

Referrals are risky.

MBX Education Minute

The definition of referral is risk. It means that the person making the referral must be willing to risk a friendship or some other relationship by recommending your product or service as credible and worth the investment.

Referrals are a statement about HOW the person makes the referral views their relationship with you. So a fundamental question of referrals is this. "Do I live and work in a way that inspires confidence in me as a person?"

Referrals create the highest producing sales call in the universe. Clearly, one good, fruitful referral is worth a great deal more than 100 cold call leads. Referrals are not magic, but they sure make productive selling seem like it - you make more sales when you have more referrals.

Referrals, in the beginning, require the hard work of trust building. This is not unlike the Flywheel Factor that Jim Collins (of Stanford) identified. Here's what he said.

Now picture a huge, heavy flywheel. It's a massive, metal disk mounted horizontally on an axle and weighted eccentrically on one side. Like the time before your first referral, the flywheel is at a standstill. To get it moving, you make a tremendous effort. You push with all your might, and finally you get the flywheel to inch forward. After a great deal of sustained effort, you get the flywheel to complete one entire turn. You keep pushing, and the flywheel begins to move a bit faster.

It takes a lot of work, but at last the flywheel makes a second rotation. You keep pushing steadily. It makes three turns, four turns, five, six. With each turn, it moves faster, and then—at some point you break through. The momentum of the heavy wheel kicks in your favor. It spins faster and faster, with its own weight propelling it. You aren't pushing any harder, but the flywheel is accelerating, its momentum building, and its speed increasing.

That is the nature of referrals. The pushing effort is treating people with courtesy, giving generously to relationships without expectation of return, looking for ways to intentionally bless the work of others. Conversely, not being generous results in loss of place and position in the minds of those you wish to influence.

Referrals begin AFTER people see the quality of your work, your business ethics, your willingness to work hard, and, most of all, your generosity. You can see that referrals are also risky for the person seeking to receive them, because of the time and personal investment that a good referral base requires.

Jeffrey Gitomer says, *Anyone who asks for a referral doesn't get it. A referral isn't something that you ask for. A referral is something that you earn.*