

How to Shape Up a Great Referral Program for Your Business

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SPEAKERS

Janis Isaman, Halie Morris

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- H** Halie Morris 00:00
Hello, everyone, and welcome to Everyday Business Solutions. My name is Halie Morris, I'm your podcast coordinator and host. Today I have with me, Janice and Janice is going to tell us a bit about her business and what she does before we get started.
- J** Janis Isaman 00:15
Hi there. I am the founder of My Body Couture. And my business's mission is to help people feel better in their bodies. I largely do that through exercise and nutrition based solutions that are practical, easy to implement, and are usually a little bit different than a traditional Fitness Solution. So I'm trying to help people get out of pain. And I use a number of different techniques to do that.
- H** Halie Morris 00:44
Thank you, I'm very interested on what we can talk about. We were just talking about before we started this too, that you have a different approach not just to your business, but how you grow your business. And so what we're going to be talking about today is actually that aspect of it, and we're gonna dive into particularly how you do referral

business. So if you wouldn't mind, can you tell me what your definition or what you've seen, like referral business defined as?

J Janis Isaman 01:15

Absolutely, my personal definition of referral business is creating a partnership with another practitioner or another person who mutually refers business back and forth. So in my case, it isn't just a one way street. And it's a deeper relationship with another person who starts to take some investment in my business and vice versa. Of course, there are other definitions of referral partners, we've all had referral partners in the past who refer people randomly or they just have a very passing relationship with me or my business, or vice versa. But in this case, what I really wanted to chat about was those deeper connections and deeper relationships.

H Halie Morris 02:04

Now, I think that's a good point. There are a lot of definitions. And typically what I've seen is you have a complimentary business to somebody else's. And you say, hey, if I see anybody that would be a good fit for you, I'll send them over and vice versa. And it tends to be mostly that's the relationship. So for you, what have you seen other businesses do like before we dive into what you do, because I'm excited for that part, but what have you seen other businesses do with their referral programs?

J Janis Isaman 02:37

Well, I would suggest that you touched on a huge element of it, if I see someone who fits what you offer, I will send them over, which means that it's going to be sporadic, it's going to be periodic. And it basically means in most cases, to be quite honest, that that practitioner in my line of business, either cannot serve that person or doesn't want to. So they are kind of done with that client most of the time. So that's not necessarily a terrible thing. But there isn't that interpersonal cross connection that I personally have with my referral partners.

H Halie Morris 03:17

It's not much of that partnership that you referred to, it's more of a just a wave, Hey, how you doing?

J

Janis Isaman 03:24

All right. It's sort of like a real estate agent referral, I have done some of those to my client base. But frankly, it takes, it could be two years before I get a client in here, who mentioned that they're getting a divorce me to sell their house, I have a person to send them to if and when that happens. But that is not going to be something that I can say, Okay, next week, there's going to be somebody who comes to my door who needs that service and going to be referring quite frequently, so much as I do have a network of businesses that I refer out to in very specific scenarios. It might take a long time for that scenario actually rises to the surface in most of those cases.

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Halie Morris 04:08

Yeah, and I was gonna say, it sounds a lot like a just a customer referral, you know what I mean? So you've probably worked with that person before. And that's why you're comfortable referring on her. And that's kind of what I think like, Oh, I like this place, you should go here, if you ever need this. It feels literally just like what you're going to get anyways, if you provide a good service or product.

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Janis Isaman 04:32

And I would say in many cases, I have a network of people that I know who happened to do things. I haven't necessarily been a customer of their business. I'm going to go back to that real estate example. I've actually never owned a home. So I have not personally used a real estate service. I have a relationship with a couple of people that I know who are real estate agents. I like them as human beings. I have a general sense of trust in them, but I've never actually used their services. And I often feel like we're getting referrals better fit in that category where maybe the person who's actually offering this service, the referral actually hasn't ever used the service. They might like the person, they might trust the person. Those are great things. But that's very different than I've personally utilize this service and can vouch for the fact that it's an excellent service or an excellent product.

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Halie Morris 05:26

So that like passing I've heard of them I, I know this person sort of thing.

J

Janis Isaman 05:32

Yeah. The friend referral, the friend referral, and it has essentially, I mean, those are great referrals. We all enjoy those. But it has the same depths fundamentally, as an Instagram

influencer, somebody that we may follow their stories, and they're showing us the shampoo, or they're showing us clothing. And that may connect us to that company. But there's no guarantee that that person has actually wash their hair with the shampoo or actually exercise that those clothes on.

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Halie Morris 06:09

Yeah, I think we've all heard of those influencers where it comes out later that they don't like the product.

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Janis Isaman 06:15

There is that as well. Yes, yeah.

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Halie Morris 06:17

Yeah. And then that's why I think people like the, the review type ones, where they use the product on the screen. And then they compare it to like, the drugstore version, or whatever that they've they've found. Exactly.

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Janis Isaman 06:32

Yeah. So I think referrals come in a lot of different flavors, obviously, Instagram influencers that's through free product, or even a payment. There could be referrals that come through, I gave that example already. But that broader network of people that I know and might trust or have been my clients, or that I have some connection to already, there can be also client referrals, clearly your clients can refer in. And those are, that's getting closer to my personal definition of a referral.

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Halie Morris 07:04

So let's go ahead then and dive into what your definition is how you do your referrals.

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Janis Isaman 07:10

I have two different kinds. And I already mentioned one of them. One of them is customer referrals, those are obviously very valuable, because those people have actually utilized my services. They know what the service is, they know the benefit of the service. And then they are sharing that within their own network. So I created a program, I don't discount my services. And the only discount that is actually available is a referral card. So I printed

up little plastic gift cards similar to what you would see at Christmas time and all the major retailers and put barcodes on the back of them. And then those valued clients got several gift cards. So for example, after somebody has been with me for six months, I would say, do you have any friends that you could refer to me? If they said yes, I would give them two to five gift cards, jot down in the back the that number on the back of the barcode, and then kind of see what happened. Some of those gift cards were redeemed right away, other ones actually came back to me a year or even more in the future. So that was actually one of the benefits to putting the barcode on it because they knew who had given it to them. And I knew how long ago they had been given the card. So I was actually honestly pretty shocked at how long it took to redeem them in many cases. So people would sit on gift card, put it in their wallet for months and, and more. So sometimes it was up to a couple of years. So that has been a very successful program because that means that my most valued customers are able to extend a discount to their network. And that that network is people who need the service because otherwise their friend wouldn't have told them about it in the first place. So that gets into knowing when to give that card to somebody. So you're at a party, somebody mentions that you pull out the card and hand it to your friend. So although those are very valuable, a lot of them actually never made their way back to me. And that's okay. But that is how I did referrals for customers, I offered a discount, and then the person who gave the referral at that point would get a reward. So they would get a reward of a discount on their services. So it was kind of a circular effect where they will get rewarded for giving it to their friend, their friend would get rewarded for being a friend my business.

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Halie Morris 09:55

That's kind of cool. And I think that's something that people can apply to different businesses and some it's going to be more effective, I think, than others. But it's like a private incentive, you know, you can't just get it because you joined and you've been part of it for a week or two, like it's a loyal customer. Absolutely.

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Janis Isaman 10:17

And I think that actually, I can think of any businesses that couldn't utilize that on some level. I mean, I am a business to consumer business. But it's not a discount that can be earned through joining up for a mailing list, there's not a promo code, there is no other way to get that discount. And so creating a customer exclusive program is something that I think any business could actually utilize, whether it's a b2b business or b2c business, and it almost wouldn't matter what product or service you have. sending your customers out basically be your sales team is going to be the most powerful way to grow your business, particularly if you're incentivizing the customer who's helping you.

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Halie Morris 11:05

And I think of it in terms of like, our business is a subscription based software business. And so they'll sign up and they'll pay per month, or whatever it is, or sometimes they sign up for six months or a year. But if you think, Okay, I'm gonna do this with customers that have been with us for a year. And they're active customers, because we monitor usage as well, there give it to those people who are above a certain usage for the users for the account. And then they know it. So like I know, in particular with software, and I'm sure with your business, it's hard to describe something if you don't know the product. So it's not like you can describe the purse you saw at the store. No, it's a complex system. And so, you know, saying, Hey, you know, if you give us a referral, we make a sale on that. And then you get like this discount, but you've been with us for a year, they're actually going to know who actually could use the system, they're going to be able to describe the system and do part of that process when they come in to ask questions and use their little coupon. So

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Janis Isaman 12:03

Exactly. And I think a lot of times, customer incentivization happens at the front end. So we incentivize customers to come into our business. But we rarely incentivize customers who have been long term loyal clients, the biggest example I can think of is, our friends in the telecommunication industry. If I was to switch Internet Service Providers today, I likely could get a customer incentivization that is cheaper than the plan that I'm currently on. And so a lot of businesses will incentivize customers to sign up for the service in the first place, but not to become salespeople for them and not to stay with them. And quite frankly, I can't again, think of a single business that cannot benefit from hanging on to the customers they already have, rather than going and finding new ones. So if you start to reward and incentivize your customers for staying with you and for sharing that information, because they do have that customer depth and knowledge. And again, it doesn't matter if you're a clothing store or telecommunication company software, personal services, anybody who's been a customer for a year, two years, three years, four years is going to clearly have more in depth knowledge than somebody who's just signed up to get the \$75 off promo code.

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Halie Morris 13:32

Exactly. And it's, it's very interesting, because it's, it goes back to that I think more businesses are starting to shift to see how they can focus on the customers that are with them and retaining them, versus just that incoming revolving door. And sales is starting to shift, I think you see service and like marketing and everything else starting to shift, or it's customer retention based, and increasing that long term quality of service. So it aligns

really well with that.

J

Janis Isaman 14:00

Exactly. And I think every customer feels great if they're able to share your business with a friend who is then delighted, thrilled, excited and getting great results with your referral. So I think it is another step beyond rewarding customers because every human being it's in our psyche loves being the person to share this great new information with somebody else who is also getting great results with whatever business you all so I think it has a double whammy where you're able to both reward your customers and they're gonna get that intrinsic feeling of I did a good thing.

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Halie Morris 14:41

I like that I go Yeah, no, I think it's true. It makes you feel so good. When you're like, Oh, I can tell you about I love to tell people about that great, that great restaurant I went to or, you know that great. Whatever I got. I love to tell them but if then you can say oh you like you? You want to go, then here's this gift card that it knows. Yeah, you can only get this from me because I've been with them for so long. So I'm getting my loyalty perk, and I get to share that with you.

J

Janis Isaman 15:12

Right? Exactly. So it's creating that incentivization for your customers to remain in your business plus to share it with somebody else. And creating that exclusivity where that offer is not available anywhere else. And I think that's part of the key to it, because it allows your customers to feel special. And frankly, they should feel special. Because if you're, if you're giving that to a customer who's been with you for a year, two years, five years, seven years, whatever it is, those are the people that you want to take the most care of

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Halie Morris 15:48

They're taking care of you, so you got to return it.

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Janis Isaman 15:51

So the second referral partnership that I have created in my business is with other professionals, and you touched on this in the beginning, but it is with similar businesses to mine. So I have a health related business. And my focus is on something we would typically call fitness modalities, but I'm solving a problem for people the problem myself

for people is body pain. And that comes in the form of sore neck, sore shoulder, sore back, sore knee, etc. So the kinds of referral partners that are appropriate for my business, which is obviously not going to be for all businesses are practitioners such as chiropractors, such as clinical herbalist, such as massage therapists, acupuncturist, etc. And what we're able to do together is to create a network of care without actually being in the same business. So many of us are familiar with a wellness studio, where we will have that same kind of effect. So we go into the wellness studio and they say, okay, you should see the acupuncturist and massage therapist, and that referral stays within the clinic. In my case, I'm a single practitioner studio. And so I'm not going to refer to people within my clinic. But what I'm able to do instead is cherry pick the best practitioners that I personally want to work with for my own body and my own situation, and refer back and forth with that particular condition to get the client a better solution. So I have created referral partnerships where I actually work with those practitioners or myself with my own body as a client, and then they come in utilize my business. And we do this for 369 12 months. So we get a deep familiarity with each other's businesses and what kinds of clients would be appropriate to refer back and forth and to co team up like a wellness studio would. And I have that confidence that I'm not just referring that person into that clinician, because they happen to be a doorway adjacent to me, but because they're actually a practitioner that I want working on in my body. So that has built a lot of trust from my clients. Because when I tell them, I, I want you to go see this massage therapist, she's my massage therapist, they trust that that is a legitimate referral. And then those referrals coming in my door come from that same place of understanding because the clinician is actually one of my clients, they didn't simply read my website or look at my Instagram page and create an idea of what I'm doing. They actually are in here investing the time to go through the process that I teach, so that they really understand what they're referring into and what my personality is and what my business actually all about.

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Halie Morris 18:57

That's so cool. I don't think a lot of us think of that level of depth actually sharing services to get to that level of depth in that partnership, where it's just a natural referral and they can, it goes back to like a customer can speak to your experience because they've been there. They are your customer and your client. And you've already had that relationship. And it's a two way street. So it's very interesting. I don't think I've ever heard of anybody doing that.

J

Janis Isaman 19:27

It is not a shotgun approach to referrals. It takes a lot of time. It takes investment, it takes developing that quality relationship, but then that nets really high quality referrals

because it isn't my business card on a desk and somebody saying oh yeah, if I think of anyone, I'll totally send them over. That practitioner is in my space once or twice a week, investing in my process and vice versa. So I've never found Any referral partnership program that actually works more effectively. So though there is time and investment involved in it, it's a rewarding process. Because it's the right customers, those referrals come in fairly regularly. And they go out fairly regularly. So it isn't a mismatch on how many people are going back and forth, either. Any of us have had the experience of having referral partners where all the referrals go one way. And quite often people actually seek those out because they want referrals into their business. So with this kind of system, that relationship between me and the other practitioner, is valid, it's genuine, and nobody sort of just sending only one direction. It's multi directional. And that's because there is that trust in that relationship. And it's not a tit for tat system by any means. But I think just investing in that depth creates a completely different referral network for your business.

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Halie Morris 21:10

Well, it comes back to the the relationship aspect of it, which is what the seasons about, it comes back to the idea that if you develop a relationship and you invest in that relationship, it's going to be ongoing, and it's going to be fruitful, at the same things you would do with your friends and other people you meet and people at work, so why not with your business?

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Janis Isaman 21:28

Correct. So that's right, it's creating those best friends for my business. My best friends in my business are my customers and my referral partners, and they treat my referral partners just as customers, they get the same customer experience, they're not getting a different customer experience. So they're all my best friends. But you're right in the sense that I think especially now with the speed of social media, and the speed of email, it's easy just to fire off a ton of different different letters or different content or different pitches to people, we're all just hoping that some of it kind of hits the wall and sticks. And I've taken I do this in my business. So it's very authentic to my business as well. I develop deep connection and relationships with my clients, they spend an hour with me each time they're in here. So it's different than some other businesses, but it's being selective about the connections, and then really making those connections deep and truthful and honest and failed with mutual respect for one another's profession. So it's not just hitting a firing line and hoping that some one of them, one of the 250 letters I sent out this week is going to generate business.

H Halie Morris 22:51
So how long have you been using this particular program?

J Janis Isaman 22:54
Eight years.

H Halie Morris 22:55
Wow. So yeah, you definitely know what you're talking about?

J Janis Isaman 22:59
Yeah, yes, when I moved here and open my business, I actually didn't have a personal network in this city. So I wasn't able to maybe do something that would have been a bit more standard, I wasn't able to just call up old colleagues and say, Hey, you know, come on down, we're having an opening party, there would have been nobody at my opening party, I knew one person in the city. So instead of relying on those more shallow relationships, because I didn't have any, I went straight for developing deeper relationships with people that are hand selected, because that's how it has to be. So from day one, I actually feel very fortunate that this was actually not really an option, it was something that I had to do. Because I wasn't going to be able to just fire off a letter to somebody and say, hey, my new office space is here, if you think of anybody send them over, because I knew that that was going to end up in the in the recycling bin. So I would do networking events. And when I met somebody that I really felt was was a good connection for me, I would start to foster that and then propose the idea of doing cross service trials if you will, and then that just kind of grew from there. So it was it was a bit of an organic idea. It wasn't something I read in a book, it wasn't something that I learned from a business coach, it was literally through necessity of I need fuel for the fire of my business. And the only way I'm gonna get that is if I actually have those relationships with people that I get to know and start to trust me.

H Halie Morris 24:45
So that was gonna be my next inquiry was about how you how you establish that initial line of connection. But so what kind of networking events would those be for your your particular profession?

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Janis Isaman 24:59

Well, I was I remember going. This is funny, I remember going to the opening of a restaurant and there was in the back garden of the restaurant, there is a little market. So there was some different vendors. And it was a more health based restaurant. And I started chatting with one of the vendors, and she was a clinical herbal practitioner. And the connection was immediate, I felt very interested in utilizing her services, I wanted to know more about what she offered, I actually thought she could help me. And then that flowered into an amazing connection and relationship. And I was her client for a long time, she was my client for a long time. And so it was partly based on just that organic connection of me connecting with the person and connecting and being interested in that business. So I'm more likely to have clients that are going to go to a service that I'm interested in, because they're my clients. So it's almost like editing for them. Where if I have an interest in it, and it's a service that I find fascinating, or above average or useful, there's a higher than average chance that my clients are going to think the same way. Um, I actually have another referral partnership, that I went to a business conference in Los Angeles, which is not where I live, and met somebody who is local to the city where I live in. And I said, Hey, we're from the same city, I'd love to connect with you, when we get home. We had coffee, she sent me to another practitioner who's a massage therapist, I think that was probably five years ago. And I still have maintained that relationship with that massage therapist. So I think that there's no kind of one amazing technique to say, this is what you have to do. But most of those referrals have been through human connections right out on the, on the ground, in places that are networking events. So you know, I was sitting in a conference at a session led by a yoga teacher and happened, this woman asked a question, and she identified the city she was from, and I was like, Okay, um, but but I walked up to her officer and introduced myself or the cafe woman, I made sure to get her card. So it's kind of in a way, it's like classic networking one on one. But it's following up on those people and developing that mutual interest. In each other services. I had other people that we've swapped services a few times, and it just doesn't, it doesn't gel.

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Halie Morris 28:02

It's very interesting. It's like, you know, we talk about networking, sometimes we're very focused on that first handshake, and just, you know, hey, we'll follow up if we need something. But it's more of it starts with that genuine interest and curiosity and that attentiveness on your side, and then it develops into something further,

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Janis Isaman 28:20

we tend to categorize business networking completely separately, then personal

networking. And in actual fact, the people that we are most likely to do business with, are going to be the same kinds of people, if not actually the same people as we would keep in our personal network. So when I really go through the people that have been great, mutual back and forth, referral partners, there are people that either became part of my personal network, or would be there if we had met in a different context. So it isn't a totally different kind of personality. It's not a totally different kind of person. And so I often think, to your point, we are going to business networking events with hopes of achieving a certain goal or there's some target there. But what ends up really sticking is think of your personal life, you meet 1000s of people, and there's a few people that really stand out, they really gel, it all kind of comes together, there's a certain ease to it. And you rarely go out and sort of have a target or metric to hit. You just stay open to meeting different people if you're going to a party or a restaurant. And it's that open connection that actually creates connection as opposed to I've got to meet six people tonight and exchange cards with them. So that's a different way of thinking about networking. And so, I mean, I wish I could say it was like super formulaic where every time I went out, I was like to get six business cards. It wasn't it was an openness to going to places that would be a little lined with my business, a restaurant opening, a conference, etc. And just noticing what I was interested in and who I was interested in and where those natural connections kind of just started to flow.

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Halie Morris 30:15

I think it's a lot more enjoyable and a lot less stressful to then that typical old definition of networking, where it's about how many people you meet, and how many people that you pass your card to, it's literally just try to be open to a connection. And when it comes along, go with it sort of thing. And I think for someone like me who's very introverted, that's a lot better concept than having to approach people and giving them my business card and hope that I don't annoy them in the first 20 seconds of us talking.

J

Janis Isaman 30:50

Yeah, I mean, I have a lot to say about networking, I've had some very poor networking execution strategies, directed towards me, I distinctly remember once a woman came up to me and said, my name is whatever, here's my business card, and I'm like I, you know, like I, I really don't want to do anything with your business card, I don't know you, we didn't have a connection. I don't have any contacts, I don't know what to follow up with you for. So I think that if we, if we did spend our definition a little bit, it would help a lot of us because it seems way less scary. But I also think we need to be willing to do the work. So I am definitely a person who will send those follow up emails. And if I tell someone, I'm going to email them, I do sometimes standing right there doing it. And just making sure

that those people that really stand out, are actually on a follow up list. And it's not to stalk or harass them. It's just you can kind of feel if you have if you have something of interest or that personality connection. So making sure that I don't, I'm not ever the person who puts the card in my bag and then forgets to follow up.

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Halie Morris 31:59

Well, yeah, because a lot of times, if you're just taking cards, that's what you do, and you don't want to be that. You want to take the card because you actually intend to follow up, you're really curious about what that next conversation will hold?

J

Janis Isaman 32:10

Yeah, correct. So I think that in my business, I built that referral partnership based on people that I want to work with people whose services techniques approach really intrigued me people that I want to use their business. So therefore it's it's a lot more genuine, authentic connection with the referral partner in the first place, we understand what we're referring into. And those connections are real, I'm not referring because I'm making money on it, I'm not referring because I read an article about them or saw an ad or read one Instagram post, they're really rich connections, and therefore my clients really, really trust those referrals. They're not random.

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Halie Morris 33:00

I like that. Well, I think this has been an exciting topic. And I'm so glad we got to dive into it. I honestly wish we had like, another hour to keep talking about it, there's so much. But honestly, this is a really great point to end it on as far as how you approach referrals, and how you utilize that networking, and connections on a much deeper and finer level to build up genuine relationships. So I wanted to ask the last question, do you have any advice to somebody who's thinking about instituting a referral program similar to yours?

J

Janis Isaman 33:37

Yes, start with your own network. If you have one. If you don't, then you have to build it. But whose services do you use and why? And you have professional affinities this and why. So most of us already have a professional network and or personal network. So really going through and selecting two to three people. I mean, the kind of referral program I'm talking about, you can't have 20 referral partners, you're looking at two to three people maximum, it might actually only be one person and approach them. And ask if they actually want to do that kind of service, trade service, swap, and invest. And if they don't,

and I mean, I've had people that don't, and that's okay, then work to your next person. And if you don't have anybody like that in your network, just put that in the back of your mind that that's what you're looking for. So at this moment, I have an open opportunity for somebody in one of those spaces. So when I'm having conversations when I'm networking. When I'm on zoom calls, that's in the back of my mind, I'm not going to force it to be so but I'm certain that within the next six months I'm going to meet that right practitioner and away we go.

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Halie Morris 35:01

All right. Thank you. I love this topic. And I'm glad we got to speak about it today. I want to thank everybody who's tuned in and say that if you would like to follow up with Janice or learn more about her service, she is Canadian based, but we'll also provide all of her information in the blog posts, so that you can connect with her via Facebook, or any other way. And we'll also of course, provide the transcript version of what we just went through. And we will see you next day next week, over Everyday Business Solutions. Thank you, everyone.