

Inquisix: The Referral Networking Solution for Filling Your Pipeline and Retaining Customers

REFERRALS MATTER
BIG-TIME

Executive Summary

Whether you're a front-line sales rep hunting for new business, a consultant delivering solutions, or small business owner communicating with customers, board members and employees, it's all about selling: selling to win new business or selling to retain customers in an increasingly competitive marketplace. So what's the deal with the buzz around emerging Sales 2.0 solutions? Which approaches are best able to fill the pipeline? How can you integrate informal networking with the latest technologies?

Gerhard Gschwandtner, publisher of Selling Power magazine, says, "Sales 2.0 is turning the art of selling into the science of selling." There are a variety of new technologies available to help marketing communicate better, to help sales sell better and to help management forecast better. Many of the new Sales 2.0 technologies are web-based, so while they're easy to use and available from anywhere you might be travelling, users are beginning to realize they these products trade the benefits of face-to-face contact for the potential efficiencies and wider reach of email, webinars and telesales teams. By helping sales people reach more people online more efficiently, or so the theory goes, these products help sales people sell more. As this paper discusses, the science is trying to keep up with the art, but applying both creates the best result.

Breaking Through with Referral Networking

Before we discuss Sales 2.0 strategies, let's first discuss the fundamental problem faced by sales people: finding qualified prospects that are ready to buy.

Julia French, a sales rep for a small financial services business, identified a local \$100M organization to target based on a newspaper article about the CFO. Julia used the Internet to research the company and found the direct dial number and email address of the CFO online. However, despite multiple cold calls and emails, the CFO never responded. Undaunted, Julia turned to her network of colleagues for help. Fortunately, one of her colleagues knew the CFO well enough to make a referral and Julia got her appointment.

At the conclusion of the meeting, the CFO agreed that Julia's company offered a solution to one of their problems and scheduled a follow-on meeting. "Why didn't you ever respond to my calls if there was interest?" asked Julia. Not surprisingly, the CFO told her that, due to the volume of unsolicited inbound emails and cold calls he received, most sales inquiries simply go unanswered and unread. "I agreed to meet you because you were referred by someone I trust — they know me and my business well enough to convince me to meet with you."

Clearly, Julia's ability to secure a personal referral to her prospect was the key. If Sales 2.0 technologies can successfully automate aspects of this sales experience, their value is considerable.

SALES 2.0 CAN BE A POWERFUL
ALLY FOR REFERRALS

Referral Networking vs. Cold Calling

No one truly likes cold calling, even the ones that claim to thrive on it. The reason cold calling is still in wide use is because it's cheap, easy and can result in some success. And because it's become so easy to identify direct dial and email addresses of buyers, call-weary prospects rely on caller ID and SPAM filters to thwart cold callers and spammers. Depending on what countries you're working in, unsolicited calls and emails are regulated and sometimes even prohibited. If you're discouraged from cold calling and emailing, where do your prospects find out about your solution?

SALES 2.0 CAN AUTOMATE
COLD CALLING. SO WHAT?

REFERRALS ARE THE BEST WAY
TO CLOSE SALES QUICKLY

Sales 2.0 technologies are actually great at helping you make cold calls. They serve up lists of prospects to call and even automatically send cold email messages. But because cold calling isn't very efficient, this is one approach where automation won't necessarily help you achieve better results.

Small business expert and author John Jantsch notes on his *Duct Tape Marketing* blog, "...Referrals are great, [resulting in] high ROI, shorter sales cycles, more qualified leads and less focus on price." But networking for referrals doesn't come easy to many sales people and business owners. How many times have you gone to a networking event, politely exchanged business cards and never followed up? According to Joanne Black, author of the best-selling book *No More Cold Calling*, initial efforts to ask for referrals are frequently unsuccessful because people don't know how to ask, they're uncomfortable asking, and have no methodology to do so. However, when done correctly, referrals are the best way to close a sale because, Black says, "the referral is pre-sold on you, you have credibility and trust to ace out the competition, collapse your sales process, and get a new client over 70 percent of the time."

Why are referrals so powerful? According to *eMarketer*, the first resource senior managers rely on to get information when evaluating purchase decisions are their colleagues in other companies. This makes sense, right? If you're thinking of buying a new car, chances are you'll ask at least one person you know and trust for their opinion and recommendation before you make your purchase. Business buyers operate the same way – when faced with a need for a product or service, they ask colleagues they know and trust for ideas and information before they buy.

What's perhaps more surprising about the survey results from *eMarketer* is what managers cited as their second most valuable resource for information: vendor's sales representatives. Surprised? Are all of your customers aware that you'd be happy to be referred to any of their colleagues who may be looking for the solutions you offer? You might want to make that point in your next conversation. Getting referrals in this way allows you to meet prospects with a level of trust that's simply not possible with cold calling.

In order for Sales 2.0 technologies to deliver on the promise of converting the art of sales into the science of sales, they need to support the most successful sales practice out there – referral networking.

Proactive Referrals: Give Now, Get Later

Most people who are just getting started with referral networking focus on the referrals they want to get. But if you can put yourself in a position of giving referrals to your customers more often than asking for them, you've strengthened these relationships even more. If you know a customer well enough to know their challenges, then you're probably in a position to offer them referrals to other sales people, friends and colleagues who can help them find the kind of solutions that address those challenges. By giving referrals to your customers, you alter the dynamic from one where you sell them a product or service to one where you share resources and solutions, even when there's no obvious financial gain for you. Now you're no longer just another vendor; you've become a trusted advisor to their business.

Whether you call it Giver's Gain, reciprocity or karma, it turns out that giving referrals is more beneficial to your bottom line than getting referrals. The more you give, the more you get. No matter how you phrase it, referral networking is the best way to fill your sales pipeline while ensuring customer retention and loyalty. When done systematically and consistently, referral networking is one of the highest ROI revenue-generating activities your company can focus on.

REFERRALS WORK HARD FOR
YOU – BOTH WHEN YOU GET
AND GIVE THEM

THE VIRTUAL HANDSHAKE 7 Keys to Effective Networking:

- 1 Character
- 2 Competence
- 3 Relevance of people you know
- 4 Strength of those relationships
- 5 Information you know about those people
- 6 Number of people you know
- 7 Diversity of the people you know

SALES 2.0 SITES CAN BE A GREAT ADDITION TO OFFLINE NETWORKING EFFORTS

Valuable sales 2.0 solutions need to do more than just tracking prospecting lists; they need to support the ability to both give and get high-quality referrals.

Getting Ready for Referral Networking

Interested in learning more about successful selling through referral networking? Before you jump aboard the referral networking boat, consider the following:

1. Who should I network with for referrals?
2. How can I build and maintain a credible reputation?
3. How can I verify the background of others looking to meet my contacts?
4. How do I choose between the quality of face-to-face networking and the quantity of online networking?
5. How do I make my contacts available for referrals without exposing them to spam and cold callers?
6. How do I manage and track referrals with my colleagues?

Inquisix is the only Sales 2.0 solution that helps you answer each of these questions. By seamlessly integrating both the online and offline worlds of referral networking, Inquisix gives smart sales people, consultants and business owners an edge over the competition.

Referral Sources: They're Everywhere

While customers can be a great source of referrals, customers alone probably won't provide enough referrals to fill your pipeline. Consider asking your vendors, the ones that consider you a customer, as well as your peers in your company, your business partners, as well as friends and neighbors. These are referral sources with which you should connect and identify opportunities to refer each other. Joanne Black calls this group of potential referral sources your "affinity network."

Inquisix makes it easy to leverage your affinity network and identify potential referral sources.

Reputation: The Coinage of Referral Networking

Scott Allen and David Teten, authors of *The Virtual Handshake*, identify keys for effective networking (see sidebar). Reputation factors into two of those keys: character and relationship strength. Referrals are powerful activities that bring two parties together at the behest of an intermediary. It's the reputation of the party asking for the referral that matters to the intermediary. And the party being referred cares about the reputation of the intermediary since the asking party's reputation is unknown. If your reputation is weak or unknown to your intermediaries, then you'll have challenges asking for referrals on the one hand and making referrals on the other.

Inquisix is the only Sales 2.0 solution that tracks the reputation of both the giver and receiver of a referral.

Networking: In-person vs. Online

In *The Virtual Handshake*, Allen and Teten say that how you build relationships hasn't fundamentally changed, what's changed is the medium. In-person networking groups have always been popular, whether they be informal poker nights or formal groups hosted by local Chambers of Commerce. With the popularity of social networking sites, online networking with friends, co-workers and other referral sources has become a lot easier. How do you know when to use one or the other?

Inquisix

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ONLINE SECURITY IS ALWAYS A
CONCERN; MAKE SURE YOU GO
WITH A RESPECTED SOLUTION

Inquisix (inquisix.com) is the only online referral networking site to bridge the gap between in-person networking and online social networking while keeping your contacts completely confidential. Inquisix takes who you are, who you know and who you want to meet and matches you with like-minded sales professionals and small business owners who want to give and get referrals. You can build both your business reputation and your business with Inquisix.

Inquisix is FREE to join.

www.inquisix.com

	IN-PERSON NETWORKING	ONLINE NETWORKING
PROS	<ul style="list-style-type: none">• Build strong, lasting relationships and reputation• Rolodex is confidential	<ul style="list-style-type: none">• Lots of quantity• 24/7 networking• Global reach
CONS	<ul style="list-style-type: none">• Limited quantity• Often can't join a group that has a competitor	<ul style="list-style-type: none">• Quality of relationships and reputation• Exposing your rolodex

While there are pros and cons to each, there's no need to choose one over the other. Rather, consider joining both an in-person and an online networking group. Diane Darling of *Effective Networking* calls this "hybrid networking." Many in-person groups have partnered with Inquisix to offer the best of both worlds – high quality reputation-based referral networking across a wide group of like-minded business professionals while keeping contacts confidential until you choose to share them.

Confidentiality: Protecting Your Contacts

The biggest challenge with many of the online Sales 2.0 networking solutions is ensuring that your contacts remain confidential. Protecting your contacts is easy with in-person networking because you're giving a single referral at a time. But when you connect online, you usually have to choose between exposing all or none of your contacts to your connections on the site. And if you're not going to share your contacts, what's the point of joining? This is why Inquisix is so popular with our members. It combines the confidentiality of in-person networking with the broad reach of online networking.

Based on our experience with online and in-person referral networking, we've come up with a few referral networking mantras to help you up the learning curve.

Inquisix Referral Networking Mantras

- Develop your elevator pitch so you can explain who you are and what you offer in 5 seconds (it's not easy)
- Gather your potential sources of referrals – both giving and getting – from personal and professional circles
- Track the referrals you get and give to help you manage relationships
- Keep at it; networking may seem harder than cold calling but it's ultimately far more rewarding
- Have the long view in mind: remember that giving is as good as getting
- Join in-person and online networking groups to get the most out of referral networking – join Inquisix for free.

ALL SOURCES REFERENCED WITH PERMISSION:

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