the mind of buyers aren't going to go away and as a result, people are going to be more prone to sticking with whom they know. **Referrals keep you in the “know and trust” category in the minds of buyers.**