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Building a Practice: Strategic Networking Can Produce Referral Gold

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“It’s not what you know, but who you know.” Networking for referrals is about creating a trusted relationship with referral sources. It is about reciprocity and collaboration. Successful networkers give to get. The best referrers believe in paying it forward as summarized in the Gotham Networking Group motto: “What goes around comes around.”

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Rainmakers know that an effective referrals strategy isn’t a scattershot hunt for people who might refer business. Rather, the key is to identify the handful of people who can help you get the specific kind of business you want and develop shared activities with them.

A strategic referral program has a niche focus on a specific business or industry niche, or a specific kind of client, or clients who want a specific kind of work. You identify your niche by analyzing your current business and the characteristics you want in an ideal client. Your networking will center around people who can help you meet prospects in your niche.

- Who can refer you to people in your niche?
 - Where do these referrers network?
 - What are they interested in?
 - How can you help them?
 - How can you get to know them?
- How is today’s referral “game” played?
- How do you measure the success of this strategy?

This article will discuss these points.

Defining Your Target

You begin by identifying the source of your “best” business and the characteristics of your “best” clients. Best may mean clients who pay you the most, or use the most services, or are the most prestigious, or have the most interesting legal issues, or present the most intellectually challenging situations.

Whatever your criteria, you need data to flesh out a portrait of your ideal. Typically, you can find it in your firm's accounting system, your customer relationship management (CRM) or contacts database, and your own memory. Use these data to create a "target persona," which is a fictional composite of the tangible and intangible attributes of your ideal client.

Then do a 180 degree turn and think about the people who can introduce you to this target.

Where Are Referrers?

Clients are usually the best source of new and add-on business because they have first-hand experience of what it is like to work with you and so can authentically explain this experience to potential clients.

Second best are other professionals such as accountants, financial planners, insurance agents, bank officers, investment bankers, etc. Most businesses and individuals work with a variety of professionals. Look first for the professionals who work with your current clients because, like the clients, they have an opportunity to work with you. As an added benefit, understanding what the others do for your client enables you to provide better service.

Attorneys in your own firm may cross-sell your services. Attorneys in other firms who cannot take a client may pass the case to you. Attorneys in other practice areas may also be a source of referrals. For example:

- Matrimonial lawyers often get clients from trust and estate or elder law attorneys.
- Corporate attorneys often get clients from intellectual property or real estate or bankruptcy attorneys.
- Litigators often get clients from any of the above.

Finally, "real life" sometimes provides referrals from friends, family, college acquaintances, community services colleagues, etc. However, these are often the least useful in terms of building a niche practice.

Start your search for these people by looking in your own databases. Look for key referrers to yourself and your colleagues. Ask friends and colleagues who service your market whom they find are the best referrers. Once you identify them, create another target persona, this time of your ideal referrer.

Where Does My Ideal Referrer Network?

Referrers, like you, network in a variety of groups depending on what they are looking for. Ask your current referrers where they go to follow their own networking interests. Look at their LinkedIn group choices for ideas. Research networking group options in your geographic area, trade or industry associations, professional associations, and civic groups where your referrers might go. Do an online search for groups that meet your criteria.

Select a few to visit. For example:

- If attorneys are a major referral source for you, become active in professional bar associations. If your referrers are from a complementary practice area, you may want to join their section as well.
- If clients are your best referral sources, join their LinkedIn and Facebook groups. Find relevant meetups and attend their meetings.
- If you are looking for industry connections, you should join their trade associations.
- If you are looking for specific kinds of businesses in a specific geographic area, you may want to join a local networking group such as Rotary, the Chamber of Commerce, or Business Network International.

Join one or two groups.

How Can I Get to Know Them?

People want to refer. In addition to building business, the process of referring makes people feel good. Emotionally, as a species, we are hardwired to collaborate. We want to help other people in our group, our tribe, our network. When someone accepts a referral request, both people feel good. So, you are not asking someone to do something awkward. You are asking someone you know well to introduce you to someone you would like to meet.

Finding the right referrers is a numbers game in some ways, so begin by joining their groups. When you join a group, after one or two meetings, look for ways to be an active participant. To decide what kind of activity would be most strategically beneficial, look at the membership and identify people you want to meet. Then go where they go. Working together on a committee provides an opportunity to get to know people informally. In addition, attend meetings and read their literature to become familiar with the issues that are important to them.

Schedule one-on-one meetings with the handful of people you want to get to know better. Google them before the meeting to know a little bit about their career and their interests. Some attorneys think that this kind of research is “creepy.” Good networkers think it is essential because it allows you to find commonalities ahead of time. Then the conversation can begin on a more personal level. Instead of saying “Who do you know?”, you will be able to say, “I saw on your LinkedIn profile that we are both friends of Charlie Smith. He is one of the most experienced financial planners I know.” And the conversation continues on a more specific, more focused, more relevant level.

How Is Today’s Referral Game Played?

The process of making referrals is partly art because it requires sensitive balancing to put people together successfully. The best referrers seem to have a sixth sense about connections and timing. And it’s partly politics because the actual practice of giving and receiving referrals is an informal system of favors requested and fulfilled.

- When a referrer asks someone else [the referred-to] to share time, information, access, or work with someone [the referred], they are asking for a favor because they want that individual to do something for an unknown person because the referrer asked them to.
- The referred, that is, the person who gains access to the referred-to person, uses up a favor with the referrer and owes a return favor down the road.
- The person referred-to gains favors with the referrer if he or she meets with the referred, even if the introduction leads nowhere.

The key to successful referral requests is specificity. If you ask to meet anyone who might need someone who does what you do, the possibilities seem infinite. Too vague a request is difficult for a referrer to remember. That is why a niche strategy is so effective. It allows you to make a very specific request to meet specific targets. When the request is very specific—“I’d like to meet the human resource executives in private consumer goods companies in the New York metropolitan area”—it is easier for referrers to help you.

When you can form an in-person relationship, it is fairly easy to get to know the other person well. What happens if you want to reach out to someone online? If you want to meet someone in one of your contact’s networks, ask your contact to introduce you. If you want to meet people you follow, create a relationship with them through their content. Comment on their posts and offer your own ideas. Over time, you will become a familiar follower. Then you can ask for one-on-one time.

How Can I Measure the Success of My Referral Networking Strategy?

Referral giving and receiving needs to be seen as a marketing process to be tracked, monitored, and analyzed. Optimally, a referrals database will be a component of your legal management system, but you can also just create an excel spreadsheet for tracking referrals in and out.

The first step in the tracking process is to make sure that the data is input whenever a referral is given or received. Ideally, you should input key information soon after the referral occurs before you forget the details. Detailed databases are the most useful. Capture the following kinds of information when someone refers work to you:

- The date.
- The name and contact information of the referrer.
- How you know the referrer.
 - Why the referral is being made.
- The name and contact information of the referred-to.
- The nature of the work.
 - Did you do the work? If so, the value in terms of money collected, potential for additional work.
 - If you do not get the work, why not?
 - Does the client meet your ideal client criteria?

When you are the referrer, answer the same questions about the referred and referred-to.

The final step in the process is to create a report that shows who refers clients to you and whom you refer to so that you can track the level of reciprocation between referrals in and referrals out. You can also assess the quality of the work, revenue generated, and degree of similarity to your ideal client. Data in hand, you can return a favor and send good referrals to those who sent profitable business to you. It can also guide your marketing decisions by pointing out the best groups to join, industries and people to follow, and places for in-person networking.

Concluding Thoughts

Referral strategies enable attorneys to link individual business development efforts to the growth of their practice and increase their awareness of their brand. The hallmark of a strategic referral plan is a strong referral network composed of carefully chosen people you like and trust, who like and trust you, share common interests, and collaborate to help each other find the resources and develop the business each one wants.

No referral strategy is perfect for all time. It must change as your goals change. You should examine your key relationships annually to determine which connections are no longer relevant, and where you need more depth or breadth in your contact list.

Know what you want. Focus on collaborating with quality connections. Go for referral gold.

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