

## **Step Seven – Referral Program**

Word of mouth, or referrals, is the lifeblood of every business. Print advertising can be costly, often producing few results, but the power of a referral is often as good as money in the bank. People trust the word of a friend or family member. If someone they know is singing your praises, they will call you. It is important to implement a referral program from the start of your business and reward those who help you to build your business.

### Establishing a Referral Program

First, decide how you will reward people who provide referrals. The easiest option is a service discount. You may choose to offer 10-20% off your services for each person they refer. Other options include gifts of appreciation, such as gift baskets or gift cards. If you sell products, you may also choose to give them a free bottle of their favorite product to show your appreciation.

### Advertising the Referral Program

In order for the referral program to be effective, people must know about it! Plan to tell clients about it during the information consultation and remind them about it frequently during the course of their program. You may also have a tasteful sign displayed in a prominent area of your office.

### Asking for Referrals

If you have clients who are doing well on your program, have achieved success and are feeling great, ask them if they know of anyone who might benefit from your services. Again, remind them about the reward you are offering for referrals. Explain that it is a win-win proposition, you are able to build your business, their friend or relative will benefit from using your services as they have, and they will receive a reward as your way of showing your appreciation. Most successful clients are happy to help you build your business, especially if they will derive benefits as well.

### Implementing the Program

If you are offering service discounts, it is important to have a system in place for tracking referrals. That system may include a referral card in each client file that would allow you to input the name of the person they referred, the date they started the program, and the discount you are providing as a reward for the referral. If you are opting to provide gifts or gift cards, you must also have a system in place to ensure the client was rewarded for the referral. Don't rely on memory, it may get more difficult to track as you get busier and if you are advertising a referral program you must be diligent about following through with rewards or your first referral may be your last.

### Rewarding Past Clients for Referrals

Many people may continue to provide referrals long after they have stopped working with you. If they achieved success and were happy with the service you provided, they are likely to be a source of referrals for many years to come. However, don't make the mistake of taking them for granted. Everyone wants to feel appreciated and if you want them to continue providing referrals, you must show them that you do appreciate their efforts on your behalf. Obviously, you cannot reward past clients with service discounts or products, but do send them a hand-written card with a gift card for a manicure, book store, or movie. People will appreciate the fact that you took the time to acknowledge their efforts and if you continue this practice you will have loyal fans for life!

### Networking Referrals

You may choose to join local networking groups or your local chamber of commerce to create networking relationships that will provide a steady source of referrals. In this case, you must give in order to receive. Refer others to members of the organization and they will gladly return the favor. If someone does provide a referral, acknowledge it with an email or card thanking them for thinking of you and assure them that you will look for opportunities to return the favor. If one person provides several referrals throughout the year, acknowledge them with a gift basket or flower arrangement during the holiday season to show your appreciation.

### **Action Challenge Seven**

1. Outline the reward system for your referral program.
2. Decide how you will advertise your referral program.
3. Decide how you will track client referrals.
4. Decide how you will reward past clients for providing referrals.
5. Create a referral card for client files.
6. Create a sign to advertise the referral program in your office.
7. Decide how you will reward clients, both past and present, for referrals.
8. Create a handout about your referral program to give to each new client who gets started on your program.
9. Create a form letter to thank networking partners who provide referrals.

