



THE NEW ELLIS GROUP

Monday Monday

Connecting the Dots with Karen Kaplowitz



*Helping you create and reinforce the habits of successful career building,
gleaned from my work as a business development strategist, trainer and coach*

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Making Referrals Pay. Bank of America raised ethical questions recently by seeking a credit from its preferred provider law firms on their annual legal fees based on the amount of customer business it sends to those firms. While referral fees are ethically suspect, the request highlighted the value of a great source of referrals and raises the question whether you are making your referrals to other professionals pay. When people need professionals, they turn for recommendations to people who have had a similar problem or they ask other professionals for their advice. If you have established yourself in your circles as a guide to other professionals, you have built a real asset that can pay dividends in many ways. Sometimes an inquiry will turn into work for you or your firm. The second best dividends are reciprocal referrals. If you are not collecting these dividends, you may not be using the opportunity to make referrals in the most strategic way. Of course, not every referral can or should be based on your self-interest. Your referrals must have integrity; every time you make a referral you are putting your own reputation on the line. But where you have choices among quality professionals, evaluate whether you are getting maximum value from your referrals by asking these questions:

- Does the person to whom you are making a referral have a history of referring work to you?
- Is it likely that person will have occasion to refer work back to you?
- Is there some other value you expect to get from making a referral to this person?
- Are you insuring that people know that referrals have come from you?
- Do people acknowledge your referrals and appear to understand that you would appreciate reciprocity? Do you need to be more explicit about your expectations?

Do not expect a one for one return on referrals you make and do not communicate that you feel entitled to reciprocity but do get in the habit of making referrals in a strategic way. Your referrals can create good will, with the people who need referrals and with the professionals who receive them.

Example: A client told her lawyer that a friend needed a referral to a lawyer to defend a DUI. The lawyer agreed to make inquiries and get back to her. The lawyer then sent an email around her firm asking for recommendations. One lawyer in the firm had been in the District Attorney's office and suggested a number of very competent criminal defense lawyers. The lawyer asked her colleague to rank his recommendations. The lawyer went back to her client the same day with the list of potential lawyers and their contact information. She also told the client that her friend was free to say that she had been referred by the former Assistant District Attorney in her office. She encouraged the client to let her know if she needed additional names. She also encouraged the former Assistant District Attorney to let each of the referred lawyers know that he had given their name to a client of the firm and that they might hear from someone who referenced his name or his partner's name, to cover all the bases. The client later reported that she was very grateful that the lawyer had handled the referrals with the same care as she had come to expect from the lawyer and disclosed that the "friend" was a close family member.

Are you consistently treating the opportunity to make referrals with a real appreciation of their business value to you?

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