

Ep #430: Where Referrals Fit in Your Sales Strategy



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**

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We are in a series covering what people get wrong about referrals, what I call the referral fundamentals.

To generate referrals the way that I teach it, meaning naturally, which is without asking for them, without incentivizing or without manipulating people to receive them, you really need to see referrals differently.

Seeing referrals differently is where it all starts. So the referral fundamentals are breaking this down for you so you can see these referrals differently. Let's get on with the next mini episode.

All right. So this is for our referral fundamental, the shift I want you to make for our referral fundamental number two. And that is where referrals fit in your overall sales or business development strategy.

Now, for the purposes of this episode, I'm actually going to use the terms business development and sales interchangeably.

So you may look at it as a business development strategy, or you may look at it as a sales strategy. Some people break those apart. For this purpose, when I use one, I mean the other.

All right. So when you think about business development for decades and decades and decades, probably longer than any of us listening to this podcast, definitely of myself recording this podcast episode, have been around and been alive, we have been taught that sales has two legs to the stool.

It is a two-legged stool. And of those two legs to the stool, there's one side that is prospecting and a second side that is marketing.

Now, prospecting has a different group of activities that compile it, that make it prospecting in nature, while marketing has a different set of activities that make it marketing in nature.

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But the thing I want you to know and understand and see differently about referrals is that prospecting and marketing are fine. They're great. We all use pieces of them in our business.

But your sales strategy, if you want referrals, is not a two-legged stool. It is actually a three-legged stool.

And while you have prospecting and you have marketing, referrals do not belong in prospecting and marketing.

And they actually fit in its own leg to the stool. It is your third leg. And trust me, sitting on a three-legged stool, way more comfortable than sitting on a two-legged stool.

Now, let's break down these legs so you can understand what I'm talking about as to why referrals don't fit into prospecting and marketing and how I want you to see them as the third separate leg to your business development, your sales strategy.

So prospecting in nature is the idea behind it, the objective behind it, is to do some activity so that you can put yourself in front of the prospect.

It's why maybe you do seven million cups of coffee, or you go to a lot of networking events, right?

You're joining this leads group and this association, right? And you are maybe doing some cold calling.

Gosh, I really hope not. But maybe you are cold calling. Maybe some cold emailing.

Lots of people are cold emailing me.

Maybe you are sliding into people's DMs before they even know you and having conversations, right? And I'm not knocking anything that people do for prospecting, right?

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I mean, I think that a healthy business is going to do a number of different things. I message people on LinkedIn.

I don't think there's anything wrong with it. But it's just how some people do it, I guess, is what I'm kind of making fun of. But the idea here is that there are activities that you do that are prospecting in nature.

And the objective of prospecting is to get in front of somebody who has the potential maybe to say yes and has the problem you solve. And so they'll say yes to working with you.

That's the whole objective of prospecting is to be in front of the prospect. It's why they call it prospecting.

But then on the other side, the other leg of the stool, we have marketing. Marketing we recognize is usually meant to take a little bit longer, right?

So maybe you have a website. Maybe you have some social media and you're building that thought leadership.

Maybe you have a podcast or maybe you do podcast guesting. Maybe you do speaking, right?

The idea there is, is when you are thinking about the activities that are part of the marketing bucket, so to speak, and there's lots of them, I'm clearly not listing them all out.

But the things that you're doing that are in marketing in nature, right? Maybe it's direct mail, SEO, AEO, right? Maybe you're doing online advertising or print advertising.

The things that we're doing in marketing in nature, you're still trying to be in front of the prospect.

When you put up a billboard or you see a billboard on the highway as you're driving or in town as you're driving around and you see that

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billboard, that's a message that someone's trying to get into your brain, right?

They want you to see it and hopefully that you are the prospect at that moment that you see it or remember it. That's the point of marketing.

Prospecting and marketing have one thing in common, even though they go after the idea very differently.

Prospecting is usually how fast can I get you in front of the prospect? Marketing is like, hey, we understand it's going to take a little bit longer, but the goal is to still get you in front of the prospect.

Great. Nothing wrong with those two things.

But when people tell you that you need to ask for referrals or pay for referrals or network like your life depends on it, because if you don't network all the time, you'll be forgotten and no one can refer you.

That is somebody who believes that referrals fits in prospecting. That's not where it belongs. You know that it's its third leg of a stool and referrals don't belong in prospecting.

But that's where that advice comes from. It comes from the belief that person has that it lives in the prospecting area.

When somebody tells you to turn referrals into some kind of marketing gimmick, like put it in your newsletter or add in your subject, your email signature that the greatest compliment you can give us as a referral, right?

Or email everybody in your database. Hey, we take referrals, right? They're taking referrals and they're treating it like it's marketing.

Referrals don't belong in an email drip campaign, right? And they certainly don't belong in your email signature. That's actually not what triggers referrals.

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And so when you're thinking about referrals, they don't belong in prospecting, they don't belong in marketing. Where they belong is on the third leg of the stool, its own leg.

But this isn't a bucket like that captures a lot of different activities. Prospecting is a multitude of activities. Same with marketing.

They sometimes interconnect and sometimes build off of each other, of course, but prospecting and marketing, they're like a bucket that just like captures all the things in that bucket.

With referrals being a leg, it's a bucket too, but it's more of a planter bucket. And you need to go layer by layer as you're building in the right referral strategy for your company, for your firm. And that looks a little bit different for everybody.

Yeah. There's foundational things that I teach that everybody will put in place. And then other things, some people use and some people don't based on their company and based on what they're looking to do.

But the most important thing I want you to get out of today's episode and understanding what I'm saying is that you have to understand that referrals are not a part of your prospecting.

They are not a part of your marketing. They are separate from those two activities. They are the third leg to your sales or business development strategy stool.

And you need to make sure that that leg is as strong as the other two, if not stronger.

Now, of course, I'm biased. I want referrals to be the biggest piece of the pie of how my clients bring in clients, but I also recognize it won't ever be the only piece of the pie of how my clients bring in their clients.

But you don't really stand a chance to generate referrals if you're not really thinking about it separate from prospecting and marketing.

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Yes. The truth is you probably could ask a couple of people for referrals and maybe you'll get one or two.

That's not consistent. That's not repeatable. That doesn't fill a sustainability bucket from a referral perspective.

I don't want you to get one or two because you did one thing that treated referrals like prospecting. I want you to build a company around them.

I want them to be a part of your business development strategy that you know will happen year over year over year because you're doing the things year over year over year that you need to be doing for referrals.

That's the difference. That's why referrals, they are a separate leg to your overall business development and sales strategy. And you have to see referrals this way for it to make sense in terms of where they fit.

So you learned in the last referral fundamental mini episode of how we define them and the cast of characters.

And with this one, really important that you understand where they fit overall in your sales strategy. It's a three-legged stool, not a two-legged stool. So make sure you remember that.

You can check out all of the episodes that are a part of the referral fundamentals and where we're covering what people get wrong and don't understand about referrals in the links below this video.

And, of course, on the show notes page. The show notes page for this episode is StaceyBrownRandall.com/430.

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And remember, I also love feedback. So drop me a comment. Bye for now.