

This is an edited transcript of the February 18, 2015 SmallBusinessTalent.com podcast interview titled – [How to Generate a Constant Stream of High Quality Referrals: An Interview with Jim McCraigh](#).

Announcer: Are you a hard-working, self-employed professional striving for small business success? There is help. Welcome to the SmallBusinessTalent.com podcast featuring candid conversations about successful self-employment.

Stephen Lahey: Welcome to the SmallBusinessTalent.com podcast. I'm Stephen Lahey, and I'll be your host.

Do you want more high-quality referrals? Well, of course. Most self-employed professionals, including me, would say yes rather emphatically. Today, an expert on the topic of referral marketing joins me on the podcast. My guest, [Jim McCraigh](#), has been an author, a mentor, a business consultant and speaker for over 27 years now.

Jim launched his first business in 1987. Prior to that he worked as Director of Marketing for the Sleeter Group, a well-known national seminar and consulting company, and was the Vice President of Marketing for the One Page Business Plan Company, a global consulting firm with over 500 consultants worldwide.

Jim is a seasoned speaker and teacher. Over the years he has presented over 250 seminars, workshops, and webinars. He's also been a guest business lecturer at the University of California, Ohlone College, Redwood College, and John F. Kennedy University.

In addition, Jim is a published author. He's written a number of books on marketing, including *How to Write Words that Sell*, *How to Find More Customers and Clients with Webinars, Seminars, and Workshops*, and *17 Unconventional Ways to Attract More Clients*.

The bottom line: Jim is a seasoned marketing expert with a lot of wisdom to share, and I know that you'll find his approach to getting more high-quality referrals powerful and refreshing.

Welcome to the podcast, Jim.

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- Jim McCraigh: Steve, I'm glad to be here today. Thanks for having me.
- Stephen Lahey: It's great to have you here. First, you have a really interesting background and a lot of entrepreneurial experience. Tell us about your background and then tell us about what made you decide to be an entrepreneur years ago.
- Jim McCraigh: Well, Steve, my background is varied. I spent, after graduate school, years in a commercial bank being a lending officer and I became the Marketing Director of the bank by default because I had a marketing degree. I did that for no other money, but it was great experience for me.
- Then, I left the banking business and entered the corporate world. After some period of time, I rose to the rank of Chief Operating Officer of a restaurant management company. Back in those days we had about \$100 million in annual sales and I had a chance to take a buyout. I always wanted to be in business for myself, so I took it 28 years ago and I have never turned back.
- Stephen Lahey: What business were you in initially, and this is 28 years ago so I know your path evolved over time, but how did you start and how did your path evolve?
- Jim McCraigh: It did evolve quite a bit. When I first got out on my own, I was in the employee screening business. I was selling paper and pencil tests, which later became computerized, and other things to help employers select people. That included tests on basic honesty and things like that. Well, it went pretty well and there was a gentleman who was doing the same thing in a nearby town so he offered to buy me out. I took that opportunity and I sold it to him.
- Then I wanted to become a consultant. It just seemed interesting to me because I was a training manager in the corporate world when I first started out, and that lifestyle seemed appealing to me. But once I got into that lifestyle, Steve, I found out that I needed to be disciplined. People talk about the laptop lifestyle, sitting at Starbucks and running your business from there with a big cup of coffee. Well, that doesn't work and I found that out. So I became very disciplined about my business and that's how I think I've lasted so long.

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Stephen Lahey: Today, we're going to talk about how to get more high-quality referrals, and we all want that. From your perspective, Jim, why are referrals so important to professional service providers like consultants, for example?

Jim McCraigh: Over the years I've taught that selling professional services is a three-legged stool – speaking, writing, and referrals. Well, speaking and writing take time and referrals are much faster.

But there's even a bigger reason. A lot of the everyday marketing things that we do tend to bounce off of our prospects, especially if we are selling into a corporate environment or even into a medium-sized business environment. They're inundated with people who want to sell them things. They're also many times in a defensive posture. They're risk averse.

Back when I was in the corporate world, people used to say nobody ever got fired for hiring IBM, and that's still true today because companies don't want to take a chance on an unknown quantity. As professionals, we really have three things to sell. We have our authority, we have our credibility, and we have the fact that people trust us. So, it's much better if somebody else tells a prospect about you versus you trying to get that idea across to them. I mean, you can do it over time, but referrals are a much faster way and they're so much more effective. So that's why I love referrals.

Stephen Lahey: Now, on your blog you've mentioned that a lot of your business has come from referrals, but that it wasn't always that way. What changed for you?

Jim McCraigh: What changed was a man by the name of Howard Shenson, and that name goes way back. Howard passed away some years ago, but he was almost like a mentor to me. I'm a big believer in finding somebody that can help you along. Howard lived in Los Angeles then, in the Los Angeles area, and he used to do seminars. One day, I drove over there from Arizona where I was living and I attended this seminar and the subject was referrals. And I had no idea how to generate referrals because I had come out of the corporate world. Early on, I thought that I was going to sell my services like I was selling banking services, with advertising, and that just didn't work. So, Howard was somebody who came along at the right time and I was open to hearing about how to get referrals.

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I began to understand that referrals were like little mini sales, and that we can sit around and wait for that big sale to come in or that appointment with a big prospect, but if we work during those down times on getting referrals, then we'll fill our funnel. So, referrals are like little sales along the way that help us have that stream of clients that are coming our way.

Stephen Lahey: I'm sure that there are certain steps that you take to get referrals, and I know the process might be slightly different for each person, but what are the steps that you recommend taking to make getting referrals easier?

Jim McCraigh: The biggest thing, Steve, that I focus on when I'm looking for referrals is the reasons why people give referrals and the reason why they don't. I think sometimes we think that people give us referrals to help us. Well, over the years I've learned that that's not exactly true. What they're really doing is trying to help the person to whom they are referring you. It's that they've had a good experience with you and they know that other person needs some kind of help, whatever that is, then that is why they refer you. Now, there may be a few cases where they just know and love you, and that's fine, but that's not always the case. So that's the first thing.

And the reason why they don't refer, well, that comes back to us. And one of the biggest reasons why they don't is something that I mentioned a few minutes ago – they don't understand the nature of our business. They don't understand that we need and want referrals.

So it's up to us to plant seeds, and one way that I do that is by educating my clients that I welcome referrals. When somebody asks me how it's going, I don't just say hey, it's great, so on and so forth. I'll say something like, well, I'm having a good day, I just got a great referral from a client of mine and I got an appointment. So you see what I'm doing is I'm planting the seed that I need referrals.

Another one is telling success stories. Now, as professionals, we never put the problem together with the name of the client, right? But I do tell success stories about what I've done for other clients so that they understand how I can help them, and then they understand how I can help other people. So, once they have an

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understanding of what your business is really about, then they can think through who else might be a candidate to refer to you.

And I also like to point people when I ask for referrals. I don't ask a broad question like who do you know that might need help with X, Y, or Z? Instead, I'll say among your clients, your customers, who do you know that might be able to also use my services? So I'm always pointing people and I'm always educating people.

Another thing that just drives me nuts, okay, I'll rant here for a second, one thing that drives me nuts is the fact that a lot of us as professionals don't thank our referrals sources enough. I can't tell you the number of times I've given people referrals and I've never heard back from them.

One way to get more referrals is to write thank you notes. I'm not talking about email. I'm talking about thank you notes that are written on note cards that you get at a stationery store and that you write in blue ink and that you sign your name to and that you thank them. And you also do something else, Steve. You let them know how it went. So, thank you for the referral, and by the way, they engaged me for a two month project. Thank you so much. I really appreciate it. So thanking people can really open the door.

Another one that I picked up some years ago was to be a giver of referrals. If we give referrals, we can expect some reciprocity. Now, there are people that aren't going to reciprocate among your peers, your colleagues, and the other people that you know. You might be in a networking group or you might be in some other sort of leads club or a professional association, for example. But if we give referrals, if we're actively looking to help other people with their business, it will come back to us.

So those are a couple of the ways that I approach getting referrals. I also like to keep people informed of what I'm doing. That's one reason why I have the blog, I send out content, and just to let them know, hey, I'm out there. Because awareness is an important marketing concept. If they forget about you, then they're not going to give you referrals.

Stephen Lahey:

Yes, I think a lot of it is staying top of mind in the right way. The other thing I've found, is that by exploring their LinkedIn network and picking out some people I would like to be referred to and

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saying to the referral partner, hey, I noticed that Joe Smith is in your network. I'd really like to get to know Joe because of these specific reasons. Would you be willing to refer me? I've found that 9 times out of 10, because it's taking very concrete approach focused on specific people they know, it works well. But have you found that you have good luck using social media in that way, or no?

Jim McCraigh:

I have. I don't use it a lot, but you said something that's really important. I think the specificity of the request is paramount, and I also think that the B word, which is the because word, is also very important. If you're specific in how you ask and you say I'd like to meet Joe because, then I think that you're going to put yourself miles ahead of everybody else.

What I've found, though, about using social media, about using LinkedIn, is it just gives me a chance to stay in touch with people in that giving mode. And so when I say I don't use it a lot, I really didn't mean that. I meant that I use it in that giving mode that you just talked about and then people and things will just flow towards me. It becomes sort of this magnetic situation. I'm out there, I'm engaged, and I just, for example, this morning shot off a congratulations to somebody who's been in business for a while and he's got some new things going on. I just said, hey, that's great. I didn't know you were doing that. I'll keep it in mind. If there's anything I can do to help you out let me know. Something like that. So I guess I do, but I do it in a real relational way. Does that make sense?

Stephen Lahey:

Oh, it really does. In fact, the only time I'm going to be very specific with names is after I've gotten to know them, the referral partner, and I'm actually on the phone with them a couple of times. In other words, we're having an open conversation, and probably not our first conversation. So it's a way, once you have the relationship, to leverage social media, and as you said, to give them a reason for wanting the referral because that's very important.

I have a two-part question for you now. Once you get a referral, how do you qualify them? And then how do you turn a referral into a client, Jim?

Jim McCraigh:

Those are two really good questions. The first one is I try to ask as much as I can of the referral source. Why do you think I'd be a

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good fit? What is it about their situation right now that makes you think that I can help them? So, I'm qualifying that person with the referral giver so I don't go in cold and I'm not just calling somebody and saying oh, by the way, Steve said that I should call you. In other words, I would rather say – Steve said I should call you because you're looking for a different way to do your accounting, you need a CPA. So, I go in with a little piece of information.

Now, how do I qualify somebody when I'm sitting in front of them? Well, one thing is right away, I mean, it's the visual. If I walk into somebody's office and it's perfectly put together or it's a mess, or how are they dressed, what do they look like, how do they greet me, what does their company look like, what did the receptionist say, and those are all cues that I pick up on whether or not I'm going to be able to help this person.

But I also ask questions. I know in selling professional services that some people go into that situation with some sort of presentation. You know, you've got the PowerPoint slides on the laptop, you've got all this stuff and you go in and talk about yourself. Now, that just doesn't work anymore. What we have to do is ask qualifying questions.

Some examples of those questions would be things like why am I here? What is it that, in your mind, made it important that I come in today and talk to you? Where are you now in your business or your personal situation and where do you want to go? And then how are you going to get there? And then what obstacles are you facing right now in trying to get there.

Now, I'll ask those questions more conversationally, but you get the idea. I want to see where they are, where they're going, and how come they're not there. For two reasons – number one, I need to be able to realize in my own mind, before I open my mouth, if I can help this person or not. If I can't help them directly, I'm just going to say, you know what, Steve, this is really out of my area of expertise, but I know so and so, maybe they'd be a better fit for you. Or I can say I understand your situation, I know where you are, I've been there or I work with other clients, and I can help you get there.

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So, that's what I'm doing when I'm in front of a client. I am not selling. I am qualifying and I'm trying to see if I can help them and through the questioning, because I'll ask them pretty pointed questions, they'll begin to understand that I can help them.

Stephen Lahey:

I like it, Jim. For me, I tend to want to qualify people, if I can, by phone. It doesn't serve anybody if I'm sitting in front of someone who I really can't help.

On the phone, I may state to a prospective client up front, here's what I do, and for clients for whom this works here are the results they get, but I have to tell you that my approach is probably not a match for about 50% of the people that I talk to over the phone initially. So, do you mind if I ask you a few questions to see if we might be able to help you? And approaching it that way I've literally never had someone say – no, I don't want to know if I'm in the 50% that you can help. So, as long as I've discussed relevant results upfront, the right clients are open to a transparent qualifying conversation.

I also think that whether it's up front on the phone or later when you meet in-person, it's important to continually qualify because that also builds trust. You're not just going after them.

That's one of the things you said that I really agree with. You don't come in with your game plan, with your PowerPoint presentation. I just wrote an email to my subscribers that basically said sports analogies just don't work for me when it comes to business. If I came in with my "game plan" and I'm trying to sort of dominate and win, that doesn't work.

I approach the meeting more like a physician. I'm looking at it like, I'm a physician, but I'm also a specialist. Let's see if I can help you. I don't know if any of that makes sense from your perspective, Jim, but it sounds like we're basically on the same page.

Jim McCraigh:

It does. This diagnostic approach is really important and I'm glad you mentioned that. It really will separate you from that person who's got that hard-sell mentality. Clients have this sixth sense or seventh sense, or whatever you want to call it. They know when you're pushing. But they also know that when you lean back in the chair, your body language is saying it's okay to talk to me. And

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when you take that diagnostic approach, you're actually helping that person right on the spot. We're in business to help people and if we can find a way to help people effectively, then they're going to beat a path to our door. When we can lean back in the chair and be comfortable in the situation and let go of that outcome, then the client can be at ease and the client can lean back in their chair. Not because they're trying to get away from you, but because there's that relaxation that's going on and we're just two people having a conversation. And they don't have to fear that I'm going to try to quote, unquote, put the sell on them, or sell my program, whatever that might be at the time.

I'll tell you a story, there was a woman who was running a dance studio years ago. I went in and I talked to her and I realized about halfway through this conversation that this wasn't going to happen. This is not my expertise. And I told her that. So end of discussion. Right? Wrong. It turns out that a few weeks later she sold that business. Then she called me and I worked with her for a couple of years after that on another project that I could really help her with. So I can actually say I got a client because I told the client that I couldn't help them.

Stephen Lahey:

Being credible and creating good will in the marketplace today is probably more important than ever. And now with social media, if someone had a good experience with you, even though you couldn't help them directly, they may still want to stay connected with you online, and they may share your content with their network. So, it's not always clients who are going to send people our way, it may actually be someone who is a more casual connection – but they do have connections to potential clients.

Well, Jim, as we wrap up, I'm sure that a lot of listeners would love to connect with you online and download your free eBook, which I found interesting. It's titled *7 Easy Ways to Get More Referrals*. How can they do that?

Jim McCraigh:

Well, they can go to my blog, my website, which is McCraigh.com. Right at the top of the site there's a *yellow button* that you can push and get that eBook. And I'll send you some updates about what I'm doing and additional content as I come up with even more ways that you can get clients now.

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If they want to contact me directly, right there at the top of [my home page](#) also is a contact link. They can hit that. I do work one-on-one with people. My business has changed. I do still a lot with corporate clients, but what I really enjoy doing is helping other professionals start out, and I've been doing that for a few years now and it's probably the most rewarding kind of work that I do.

Stephen Lahey: You've been there, which makes it all that much more rewarding, I'm sure. You know exactly what you're talking about. Well, thanks again for joining me on the podcast, Jim.

Jim McCraigh: I appreciate you're having me. I had a lot of fun. And I hope that we helped somebody today.

Stephen Lahey: I think we have. And to our listeners, thank you for spending some time with us today. If you like what you heard, visit SmallBusinessTalent.com now and subscribe to this podcast by email. When you do, you'll be alerted whenever I post fresh podcast content, of course, but you'll also receive special resources for email subscribers only, including my free LinkedIn guide and much more. Thanks again for listening today and best wishes for your success.

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