

## Ep #400: The 5 Referral Metrics You Must Track

# 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? Well, then you've come to the right place. This is the Roadmap to Referrals podcast and I'm your host Stacey Brown Randall.

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

## **Ep #400: The 5 Referral Metrics You Must Track**

Every week I break down. While you don't have to ask, pay, be gimmicky or promotional or network all the time to receive referrals.

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

Real quick, before we dive into the episode. Have you joined one of our 20-minute teachings? Yes, it's true, I can keep myself to under 20 minutes on the topic of referrals. Even if this podcast and my YouTube videos say otherwise.

Consider joining us for the February 20-minute teaching by signing up at [StaceyBrownRandall.com/teaching](http://StaceyBrownRandall.com/teaching).

I'm breaking down in the February session, how to identify your referral MVP's, your most valuable people. The link to register for the free teaching is in the show notes for this video and episode.

Before we dive in, I do need to acknowledge the episode number because we've hit another milestone with the Roadmap to Referrals podcast.

Four hundred episodes. I really, I'm thinking I should get myself a perfect attendance certificate. I think that that is called for, right?

Four hundred episodes, 400 weeks. I don't even know how many months that is. But it's a lot. It's a lot of months and it's a lot of years. And almost not completely, but almost, you know, closing in on 100% focused on referrals.

But of course, sometimes we do talk about other topics like business, mindset, goals, and a few other things as well. But 400 episodes, I just want to take a minute and acknowledge that. Just revel in it for a moment.

Now, instead of doing the typical major milestone episode where I could actually focus on the milestone and maybe teach you like, you know, 400

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things I've learned. Just kidding. I would absolutely never do that, or even 40 things that I've learned.

Instead of celebrating the episode, probably the way that I should be because it's 400 episodes, we're going to keep moving because we got things to talk about. We have things that we need to know about referrals for this year and every year moving forward.

And so, without further ado, we're going to talk about something very, very practical. I want to give you the five metrics that you need to be tracking with your referrals.

I know metrics, tracking, definitely not sexy words, but super, super important if you want to have referral success. So let's break these five down. Are you ready? Let's do it.

Referral metric number one. You have to be tracking when a referral arrives. So you must be tracking all referrals received, which means you're tracking them at the point that you receive them, not just tracking them because they became a client.

You're tracking them when they're a prospect. They arrive. You don't know if they're going to hire you or not, yet you're tracking them at that moment.

So when that referral arrives, before you know what's going to happen, capture that information. Make sure you are tracking, of course, who's being referred to you, who's the prospect. And really, it's also important that we're tracking the date.

Okay. So what's the second most important? Well, not most important, but the second referral metric you should track. I mean, technically, I think they're all very important.

This of course goes with referral metric number one. But referral metric number two is, who's referring, by name.

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So when you're capturing the prospect that was referred to you and the date that that prospect arrived, we also want to make sure that we are capturing the name of the person who referred them to you, which is if you've been around here for a while, you know what we call our referral sources.

So who is referring that prospect to you? You got to capture their name, and first and last name preferred. Okay.

Referral metric number three. When a new person refers for the first time, it's kind of a big deal. And so you need to be tracking when people refer you for the first time.

You're still capturing all the same information. The prospect's name that was referred, of course, the date and then you're tracking the name of the person who referred them to you. But make notice, right? Take note of the fact that that person referred to you for the first time.

When I work with my clients, sometimes I tell them, hey, when you have somebody refer you for the first time if you want, you actually could color code them a different color on your referral tracker tab so that you can clearly see visually very quickly everybody without a color has referred you before, and then you've gotten a referral from them because we track by year, right?

So if they don't have a color and they're on your list, that means they probably referred you last year and you've received a referral from them this year. But anybody that has a highlighted color, you know, green, may be a color you want to go with. It's kind of my favorite, well, it's kind of a color I use a lot. I guess I should say.

But when a new person starts referring you, maybe on that tracker, you just want to color code that person in green to recognize that's the first time somebody new referred you.

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It's important to track that because it's important to track who refers you. But it's also important to track and kind of like it's a big deal to note that somebody referred you for the first time.

Okay. Referral metric number four is the outcome. When that referred prospect showed up, what was the outcome? Meaning did they become a client? Yes. No or maybe not now.

For some of you, your sales cycles are not fast. It's not like they meet you once and pull the trigger and say yes. For some of you, you may be in like a sales process for a few months before someone says yes.

So that means that if you're tracking the outcome, you may have to track that it's in process until you have a final outcome, which means you got to go back and update the information.

So you're going to be tracking the outcome. And that's either going to be if the client said yes, no or not now and then of course update that information as those things change.

And it's also important that while tracking the outcome, did they become a client or not, or should I revisit with them later to also track the revenue. And the first-year revenue at least, is what I want you to track.

And that first year revenue tells you that's only you're going to track revenue if they became a client. But when the client said yes, what was the first-year revenue. What is that dollar amount?

And we truly want to track this in revenue dollars. You don't need to track the profit from that prospect. You want to get that granular. Just track the revenue.

Somebody was referred to you. They said yes. It's effectively the revenue is how much are they going to pay you in that first year of working with you?

Now, if you know that people are going to pay that to you over a few years, you can track the whole lifetime value of that client. Looking at it, I guess

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from a slice of what they will pay you over the next couple of years, if that's how long your engagements last.

But most of the time people just track that first year revenue. That doesn't mean they're not worth more because they may work with you longer, but that's a good baseline to just get an idea of the revenue from that client.

Okay. And referral metric number five is your closing ratio, specific to those folks who are referred to you. So we're going to look at the prospects that are referred to you.

And we want to make sure that we understand how many did we receive, and then we're going to look at that in terms of how many did we close. And that's going to give us a percentage of those that we closed based on those that we received.

And then we want to know those that we didn't close. And that doesn't mean you didn't close them because you did something wrong. Maybe sometimes they actually weren't the right fit or they actually, if they weren't ready or they're not the right fit, those things are a little bit out of your control.

So you want to make sure you're tracking if they said no, maybe, why not? But really tracking that closing ratio of how many said yes. What is your closing ratio when you receive a referred prospect to becoming a paying client? We want to track that closing ratio.

So for easy math, let's just say you got ten referrals and five of them said yes to becoming a client. Your closing ratio for referred prospects is 50%.

We want to track that percentage year over year because it's important to know when we have highs and lows and if we are low, the ability that we have to increase it as possible. We just have to know what's attributing to it.

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So super important things for you to know. Those are your five metrics that I want you to track for the year. Let me in rapid fire, break them down for you again.

Referral metric number one, all referrals received. You need to know when it arrives, capture it and the date.

Referral metric number two, make sure you're capturing the name of the person who referred that prospect to you.

Referral metric number three, make sure you're noting when a new person refers you for the first time.

Referral metric number four, the outcome, including the revenue of the clients that said yes. And track the nos too but really track the yeses for that revenue.

And then referral metric number five, your closing ratio. Of the referred prospects you received, how many actually said yes to working with you? What's your preferred prospect closing ratio.

Alright. Those are the five metrics I need you tracking right now. Starting like today. Don't wait till tomorrow. Make it happen today.

You can totally do this. It's just a matter of setting up that dashboard, that spreadsheet, that piece of paper, somewhere in your CRM.

Put it off on somebody else on your team, if you've got a team to do things, and start tracking these metrics, they're very, very important. And trust me, come December, you will thank me.

You can access the transcript for this episode and any other resources mentioned on the show notes page at [StaceyBrownRandall.com/400](http://StaceyBrownRandall.com/400). Thanks for making it to the end. Until next week, take control of your referrals and build a referable business. Bye for now.