

## Ep #381: Referrals and ROI



**Full Episode Transcript**

**With Your Host**

**Stacey Brown Randall**

**Stacey Brown Randall:** Hey there, and welcome to the Roadmap to Referrals podcast, a show that proves that you can generate referrals without asking or manipulation. I'm your host, Stacey Brown Randall.

***Roadmap to Referrals with Stacey Brown Randall***

## **Ep #381: Referrals and ROI**

I teach a science-backed methodology and framework that generates referrals without asking. This podcast and working with me is all about taking control of your referrals on your terms. Join me every week as I break it down.

So question for you, do you calculate ROI or return on investment in your business? Specifically, I mean, do you calculate the ROI of an activity that you're doing?

Maybe it's a sales or marketing activity or prospecting activity. Maybe it's not related to sales and marketing at all.

But do you calculate the ROI of activities that you do in your business? Or think about it in terms of an investment. When you're about to make an investment in your business, do you take the time to calculate the ROI?

For example, I mean, people use ROI calculations to determine if something is worth it. I guess I should use like air quotes. Like if something is worth it in terms of making their money back.

I mean, sometimes we invest in things and it's not about a dollar for dollar. Like I'm going to spend this much money, and then I know I'm going to get exactly this much money back.

But I think so many times in business, that's how we look at investments we are going to make. It's like, I'm going to spend this much money, how much money will I get back?

And we kind of ignore or maybe we just kind of avoid paying attention to the other return on investments we can get that aren't dollar specific, right?

Because the truth is there are multiple ways to calculate ROI. Money earned is not the only way to calculate an ROI of any type of investment you're going to make.

So when I talk about, and of course, I think we talk about this more because this time of year, right?

***Roadmap to Referrals with Stacey Brown Randall***

## **Ep #381: Referrals and ROI**

I mean, it is, if you're listening to this episode, episode 381 on the day it released, then you're listening to this episode on the very last day of September, which means in less than 24 hours, we will be in fourth quarter.

And it's like, everything shifts overnight. You know you're gonna start getting those emails that are gonna be like, it's time to think about fourth quarter, you gotta be doing your business planning, you gotta be having your strategy time, you gotta be working on your business and that in your business.

I mean, I'm gonna be honest, I'm slightly guilty of sending emails like that in the past and maybe in the present.

I mean, I think about this when we're inviting our alumni clients, so people who have worked with me in the past, either in my BRB coaching program, in my accelerator, they have been in my referral master's program in the past, maybe they've been a VIP client of mine in the past, and we're inviting them to come to our end of year retreat.

And we talk about like, hey, you've got to make sure at this time of year, you're doing the things you need to do to do your business strategy and planning and working on the business and not in the business.

So I'm not saying those emails are a bad thing. I pay attention to them. I'm sending emails like that.

Maybe if you're listening to this podcast, you will get one of those emails from me. I don't know, kind of depends on where you are and I guess your client journey with me.

But I think when we start, like we click over to October 1st, it's like, boom, fourth quarter's here, start planning, start prepping.

And one part of that conversation that most people are going to ultimately end up hearing is going to be this whole idea of, okay, what are we getting ROI on that we've been doing in our business?

## **Ep #381: Referrals and ROI**

Now, I talk about ROI. As a business owner, I can talk about ROI, you know, the things that I invest in as much as the things that you invest in, right?

But when I talk about the ROI of having like a multifaceted referral system or referral strategy in place, so like multiple ways, multiple things you're doing to generate the referrals in your business, there is an ROI to that that I believe is just bigger than, I'm going to invest in working with Stacey and then that's going to get me so many more referrals that's going to be worth so much money and that's how I determine the percentage or the dollar amount of the ROI.

And I think there's just, there's so much more to that. So sometimes when I talk about people thinking about hiring me, the back of the napkin approach, the easiest, down and dirty, easiest approach when I am talking to someone about considering investing and working with me, what the ROI looks like for that investment of learning from me.

So you think about what my accelerator or my coaching program or my VIP program costs, and then we map that out based on what the average client makes, and then if we double, triple, or quadruple your referrals, and how many of those you closed, we compare how much revenue you should make based on how much you spent as the investment in learning with me.

And that's an ROI of itself. So I'm not really talking about the ROI specifically to like, this is what it costs to learn to have a referral strategy in place.

I mean, yes, that is a part of it, particularly if you are on the fence and you've been considering working with me, you should be making that ROI calculation.

But what I really think about when I think about referrals, and I think about ROI is the additional ROI that you get when you generate new clients through referrals.



## **Ep #381: Referrals and ROI**

So you've probably heard the stats like 83% of people prefer to make a buying decision based on being referred by someone they trust, right? And you've probably heard this other statistic; referrals have a 70% higher conversion rate.

So I think sometimes when people think about determining ROI for the activities or the investments you make, we look at what it costs to do it, to learn it, do it, implement it, whatever that program costs, whatever that digital marketing strategy costs us on a monthly basis, in addition to what we should ultimately receive from it.

But with referrals, to me, it goes deeper than that. There's more to consider because of some unique things that referrals do that some other lead generation sources just don't do for us, right?

So I think when you remind yourself that referrals have a 70% higher conversion rate and 83% of people prefer to make a decision on whether hiring you or not because they were referred or recommended by someone they trust, I think those stats really start to help us understand and have a more complete story of the ROI on referrals.

I always think that it's kind of hard to put a price tag on the time it takes for a prospect to convert into a paying client.

And it can be even harder to determine the time wasted that you spend pursuing a client or pursuing a prospect who never says yes, right? Who doesn't ever get around to saying yes to being a paying client.

But I think that when you think about if referrals close quicker, right? If you know that a prospect referred to you says yes faster, than it increases the ROI of pursuing referrals in your business.

Even though I do think exactly what that looks like dollar for dollar or time to dollar, is I think that's a little harder to capture.

## **Ep #381: Referrals and ROI**

I'm not saying there's actually probably not people out there smarter than me that know exactly how to capture that information. Those are probably like the data scientist nerds. Hopefully they don't take that offense. I mean that in a loving way. Like they're just super smart with the numbers and the calculations can figure all that out.

I mean, I'm sure it has something to do with determining your hourly rate plus how much time you spend pursuing a non-referred prospect and how long that takes versus pursuing a referred prospect and how long that takes and then you need more than one because this is data, you can't like just decide that one time is like then you can just put that out there and like say that it applies to every other time in terms of referrals.

So I'm not saying that this can't be figured out I'm saying I don't do that It just is what it is. Like I know that referred prospects are quicker and easier to close. The statistics back that up. Most of my clients sign that as well.

That does not mean every referred prospect closes. And that does not mean that some referred prospects that I think will close quickly take forever to close, but then they do eventually close. And again, not every referred prospect close.

But I think when you are making the decision in your head to, I'm going to make referrals look different. I'm going into fourth quarter, and I want to take greater control of my referrals. I want to have some plans in place for what I'm going to do to generate referrals.

It's more than just the, what does it cost me to learn how to get those strategies in place? But what also is the ROI of bringing in clients because they were referred to me. And not just the dollars they make me, but in some cases, the time that it saves me.

Now, again, there are ways to do these calculations, right? I just personally think it's harder to put a price tag on the time it takes a prospect to convert that is a paying client when they're referred versus the time it takes for a prospect that is not referred or doesn't become a paying client.

***Roadmap to Referrals with Stacey Brown Randall***

## **Ep #381: Referrals and ROI**

And I think it's knowing what to do to cultivate referrals also saves time. So, when I sit down and I talk to somebody about all the things we want to accomplish, if they're going to work with me and they want to learn my referral strategies, there's a few key things I'm going to talk about.

One, I'm going to talk about the better quality clients that you should be getting. Not right away, not always in the beginning, and not without you sometimes having to do some work on improving the quality.

But this idea that the quality should improve so that that should make the prospects that come through referrals more profitable. Not always, not right away and not like dollar for dollar necessarily in the beginning.

But that's one of the metrics we're looking at is the quality of your referrals increasing and also the time it takes to bring those clients in when they are actually referred to you, from getting them in the door and then taking them through your buyer's journey process to getting them to say yes.

These are metrics. These are return on investment metrics to consider when you're thinking about referrals. And you can apply these same metrics to non-referred prospects as well.

Obviously, I'm only going to talk about it from the referred prospect perspective and doing referral strategies and the ROI behind that, because obviously, that's my area of expertise and that's what I teach.

But for somebody who runs an online digital marketing agency, there is an ROI behind not just the what you pay them to do what they do, but then there's also got to be the idea of the time that you take and that you spend sending them the information that they need and talking to the prospects, the leads that they have maybe funneled into your business.

And all of that becomes the ROI of a particular activity or particular process that you're doing in your business.

## **Ep #381: Referrals and ROI**

But I always find with referrals, sometimes I think it's almost a little bit harder to truly calculate all that, which means because it's just a little bit harder to calculate it, I think people forget to think about it.

So when you're thinking about, am I going to take referrals seriously for fourth quarter or for 2026 or am I just resetting from what I'm trying to do this year is thinking about all the ROI that referrals bring to you and some of the things that maybe you've never thought about before.

So I think it's important to recognize if you had a referral strategy in place, not only would it bring you more money, but would it mean that money comes in the revenue? Okay, money, like let me talk about it from a revenue perspective, right?

So if you had a referral strategy in place and you started thinking about the totality of the ROI, right? Setting aside the ROI of what it costs to invest in learning a referral strategy or a referral program, whether it's mine or somebody else's, that's one part of your ROI.

But the other piece is really looking at it from that perspective of, when a prospect that is referred to you shows up in your business, what does that look like in terms of the time that it takes for that prospect to actually convert to a paying client?

And does that referred prospect say yes faster, considering it from that perspective? Also, when you know what to do to cultivate referrals, it saves you time.

And like, for example, maybe hours of mindless networking when you know you don't need to do that, you don't need to do mindless hours of networking to increase your referrals. Then I think when you know what to do, that saves you time and that increases the ROI of referrals, too.

But if you're not jotting down like what you're doing and what you're not doing before referrals versus post referrals, it's a little harder to understand

## **Ep #381: Referrals and ROI**

the totality of referrals and ROI. And that's like one of the reasons why I wanted to do this episode.

I mean, when you think about time saved, when it comes to the referral ROI, we actually did an episode, it was 333. So I know it was many, many episodes ago, but we did an episode, it was [episode 333](#).

And I interviewed one of my past BRB, Building a Referable Business Coaching Program clients. And one of her specific improvements in referrals in her business came from the time she saved.

That was actually the most valuable ROI for her. She had a strategy and a system of how to cultivate referrals. And yes, getting the referrals and turning them into paying clients was an ROI and was important. But for her, it was more important that she knew what to do, so it saved her time.

So I hope this episode has made sense like in my head I'm gonna be honest, I felt like it made a lot of sense and then, as I started talking through it I'm like okay there's a lot of facets here and I want to make sure that I am not like watering them down and reducing their importance in terms of how you should be thinking about this.

But I just always find when I talk to people about referrals and ROI, there is like a very much one way we look at it, one direct way that we look at it.

What am I going to invest in your program, Stacey? And then what is that going to give me in referrals? And yes, that is an ROI you have to consider, right? Or you shouldn't make the investment.

But for me, that's a top line and that's a top line investment ROI decision. Below that is when you know what to do and now you save time to generate referrals. That's an additional ROI.

When you bring in clients that are referred to you and they close quicker and so you're spending less time converting them into a paying client,

## **Ep #381: Referrals and ROI**

that's an additional ROI of referrals. And there's a lot of them there for us to kind of consider and be open to and to pay attention to.

So that's what I wanted to accomplish with this episode. I just wanted to get you thinking differently about the ROI when it comes to having a referral generating plan, a multi-faceted referral generating system in your business.

So again, as we start quarter four tomorrow, when we started on October 1st, and you start seeing messages about business planning and reflecting, please make sure you're also taking some time to jot down the ROI you receive from referrals, and look at the totality of it, right?

Sometimes it's time saved. Sometimes it's moving quicker. Sometimes it's better quality. Sometimes it is just better clients.

So take a look at all of that, because I think it's all very important when you're considering ROI referrals, not just the revenue earned.

Alright, as we wrap up, let me just say any resources that were mentioned in this episode, like the previous episode I mentioned, we will link to that, plus the transcripts for this episode on the show notes page at [StaceyBrownRandall.com/381](https://StaceyBrownRandall.com/381).

Thank you for making it to the end with me. Until next week, take control of your referrals and build a referable business. Bye for now.