



Ivan Misner: [Networking](#)

Is Your Referral Networking Working?

Contrary to what you may think, the referral process is not difficult to measure.
By Ivan Misner | November 21, 2007

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Anyone who has ever tried to keep an accurate count of how many "cold calls" led to actual, cash-in-your-pocket sales knows it isn't an easy task. The good news is that measuring success from referrals is actually quite easy. We know this because we've designed a networking scorecard for tracking referrals and the business that results from them. You might want to develop a similar one for your own use.

On this card, record the nature and source of each referral, how you followed up on it, how you handled it, and how you followed up with your referral source--through a thank-you note, a phone call, lunch or business. It's not hard to look back at what you did and analyze how successful you were in getting business from your referrals.

The referral process is about committing to a series of actions designed to create a result not only for you, but also for the other people involved. It's about measuring the results and improving the system. As long as you track your activities, it's not hard to measure the results.

There's a concept we use related to the "tipping point" idea for referrals. What's the difference between 211 and 212? At first glance, you might think not much. But there is actually a huge difference: At 211 degrees Fahrenheit, you have some hot water but at 212 degrees, you have *boiling* water. What can you do with 211-degree water, other than make bad coffee and warm up a hot dog? Not too much else. But with 212-degree water, you can make great coffee, sterilize dishes and start the Industrial Revolution. Can you feel the difference between 211-degree and 212-degree water by sticking your finger in them? Probably not. But one degree makes a world of difference.

Many networkers spend a lot of time "warming up" their referral sources. But since they can't tell the difference between someone who isn't quite ready to refer and someone who is, they waste time and energy on the wrong person. This is why it's important to have a system in place for measuring actions and their results.

How do you know when you've done enough to get a referral from a potential source? When you track the results, in many instances you will be able to tell what specific action "tipped the scales" from a potential sale or client to real results.

Was it your last thank-you note that made a solid referral source out of your contact? Or was it that tip on a special deal she could get from a new vendor? You can't measure feelings per se, but you can discover what made the difference between zero and success. Armed with this knowledge, you can replicate your success at other times and in other settings. In networking, of course, people are different and situations change, but if you track the results under different conditions, you'll begin to see patterns that will show you how to handle your network.

If you choose not to track your results, or perhaps do not track them consistently, you're essentially giving up control of your referral networking--which is OK if what you're interested in is shrugging off your own responsibility and finding other people to blame for your failures. If you can't connect success or failure to your own activities, it's easy to say, "This would have worked if my referral source had prepared the prospect," or "The reason I failed is that nobody told me what I needed to know." In reality, your failure to adequately train your referral partners and gather the information you needed is directly tied to your failure to set up a way to measure results.

Good referral networking is a lot like luck. As most people realize over time, "good luck" happens to those who have worked hard to prepare for it. If something happens "by chance," such as a good referral, go back and track it. There was probably some series of events--over which you either did or could have had control-- that brought you the "good luck."

Every now and then, you'll get some business out of the blue, but it's hard to write a business plan around that, let alone get people to want to do business with you. Don't be blind to your referral marketing and make sure to plan this part of your business.

