

## Ep #402: Three Don'ts of Generating Referrals



**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 #402: Three Don'ts of Generating Referrals**

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, framework, and strategies. The goal is simple, to help you take control of your referrals on your terms.

For today's episode, I wanna break down a couple of things you shouldn't do. You know, the don'ts when it comes to referrals.

Now, in reality, there are lots of things that you probably shouldn't do if you wanna generate consistent referrals in your business.

But I'm breaking down three of them that really you need to understand so we can shift how you think about referrals.

Because if we can first shift how you think about referrals, how you understand referrals, how you start to believe that referrals can show up in your business.

If we can shift your mindset around it, if we can shift how you think about referrals, then you're in a much better position and you're better primed to take different action.

And that is what I want you always doing when it comes to referrals is the action that you take is actually what's gonna get you the results you're looking for.

But it starts with thinking about referrals differently. It starts with shifting your mindset about what you believe to be true when it comes to referrals.

So in this episode, I'm going to break down three things you shouldn't do. These are things you don't want to do.

And then in next week's episode, I'm going to break down three things you should be doing. And they're all geared around helping you think about referrals differently. So let's dive into number one.

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Number one, it's not really the number one, but you know what I mean. The top for this list of don'ts when it comes to referrals is don't confuse referrals with your prospecting and your marketing.

For decades and decades and decades, probably longer than any of us have actually been around, if you've ever participated in any type of sales training, you have been taught that your business development or your growth strategy or your sales strategy has effectively two legs to the stool.

It's the things you do that are prospecting in nature and the things that you do that are marketing in nature, right?

And prospecting are things like maybe it's joining different leads groups or going to a bunch of networking events. Maybe it's cold calling or cold email.

I hope you're not having to do those, but there are definitely those who do. So there's things that you do that are considered activities that are prospecting in nature.

On the other side of that, there are things that you do or activities that are considered marketing in nature. Things like your website. Maybe it is social media, posting on social media like organic growth.

Maybe it's paid ads. Maybe it's advertising that you do that is printed. Maybe it's sponsoring events. Attending trade shows and having tables at events. So there's different things that you do that are then marketing in nature.

And we've been taught that everything we do to generate prospects, to generate potential clients, to get people interested in buying from us and hiring us, that what we do falls into the category of prospecting or marketing.

And the mindset of both of those is a little bit different because the activities are different. Prospecting is very much like, hey, we want to get to the prospect as fast as possible.

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So we do more things like 7 million cups of coffee, or we join a bunch of leads groups or networking groups. We go to a bunch of networking events, make a bunch of cold calls.

Marketing is a little bit more longer play. Most people understand that. It's why you have a website up, but you're thinking about like maybe organic social media or paid advertisement.

And some of that is like brand building. And so it has a little bit more of a longer play. But the end user of both your prospecting and your marketing will always be the prospect.

The end user, the person that you're trying to get to see your billboard, or to see your ad, or to answer that cold call you're trying to make, or to meet at that networking event, the end user of all that activity that you're doing is because you're trying to get in front of prospects.

It's prospects' attention that you're trying to get. So you use, naturally, sales language.

There's nothing wrong with prospecting. There's nothing wrong with marketing. Every business uses both of them, right?

You may lean heavily one way or the other, depending on the type of business you're in. And lots of businesses use marketing to cover all of this. They're like, it's my marketing strategy. And that to them means it's my sales strategy.

But marketing is actually just a subset of your overarching sales strategy, or you may call it your business development or your business growth strategy. But there's marketing and there's prospecting.

Well, for decades and decades and decades, people have always taught that referrals fit in either prospecting or marketing, but they don't.

Referrals is actually the third leg to your sales strategy, your business development stool. It's not a two-legged stool. It's a three-legged stool.

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And the third leg belongs to referrals, which means referrals should not enter into your prospecting strategies and activities or your marketing activities. It's separate.

Because here's the big difference people miss. The end user of your prospecting and your marketing are potential prospects.

The end user of the messaging and the activities that you do to generate referrals is a referral source, a person who can refer someone to you, not the prospect.

When you're in referral generation mode, you're never actually communicating with a prospect. It's why you don't need sales language, right?

Because who you're communicating with, who you're building relationships with, are referral sources. They are the people who know people who need to hire you.

So there's like a gatekeeper between you and the prospect when it comes to referrals. And that's the way we want it, because that's how the trust gets transferred, right?

From that perspective of the referral source trusts you, and the prospect they refer to you borrows on that trust. So don't confuse referrals with belonging within prospecting and marketing.

Some typical strategies and tactics you'll hear where somebody believes that referrals fits within prospecting is the tactics or strategies they'll tell you is to ask for those referrals, or they will tell you to pay or compensate, incentivize for those referrals, or network all the time so you're constantly seen and can never be forgotten.

So they take referrals and they try to shove it into prospecting, and that's where you get that advice that you probably don't love, which is why you're

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here, is asking for referrals, paying for referrals, and networking all the time so that you are never forgotten. All the things we don't want to do, right?

On the other side, when people say, no, referrals fit into marketing, right? It's referral marketing. And I know people use that term a lot.

I even sometimes have some of my clients who still use that terminology. But it doesn't actually exist in terms of referrals don't fit into your marketing.

Because when you take referrals and you put them into marketing, there is this gimmicky promotional piece that is then given as advice for how you're supposed to go about getting referrals when you think about it from a marketing perspective.

I want you to take referrals out of prospecting, out of marketing, give it a third leg to your stool and develop a different strategy and activities and tactics and language and messaging that is separate from prospecting and marketing.

So don't number one is don't confuse referrals with prospecting and marketing.

Okay, don't number two, don't violate the science of referrals. This is very, very important when you are thinking through how referrals work and what that ultimately looks like.

So as we think through referrals, people always assume that the only piece of science that is actually a part of referrals is the psychology of trust. But that's actually only one piece of the science of what makes referrals happen.

There are things happening in the brain of your referral source when they're actually thinking about referring someone to you and you don't actually even enter their brain at the very beginning, right?

So what's happening in their brain, it's called the happiness trifecta. And it's this idea that when they're helping someone else solve a problem and how

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they're helping that person solve a problem is, of course, by referring them to you.

They get to be the hero and that feels good. So there's something happening in the brain of your referral source when they're making referrals happen.

And then of course, yes, there is the psychology of trust. That is a very important piece of referrals, but it's not the only science piece.

Then we also have the dynamic of social networks and understanding a bigger piece of behavioral economics and really understanding how you build and develop those relationships, so those relationships are deepened, they are strengthened.

And of course, at the end of the day, they actually produce referrals for you. So don't number two is don't violate the science of referrals.

Moving on to don't number three. Don't engage in tactics that compromise you and your relationships.

There is something in our businesses called relationship currency and it matters, and the number one thing we don't want to be doing is actually violating that.

So think about it this way, trust is the real currency, and relationships are the economic driver. Let me say that again. In business, in your business, trust is the real currency, and relationships are the economic driver.

Just something for you to consider as you're thinking about how you're going to develop relationships and strengthen those relationships with people who can refer to you and what that looks like.

Now, some industries, they may be able to shortcut this relationship currency. It's just the nature of the industry, right?

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Think like highly tech companies like SaaS based companies where they really don't ever really talk to their clients. They don't ever talk to their customers.

There are some industries that can shortcut this and they can deploy different types of strategies to try to generate referrals.

But that is not true in the industries that I work in. That is not true for the clients that I work with.

When your client hires you because you are the expert, there is a level that you need to maintain in terms of how you protect and honor that relationship because they are hiring you based on the fact that you are an expert.

So if you're like an expert-based business owner, which are the types of businesses that I work with, think business consultants, attorneys, financial advisors, architects, interior designers, business coaches, CPAs, right?

When you're being hired because you're the expert, you need to maintain that place in your clients' and your prospects' minds. It's no different when it comes to referrals either.

As you're generating referrals from those folks, you want to make sure that you're never doing anything that compromises, well, first yourself, but second, of course, also your relationships.

Alright, so these are the three don'ts of referrals. Three of lots of don'ts.

Again, real quickly, number one, don't confuse referrals with prospecting and marketing. Don't number two, don't violate the science of referrals. And don't number three, don't engage in tactics that compromise you and your relationships.

We'll be back next week, and we'll be talking about three dos that you should be doing when it comes to referrals.

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But hopefully, this is helping you shift your mindset of what it looks like to generate referrals, how you think about referrals, how you view referrals showing up in your business.

You can access the transcripts for this episode on the show notes page at [StaceyBrownRandall.com/402](https://StaceyBrownRandall.com/402).

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