

Building High Quality Referral Relationships – **What it Really Takes**

By Terrie S. Wheeler, MBC

Ask any lawyer and they will tell you: The vast majority of their new business comes from referrals. In fact, statistically, referrals are responsible for up to 80 percent of new business generated by lawyers. These referrals take many shapes and forms. From past clients, to other professionals, to in-house lawyers to social acquaintances. Referrals are the life blood of any lawyer's practice.





Over the past two months, our firm has conducted original research on the referral habits and practices of professionals including lawyers, bankers, financial advisors, CPAs and consultants. The purpose of this article is to provide a summary of the empirical data collected and to provide recommendations on how to maximize your referral relationships.

How Often Professionals Refer - Over 52 percent of survey respondents give one referral per month; 32 percent give referrals once per week.

Professionals are definitely making referrals amongst and between themselves. You might be surprised what really matters when making a referral.

Percent of Business Coming From Referrals - Nearly half of the survey respondents said that referrals comprise well over 70 percent of their new business; with about a third of respondents citing 50-60 percent.

This statistic simply underscores the

need to build relationships with other professionals. Focus on identifying the other service providers your clients use and make a point to reach out to them. If you are a business lawyer, you should be building relationships with your clients' banker, accountant and financial planner. If you practice family law, build relationships with family therapists and psychologists. Practice the one-to-many strategy and focus on those professionals who have day-to-day access to your ideal clients.

Type of Profession Most Often Referred - When asked what group of professionals referrals are made most often to, lawyers win! Nearly 85 percent of referrals are made to lawyers; 46 percent to accountants and consultants; 39 percent to bankers, and 30 percent to financial advisors.

As a lawyer you need to know and understand what is most important to your referral sources. While lawyers are often the beneficiaries of incoming referrals, there is still a perception that lawyers do not consis-

tently refer business back.

How Well Referral Sources Reciprocate - Only 17 percent said "extremely well" or "very well." The rest, 83 percent, cited "fairly" or "not very well."

While lawyers receive the vast majority of referrals from other professionals, at a certain point, your referral sources may tire of what they perceive to be a non-reciprocal relationship. Always seek ways in which to introduce your best referral sources to those who can use their services. One way to do this is to meet with your top five referrals sources and ask them what *their* ideal client looks like. Then, make it your mission to refer clients to your best referral sources.

How Your Referral Sources Like to be Thanked - The clear-cut winner is the handwritten note (69 percent) followed by an email (27 percent), gift certificate (24 percent), or a voice mail message (16 percent). Flowers and game tickets are out with only a 4 percent response each.

In today's world of high technology, it's easy to send a quick email, leave a voice mail or send a text. However, if you really want to make an impact, take the extra five minutes necessary to craft a hand-written thank you note. Make sure your firm has nice thank you cards with the firm's logo on the outside that are blank inside. The personal touch impresses people, especially when it comes from a busy lawyer.

How We Decide to Whom We Refer - In order of importance, your referral sources are looking for a high level of expertise and reputation; someone they can trust to take great care of their client; your quality of work; having the right personality fit; and, you are someone who has worked with them in the past.

It takes time to build trusting relationships with those who will ultimately refer business to you. Relationship building at this level requires a long-term approach. Pick your top five referral sources and make a point of meeting with them a minimum of twice per year. Actively look for ways you can send business to them. Stay top-of-mind with them by sending them articles or links to blog posts you think they would be interested in. Think of them when they are not expecting it.

What Makes Referral Sources Feel Comfortable Referring You - Nearly 85 percent said you need to have experience in similar situations; you won't make them look bad (59 percent), you won't steal their client (41 percent), others' opinion of you (40 per-

cent) and number of years you have been in practice (30 percent).

It is not enough to be funny, smart and have a magnanimous personality. Your referral sources will only refer to you if you have a lot of experience in the specific area(s) required by their client. It's a risk to make a referral. Your referral sources also need to know you won't make them look bad by not performing or worse yet, that you won't make a play for their client. It is also important that other professionals think highly of you as a person and of your skills as a lawyer.

Number of Meetings Before a Referral is Made – Not surprisingly, 50 percent of respondents said 2-4 meetings, 35 percent said 1-2 meetings and 16 percent said 5-6 meetings.

For all the reasons discussed above, your referral sources need to really know you, and build a trusting relationship with you before they will refer business to you. Want to fast track this process? Be the first one to refer business – to them!

What Builds Trust With Referral Sources – Honesty is at the top of the list (83 percent), followed by producing results (77

percent), having years of experience (57 percent), meeting with you multiple times (43 percent), and sharing common contacts (42 percent).

You can't demonstrate you are an honest hard-working lawyer until you have had various encounters with the same person over time. One way to quickly build trust is to be the person who takes action after you meet with someone. Repeat the old adage, "Say what you'll do, then *do* what you say." If you offer to make an introduction, do so the moment you return to your office.

In Conclusion – It's clear from the research that building solid referral relationships takes time. Those who refer business do so knowing you are among the best at what you do, you are respected by your peers and colleagues, and you are honest with the highest level of integrity. You are a trustworthy and considerate person who genuinely cares about those around you and actively supports the success of your friends and colleagues. Pick your referral sources wisely, because in order to create a mutually beneficial relationship, you will be spending a lot of time with these people, and, over time, will grow to consider many

of them your friends.

For more tips, you can watch our recorded webinar on "How to Get More Referrals from Clients and other Professionals." We are still gathering data on referral source best practices. Visit <https://www.surveymonkey.com/s/K7V7N72> to take the Referral Source Survey.

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