THE REFERRAL ENGINE

HOW TO INCREASE REFERRALS 300% WITH THIS SIMPLE SYSTEM

by Nick Reese
www.nicholasreese.com
INTRO: Referrals Are Your Most Effective Form of Marketing

After talking with hundreds of freelancers, consultants, and executives about marketing and their businesses, it is no surprise that many report that referrals are their most effective marketing channels.

It just makes sense, if you get awesome results for your clients and customers, then they’ll tell their friend about your business. This is word of mouth marketing 101.

While many entrepreneurs understand this phenomenon, there has never been an easy to implement system that freelancers and consultants can use in their businesses to help them bring in more referrals from their satisfied customers.

With that in mind, this guide is designed to walk you through how you can use a simple system I developed, called “The Referral Engine” to bring more referrals into your business by leveraging your existing, already satisfied customers.

If you and your team do great work and have satisfied clients, then this system should offer you instant results to help you grow your bottom line.

When I first developed this system back in 2007 and since then I’ve helped over 30 small business owners implement this system in their businesses to get massive results.

In today’s guide, you’ll learn about one such case study from a woman named “Kim” who turned her stagnating coaching business into a thriving one with a 3 month wait list using this simple technique.

I hope you find this guide insanely valuable.

-Nick “The Referral Engine“ Reese

PS. If you decide to implement this system into your business, make sure to send me a note at email@nicholasreese.com to let me know about it.
GREEN JUICE AND BUSINESS SYSTEMS

Just over a year ago, I was talking with a health coach that had just graduated from the Institute of Integrative Nutrition.

Let's call her Kim.

Kim was just like most new entrepreneurs I meet.

She was full of energy, excited about her new career, and interested in everything related to growing her business.

Her business was new and she had a couple of clients, but she said that “things just weren't taking off, like I thought they would.”

(she was making about $30k a year).

Now *typically*, I hate meeting people for coffee or lunch, because usually these meetings are a complete waste of time...

... but because I’ve known Kim for a little while, I agreed to grab a “Green Drink“ with her with at my favorite juice spot in NYC called Miss Lillys.

As we met and started to talk about Kim's business, I quickly realized that just like most entrepreneurs she didn’t have a reliable system for attracting new customers into her business.

In fact, she had no idea, how her current customers originally found her work.

TO MAKE A LONG STORY SHORT, KIM WAS GREAT AT GETTING RESULTS FOR HER CLIENTS, BUT SHE HAD A HARD TIME FINDING MORE OF HER IDEAL CLIENTS.
So after a brief chat, I shared with Kim a simple system that I used in my first business to help me grow my client base by 40% in just a few months.

The system I showed Kim is what I call the **Referral Engine** and after she implemented it her business, she increased her referrals by 300%.

## REFERRALS ROCK

Before we get into the fine details of the Referal Engine, let's talk about referrals.

Typically customers that come from a referral are:

1. Within your target audience.
2. Well qualified by your current customers.

This is why referrals can be such a marketing power house...

...the only problem is that referrals can be hard to predict.

In my first business, I often found that one client might send me 5 referrals while my other clients might send me zero.

For a long time this phenomenon both fascinated and frustrated me.

I did the same work for both clients, got them both great results, and had similar relationships with both clients.

But for some reason, certain clients just sent me more leads. It just didn’t make sense.

At first I told myself these “heavy referrers” must just be natural connectors.

This sounded good and would make Malcom Gladwell happy, but I felt like something else had to be going on.

So, I dug a little deeper and decided to experiment with getting more referrals.
MY REFERRAL EXPERIENCE

My game plan was simple to start, but the results where surprising.

Here's what I did step by step:

1. The next time I’d talk to a long-time client or did any work for them, I’d call them very briefly and ask them if they could fill out a short survey to help improve my service.

2. If they agreed, I would send them an link to the survey via email and thank them in advance for completing it.

3. On this survey, I had various questions about my business, my performance, the value my company offered, etc. Overall the survey was pretty standard stuff and only took about 2 minutes to fill out...

   ...but at the bottom of the form, I had a tiny checkbox that read “Would you refer this service to a friend?”

4. Upon receiving the feedback from the client, I'd call them to go over it with them.

5. In this quick phone call, I’d make sure to go over all the questions, especially the one which asked “what problem does my service solve in your business?”

And, if they’d marked the little checkbox at the end, I'd move into my script below:

Script: So [client name], thank you so much for offering to refer a friend to my business. Next time you hear about one of your friends struggling with {business problem they said my company solved} would you send them my way? I'd be hugely honored.
THE RESULTS WERE SHOCKING

Suddenly within weeks my inbox was full of introductions to new potential customers... about 80% of whom ended up becoming clients.

(That is an insane conversion rate!)

The surge in growth this system created was almost too much for me to handle forcing me to revamp how I kept in touch with them all because I was growing too fast.

When I first built the Referral Engine I was shocked that it worked so well, but looking back it worked for two key reasons:

1. Us humans like to be honest and stay consistent with what we say we are going to do. In psychology, this is know as the consistency principle. For further reading, check out the book Influence by Robert Cialdini.

2. Also this experiment, forced my clients to logically and emotionally evaluate how satisfied they were with my business.

LOGICALLY AND EMOTIONALLY SATISFIED

One of the key concepts that I built into my survey (and I suggest you build into yours) is the idea that people can be satisfied in 3 major ways:

1. Logically satisfied

2. Emotionally satisfied

3. Both Logically and Emotionally satisfied.

People who are logically satisfied are more likely to evaluate the “value” of your service.
Where as people who are emotionally satisfied are more likely to evaluate the “relationship” or “feeling” they have when they are working with you.

My hypothesis is that when:

1. Someone is both logically and emotionally satisfied...
2. ... and they are forced to consciously evaluate their satisfaction.
3. They are more likely to refer clients to your business, because they realize the satisfaction they get from working with you.

THE SECRET IS IN WRITING A GOOD SURVEY

After working with dozens of entrepreneurs to help them implement this exact system into their business, the secret really is in writing a good customer server.

With that in mind, make sure to ask specific questions which forced the user to evaluate your company’s performance on a logical level and an emotional level.

For logical questions, ask something like “how much tangible value did working with us bring into your business?”

For emotional questions, ask something like “how much did you value a personal calls from our team versus personal emails?”

By using a variant of 2-3 in each category you’ll efficiently force the user to fully evaluate their experience with your company making them more likely to check the “Would you this service to a friend?” box.

(For details on how to implement this, make sure to read until the end of this guide.)
HOw TO IMPLEMENT THE REFERRAL ENGINE IN YOUR BUSINESS

Step 1: Build a Feedback Survey

Make sure to included a checkbox asking them if they would recommend you service to a friend. Sample questions (tweak as needed):

What’s the most valuable thing our company does for your business/life?

If you had to measure ROI on our work together, what type of ROI would you say you’ve gotten?

What’s your favorite part about working with us?

Is there anywhere, where you think our business could better serve you?

Step 2: Talk with the Client on the Phone

The next time you talk to your clients on the phone, ask them if they’d be willing to fill out a 3 minute survey.

If they say yes, send them the link via email.

Print out each response to the survey. Make sure you have enough room to make notes.

Step 3: Review Feedback with Clients

Call clients (be a rockstar and get on the phone don’t do this via email, it doesn’t work the same) and go over the survey.

As you talk, take notes on where you can improve. If you feel like they aren’t completely satisfied logically/emotionally, make sure to ask where you can improve.
If they said that they would recommend you to a friend, use the script below to thank them for their business and the honor it would be that they'd refer you to a friend.

**Script (adjust accordingly):** [name], thank you so much for offering to refer a friend to my business. Next time you hear about one of your friends struggling with {business problem they said my company solved} would you send them my way? I'd be hugely honored.

You'll want to repeat this process every 6-12 months

## OVERCOMING THE TECHNICAL HURDLES

One of the biggest hurdles small business owners face when they are implementing the Referral Engine into their business has to do with the technical details.

That said this hurdle shouldn’t stop you. Here are 3 resources I recommend that you can start using today.

### GOOGLE FORMS / DOCS - FREE - EASIEST

If you aren’t familiar you can use [Google Docs](http://www.google.com/docs) to create simple forms which enter their data into a spreadsheet. If you are looking for a very quick and easy way to get the referral engine implemented in your business, use Google Docs. There are tons of tutorials on youtube that you can follow on how to setup a simple form.

### SURVEY MONKEY - FREE - EASY

If your small business is just starting out. [Survey Monkey](http://www.surveymonkey.com) is a great bet for you. It will give lot a lot more customization features over Google Docs and they have a free 100 surveys a month plan, that is perfect for building a simple Referral Engine. Just use their drag and drop system to and send the survey link to clients.
If you use WordPress to run your business's website and want to build a more advanced Referral Engine that you can host on your domain (website.com/client-survey/) instead of sending your clients to Survey Monkey or Google, then I highly recommend **Gravity Forms**.

I honestly believe Gravity Forms is the best premium WordPress plugin on the market. Our team uses Gravity Forms on every WordPress website we build for everything from contact forms to more advanced forms.

If you are serious about building your online business, Gravity Forms is a must buy because it gives you total control over the user experience. That said, there is a larger learning curve than with the free tools.

**CLOSING: BUILD YOUR REFERRAL ENGINE**

...And that’s it. Outlined in this guide is the exact system that Kim and other freelancers and consultants have implemented in their businesses to increase referrals.

After just 2 months of implementing the Referral Engine in Kim’s Business, she went from having 6 coaching clients to 15 (which was more than she could handle, so she was forced to raise her rates.)

I firmly believe that you too can achieve similar results if you implement this system in your business.

That said, I know only a handful of people who read this will take the time to implement this system, so if you do, make sure to drop me a note at email@nicholasreese.com.
SHARE THE LOVE
(IT’S CONTAGOUS)

IF YOU’VE ENJOYED THIS GUIDE, TAKE A MOMENT TO SHARE IT WITH A FRIEND. THEY’LL THANK YOU LATER.
Nick Reese, helps freelancers, consultants, and executives, master their marketing so they can grow their business and live an uncommonly good life.

Having promoted over 400 different campaigns as an affiliate marketer, Nick has a unique, results focused perspective on what it takes to drive traffic and generate leads.

Since 2006, Nick has built several successful businesses and is currently the CEO of Microbrand Media, a company specializing in building highly profitable web assets.

Nick has also been invited to speak at the White House by the Obama administration on building a business in a tough economy and rang the bell at the NASDAQ with the Young Entrepreneur Council.

In his spare time, Nick has personally mentored over 100 entrepreneurs who have gone on to build businesses with more than $100k in income.
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