THE REFERRAL *Roadmap*

Reinforcing Referrals from COIs and Clients

LIMITLESS

THE REFERRAL ROADMAP FOR PROFESSIONALS

A 5-Step Process

THE PROGRAM: This 5-Step Referral Program is a step-by-step process for managing referrals, developed to improve relationships with referral sources and increase the quality and quantity of referrals. This practice management technique allows you to effectively develop your relationship with referral sources while investing minimal time and attention. The goal is to achieve the maximum result with minimal effort.

THE MINDSET: *Process vs. Result*. Remember to focus on the process created by the referral rather than the result you achieve with the client. By creating a process that recognizes and encourages the behavior of referring rather than the end results, you are increasing the likelihood that the behavior is repeated. This 5-step process also incorporates reinforcing who you do your best work with, which promotes getting the right referrals for your business.

STEP 1: RECOGNITION

It's important to quickly recognize and show appreciation for the professional source sending you a referral. Immediately when you receive a referral or shortly thereafter, you'll want to spend a few minutes by telephone communicating the following to the referrer:

1. Thank you for your confidence.
2. I will give this my immediate attention.
3. I will keep you posted.

Communicating these points sends the message that you appreciate the referral source's trust and that you are a professional who is always on top of the situation. Finally, it introduces the important concept that the referral source is a valuable member of the team.

There are two types of referring relationships: new and established. If your relationship with the referring source is new or developing, we recommend keeping this call to five minutes or less. Recognize the referral source's contribution, but keep the call short. This way, you have a good reason for discussing this client with them again. Relationships take time to build and require forward movement, so getting all the information you need initially will eliminate your opportunity to engage with the referrer until after you have met with the new prospect.

However, if your relationship with the referring source is well developed, getting the information during the initial discussion is a time-saving alternative which the referral source will generally prefer.

STEP 2: ENHANCEMENT

Once you have spoken with the prospect, it is important to foster a "team approach" by making sure the referral source is aware of the status of the referral.

If you set an appointment with the client, you should make the referrer aware of the prospect's appointment. In your communication, make sure to mention the following:

1. If the referral source can arrange it, you would like to have them attend the meeting.
2. You value their input on this matter and will be contacting them the week before the appointment to discuss this client in further detail.
3. Any combination of the following: (a) you are touched by their confidence, (b) you will do your very best for their clients, (c) you will ensure that their relationship with their client is enhanced by your contact, (d)anything else that communicates relationship-enhancing messages.

STEP 3: PARTICIPATION

This is the call you promised in Step 2. To allow for any potential games of phone tag, make it 4 to 5 days before the appointment.

There are two purposes for this call. The first is to learn more about the client's situation (estate value, personality traits, likes/dislikes, who wears the pants, etc.) so that you are fully prepared to address their personal situation. Second, you will communicate several important messages to the referral source.

First, learn as much as possible about the prospect. This will enable you to be fully equipped to influence the outcome. In addition to common questions to discover the client's situation, the following are also important
to know:

- The prospect's motivation for learning about financial planning. This is what is important to them and what will help you influence the value they see in retaining you.

  What prompted the Jones' to take an interest in financial planning?

- How the subject came up. This will provide some indication of whether the referral source mentioned the subject or if the only time the referral source makes a referral is when their client directly requests one.

  How did the topic come up?

- The referral source's motivation for making the referral. Does he or she simply feel this client will benefit from a trust, or is he or she convinced a FINANCIAL PLAN is needed?

  What financial planning benefits do you see for John and Mary?

Second, communicate important messages to the referral source. The above questions, through dialogue, style and tone, need to communicate to the referral source that:

- He or she is an important member of the team, equally as important as you.
- You understand that you are being trusted with the referral source's client.
- Team objectives are being observed.
- You will do your best to enhance their relationship by your contact.

STEP 4: PROSPECT MEETING

You should have the initial prospect meeting down to an art. Now is the time to give potential prospects the information they need to make a sound choice and offer them the opportunity to make that decision with you.

STEP 5: FOLLOW UP

The referral source needs to be made aware of the result of your meeting with their client as soon as possible. Practice following the AM/PM policy. This policy means that if your meeting was held in the AM (before noon) the referral source should be briefed that afternoon. If the meeting was held in the PM (after noon), the referral source should be briefed by noon the following morning. This is critical.

If you believe the messages you communicated (and if you expect the referral source to perceive that you believe those messages), you must behave accordingly. Not promptly notifying the referral source of the result communicates that you, in fact, do not believe what you said.

The first benefit to this approach is that your prompt response will impress your referral source, showing that you both understand and practice the "team approach."

There is, however, an even more important reason for prompt notification. If the outcome of your meeting is not the ideal outcome you and your referral source discussed (for example, the prospect declined services altogether), then you need to personally notify the referral source.

As a general rule: he who tells is swell, and he who doesn't is to blame.

There are two possible outcomes based on the promptness of your communication with the referral source.
See the below examples for how this can benefit or damage your referral source relationship:

1. DAMAGE: If a client calls a referral source after meeting with you and shares that they will be not be doing a financial plan, the referral source's perception could easily be that you did not perform well.
2. BENEFIT: If, however, you are the one to notify the referral source that the client was not ready for or did not see the value in a financial plan, the referral source will perceive it as a client issue, not a planner issue. It is likely the referral source will see his or her client as the party with the shortcoming (e.g., you did your job, it was the client who did not do theirs).

Finally, be sure to express appreciation to the referrer for sending you the prospect.

The 5-Step Process encourages the referral source to become invested in and take ownership of the result. When a referral source holds an interest in the outcome of a referral, he or she is much more likely to work toward achieving the desired result. If the interaction only takes place between you and the client, then the referral source holds no real interest in whether the client proceeds with a plan. If they are invested, however, the result is a reflection of their membership on the "team". People will make great efforts to see their team win.

THE REFERRAL ROADMAP FOR CLIENTS

A 3-Step Process for Clients

Client referrals need to be acknowledged in a similar, but abbreviated, manner in order to help them feel appreciated, show that you value their trust, and encourage future referrals. For this purpose, use an abbreviated 3-Step Process.

STEP 1: RECOGNITION

The first step is a brief telephone call, similar to partner referrals. Let clients know that you are touched by their confidence, that you will give the referral your immediate attention, and that you will do your best for the referral.

STEP 2: ENHANCEMENT

In order to enhance your client relationship, keep the client in the loop on the status of the referral follow-up. If after an initial contact with the referral, no action is being taken, you should follow the AM/PM rule to inform the client. If an appointment is set, communicate this to the client, thanking them and reiterating that you will do your best to help the referral.

STEP 3: APPRECIATION

To show your appreciation to clients for their referrals, send an appropriate gift. The best relationship builders are gifts that show knowledge of your clients' tastes and interests. Add referring clients to your tracking sheets or update their database record in order to keep a record of client referrals.

THE 5-STEP REFERRAL LOG FOR PROFESSIONALS

Referral Name ______________________ Ph ____________ eMail _________________________

Source Name ______________________ Ph ____________ eMail _________________________

STEP 1: RECOGNITION

Completed on _______ by _______________

Notes:

Brief telephone call thanking partner for referral:
(1) You are touched by their confidence.
(2) You will give it your immediate attention.
(3) You will make sure to keep them posted.

STEP 2: ENHANCEMENT

Completed on _______ by _______________

Notes:

Provide partner status of referral follow-up:
(1) If no appointment set, call to let partner know.
(2) If appointment set, cc: partner on confirmation letter and make handwritten note:
(a) Thank you again for referral;
(b) Will do your best to enhance partner's relationship.

STEP 3: PARTICIPATION

Completed on _______ by _______________

Notes:

Follow up call to partner to discuss prospect:
(1) If appropriate, discuss needs/situation.
(2) Additional partner input.
(3) Encourage "team approach".
(4) Will do your best to enhance partner's relationship.

STEP 4: PROSPECT MEETING

Completed on _______ by _______________

Notes:

Initial conference with prospect.

STEP 5: FOLLOW UP

Completed on _______ by _______________

Notes:

AM/PM RULE: Let partner know outcome, making sure they know you were looking out for the team and client; support partner's further involvement if appropriate, offer assistance and encourage "referral" behavior.

Add to partner referral list or tracking sheet.

THE 3-STEP REFERRAL LOG FOR CLIENTS

Referral Name ____________________ Ph ___________ eMail _______________________

Source Name ____________________ Ph ___________ eMail _______________________

STEP 1: RECOGNITION

Completed on _______ by _____________________

Notes:

Brief telephone call thanking client for referral:
(1) You are touched by their confidence.
(2) You will give it your immediate attention.
(3) You will do your best for the prospect.

STEP 2: ENHANCEMENT

Completed on _______ by _____________________

Notes:

Provide client status of referral follow-up:
(1) If no action, advise.
(2) If appointment set, send handwritten note:
(a) Thank you again for referral;
(b) Will do your best to help referral.

STEP 3: APPRECIATION

Completed on _______ by _____________________

Notes:

Send gift to client in appreciation for their referral.
Add to client referral list or tracking sheet.