ROADMAP to REFERRALS

with *Stacey* BROWN RANDALL

Full Episode Transcript

With Your Host

Stacey Brown Randall

Stacey Brown Randall: Hey there, do you love referrals but hate asking for them? Then you're in the right place. This is the Roadmap to Referrals podcast, and I'm your host, Stacey Brown Randall.

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Ep #396: Making Sense of Your Referral Data

Every week, I break down why you don't have to ask, pay, be gimmicky, or network all the time to generate referrals for your business.

We take a science-backed approach with our methodology, our frameworks, and our strategies. The goal is simple, to help you take control of your referrals on your terms.

While many seats are filled, we do have a few seats left for those of you interested in our two-day in-person Referral Accelerator. It's going to be held in Charlotte, North Carolina. It's coming up on February 26th and 27th.

And right now, we have a very special offer, considered a bonus, for those who sign up by January 17th. You can learn all about it at StaceyBrownRandall.com/accelerator.

In our December 20-minute teaching, I broke down a few key metrics that you should be tracking throughout the year. Tracking those metrics is actually what helps you end the year referral strong to know what's actually going on with referrals in your business.

In this episode and the next one, I want to help you make sense of that data so you can make decisions on what would be appropriate for goals and expectations for referrals for this new year.

But I'm going to do this through a question I recently received from someone who follows me and has also read my new book, The Referable Client Experience.

So the question I received is from Micah. And I'm not going to talk about his industry or what he does, because he doesn't know that I'm going to do his data in this way. So I just want to keep him as anonymous as possible.

This is a first name only. Maybe this is not even his real name. But so Micah's question was, how many referral sources should I seek to work with ideally?

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So he goes on to give me a little bit of context, which is really important when people ask questions.

He said, I've been in business for over six years now, so I have many existing and past clients, but my main referral sources are one particular group of centers of influence, COIs, that my company partners with.

I've heard other experts suggest 100 potential referral sources or even 250 referral sources. Just wondering what your thoughts were on this.

So, okay, thank you, Micah, for your question. This actually is a very typical question that I get. And it's one that we break down all the time with my clients when they start working with me.

But here's what I need people to understand. The number of people you need referring you, your referral sources, is very specific to you and your business and ultimately what you want referrals to look like.

Throwing out a generic number like everybody needs 250 referral sources is ridiculous, quite frankly. It's ludicrous.

If you can only work with 20 clients a year, you certainly don't need 250 people referring clients to you. And you certainly don't have to worry about cultivating 250 relationships to get to 20 clients. That's ridiculous.

But it does have a lot to do with what your business needs. And so I walk my clients through a formula that they can see, okay, let's look at the data. So when I have this data, then we're able to see how this ultimately works.

So I walk my clients through a formula to figure this out. But the data that we need for the formula is really important. It's a couple of specific things.

Because you know, right, garbage in, what they say, garbage in, garbage out. If you don't know what your data is, whatever you project to do for the next year is kind of worthless.

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So we have to start from where you are. So first, baseline. Baseline is for you to know how many clients you need every year, on average, to have a good year.

Not a great year, not an exponential growth year. You can manipulate the formula. I guess not manipulate is not the right word, but you can do the formula again to show what you would need in a growth year.

But I'm just talking about a baseline, like how many clients do you need to feel like, hey, this was a good year? Maybe for 2026, right? Maybe it's just a repeat of the number of clients you had for 2025.

Maybe 2025 was not a great year for you. And you're like, eh, I need to get back to 2024, 2023 numbers to have a good year. Whatever that looks like for you, it's your baseline.

It's not comparing it to anybody else. It doesn't matter. If you are a business consultant, it doesn't matter what the other business consultants you know are looking to do with their business. It's what you're planning to do with yours.

So first is how many clients, paying clients, do you need every year? If you have a reoccurring clients, like repeat clients who come back to you and they are working with you every year, your number of new clients is probably much smaller.

So think about the CPA firm or the bookkeeping firm, right? If they roll into this brand-new year or every year and they have 20 clients, and they're going to work with those same 20 clients. They worked with them last year. You're going to work with them this year, right?

They're reoccurring, right? Then they have to determine their new number is a lot smaller. If they only have capacity for 30 clients in a year, they only need to grow by 10.

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Now they need to deal with attrition if they lose anybody, of course, right? So it depends on your business. It's really important you look at these numbers from your perspective, okay?

So the baseline is how many clients, new clients, do you need to work with every year, right? And this is on average just to have a good year.

Then you need to know how many active referral sources you have currently. Not someone who referred you four years ago, and they've never referred you since, and you don't even talk to them anymore, right? But the number of people who typically refer you in a year.

And I would say more like in a year, or at least maybe like year in and year out they refer you, or at least in the last two years they've referred you, okay? So you need to know how many active referral sources you have.

And remember, we define a referral source as either a client or a center of influence, right? It's going to be a client or a center of influence that's referring you. That's who we're looking for to do some calculations on.

Now, if you are in a B2C business, this is not usually the case for B2B. It can be, but it's rare. It's not as likely. But if you're in a B2C business, like you're a real estate agent, or you're an interior designer, or you're an architect who works on residential homes.

Anything that you do that is B2C, there's a very good chance you will have people who are not clients and also not centers of influence that are referring you, which means they fall into the friends and family category.

If it's not like the person who's referred you once and you know they'll never do it again, then you can certainly count friends and family in that category as well, if needed.

Usually if they're friends and family, you don't need to be taking care of them in any different way to get them to refer.

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So when we're talking about these numbers, we're looking to build a plan for these people. And so we need to know who they are. And typically, if we're going to spend money and time and energy, really more time and energy on these people, we want them to be clients or COIs.

You probably don't need your cousin, right? Or your best friend, your family or friends as part of that group. But that doesn't mean you won't have some of those if you're in a B2C business.

Okay. So next, you need to know how many referrals you receive on average each year. Now, keep in mind, for someone to count as a referral, it has to be a potential client that was referred to by another human, right? And the human, of course, in this case, is the referral source.

You don't need to count your repeat clients. You don't need to count internal leads or people you met at a networking event who just hired you directly, right? There's no referral source there, right?

You don't need to be looking at leads that came through maybe ads or SEO. And of course, you don't need to be counting prospects that you paid for them, like you bought a list of names, right?

So what we're looking for is to count the number folks that were actually referred to you, which means this is a client referred to you by another human, not a client that came through another source.

So armed with this information, Micah came back to me with his numbers so I could review it and run it through my formula.

Now I say formula and it's not like a hard and fast, you know, one plus one equals two. There's a little massaging to it, which I will explain.

But he came back to me with his numbers and so that I could look at, OK, here's the reality. Here's what he actually needs from a client perspective. Here's how many referrals he typically receives. Here's how many active

referral sources he has. And I was able to run his numbers through our formula.

Now, I'm going to share his results on next week's episode, like what the results I pulled for him said and what I said about them. Like, OK, these are your results. And here's how you go about solving them. Or here's how you go about hitting those numbers.

So I'm going to share his results on next week's episode so you can see how his results allowed me to help him calculate real referral goals for this year, not pie in the sky just because somebody said some number and now you're chasing it. That's not a good way to have a strategy or a goal.

But right now, I wanna go through and pull your data. I want you to go through and pull your data, so you're prepared to join me on next week's episode and listen to me walk through the formula and apply it to your numbers, the data that you're gonna pull here.

So let me recap them for you really quick. Here's the three things I need you to pull. Number one, how many clients do you need in a year to have a good year, right?

Now you can have a separate number of, this is also a great year number, but I really want you to consider this from a good year, right? You can have two numbers, a good year and a great year. Definitely have a good year.

OK, number two, how many referral sources do you have, meaning how many people referred you in at least 2025 and 2024? This is your list of referral sources. They're active because that means they've referred you at least once in the last two years.

How many of those people are they? You should have their names. You should know who they are. You should have a list. But you're really looking for the number of people who referred you, who are your referral sources.

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And then the third thing I want you to know is how many referrals, that means referred prospects. How many referrals do you average in a year? Really, really important.

Now to find the average of how many referrals you receive in a year, you're going to take the number of referrals you received in 2023, 2024, and 2025, and you're going to divide by three.

Of course, this is like fourth grade math, I think, in terms of finding the average. So you're gonna look back the last couple of years and divide by that number of years.

Now, if you've only been in business a year or two, we're gonna work with what we have, right? But you don't need to do this calculation based on the last six years. You can, it's just not really necessary. So really, you're gonna find your average, okay?

So these are the three things you're bringing to next week's episode. So do that and join me next week as we dig in to what these numbers mean for your referrals in 2026.

You can access the transcripts for this episode and, of course, how to join us on the Referral Accelerator, plus any other information I have provided on the show notes page for this episode at StaceyBrownRandall.com/396.

Until next week, take control of your referrals and build a referable business. Bye for now.

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