



Beyond Referrals: The Keys to Building a Well-Rounded Sales Pipeline

Growth can be gradual. Growth can be exponential. And growth can be explosive.

Think back to high school. You can probably recall going home for the summer and coming back in the fall to discover that one of your “little” classmates suddenly sprouted by a full foot, going from 5 ft. nothing to 6 ft. He looked like he swallowed another person.

In terms of expanding your business with appointment setting, that’s the kind of growth we are talking about.

Referrals are a powerful source of new business opportunities. The recommendation from an existing client sets the stage for a successful client dynamic. The prospect enters the first conversation with a degree of comfort and trust in the services you offer because someone they trust vouched for the quality of your work. You will still go through the formalities of introducing yourself and the services you offer, but you get to skip the sometimes difficult process of taking a cold lead and initiating a completely new relationship.

In terms of generating new business, referrals are an essential piece of a profitable, well-rounded sales pipeline. Many producers, however, come to rely exclusively on referrals for growing their businesses. The rewards are significant, and the sales process is less demanding. We find that what separates the good from the great is an aggressive approach to initiating new relationships in areas that are not necessarily natural or comfortable.

If your sales pipeline is powered almost entirely by referrals, you are taking the following risks:

- Referral activity can be inconsistent, which could create long periods of stagnation.
- Referrals are not a reliable way to capture or expand into new markets.
- Even in the best of times, referral activity is inconsistent and is largely driven by the total sum of your other marketing and brand development efforts.

Instead, your sales pipeline should be comprised of referrals as well as efforts that specifically target completely new audiences or markets. You could explore a new market locally, or you could expand into a new region. By initiating these new relationships, you increase your potential for referrals exponentially, and you give yourself greater control over the growth of your business.

A sales pipeline that mixes referrals with other sources of new relationships will usually contain the following pieces:

- Appointments with potential prospects
- Referrals from existing clients
- Relationships with key centers of influence
- Repeatable methodology integrated into a backend system that allows you to:
 - A well-organized and consistent drip marketing system
 - Personal one-on-one follow-up with prospects that goes beyond sending emails and flyers
 - Quarterly seminars designed to engage prospects as well as current clients
 - Consistency outbound activity, in good times and bad
- Greater consistency of activity and pipeline building efforts designed to lead to new business opportunities and sales.

Unfortunately, the realities of initiating new relationships deter many producers from continuing that facet of their new business efforts once referrals start to come in. Finding new prospects is time-consuming, which can be hard to justify when you have a roster full of existing clients that need your attention, and the process of engaging cold leads can be frustrating.

“The most successful companies and individuals are successful because they never stop growing.”

An old saying goes that if you are not moving forward, you are moving backward. Even in the face of success, resting on your laurels can undermine the potential of your future. Apple, despite its explosive growth, continues to innovate and challenges its employees to behave like entrepreneurs—even going as far as to call them intrepeneurs, entrepreneurs working within an existing company. GE, an international giant with its hands in everything from household appliances to x-ray technology, continues to invest in new technology and in new markets. Even athletes like Kobe Bryant are famous for spending many late nights pouring over game footage and early mornings shooting foul shot after foul shot.

The most successful companies and individuals are successful because they never stop growing. They never stop trying to achieve. In our space, success and growth are measured by the number and quality of clients that a producer serves.

Is finding new prospects to generate new business the best use of your time? Is it your best skill? Many producers answer no to both and admitted to strongly disliking the prospecting process, so they come to rely entirely on entirely referrals because of their reluctance to initiate relationships. But what if you could skip the draining tedium of prospecting and meet with potential customers that fit your target criteria and are interested in the services that you offer? That's the power of an appointment setting program.

With an appointment setting program, you can:

- Grow your business without the front-end investment of time.
- Reap the benefits of new relationships without having to initiate them.

- Capture new opportunities in new markets.
- Fill your pipeline with a steady stream of activity.
- Tap into a new wave of referrals.

That all sounds well and good, but here is how these benefits translate into actual results: Typically, our producers see closing ratios of 20 percent for their met appointments (especially if they take advantage of our appointment setting-specific sales training), and the average case size is \$25,000. Producers that have grown accustomed to the high success rate of referrals—usually upward of 80 or 90 percent—may view a 20 percent success ratio as low, but within the context of completely new relationships it is actually quite high.

In even more specific terms, one of our executive compensation clients ran a program in 2013 where we set 68 appointments. He met 40 of them, and ranked 33 of them as qualified or highly qualified. Out of those met appointments, he closed 13, producing \$250,000 in net commissions from those sales.

“The growth of your business depends on you and your willingness to challenge your own status quo.”

That commission figure is his base return. It does not account for the potential return that he could see from sales that take longer to

mature—nurtured by his slow drip marketing and follow-up efforts—and it does not account for the return that he will see in the future when those clients refer him to new business or when he garners additional wallet share. In this way, appointment setting builds a pipeline for sales *and* referrals.

To reference back to our outline for a well-rounded sales pipeline, this influx of sales and referrals will feed your slow drip marketing system, giving you a consistent flow of new prospects to engage, in turn making your one-on-one follow-up and seminar activities more targeted and more fruitful. At the same time, this steady growth in new business will make it easier for you to engage key centers of influence. Not only are your sales skills and acumen at a heightened level of sharpness—which will produce rewards in any sales scenario, referrals included—but your blossoming reputation and expanding audience will make you an attractive partner, opening the door to even more new business opportunities.

You must foster new relationships.

We find that most producers do not reach this level on referrals alone. If you don't have the time or desire to prospect on your own, an appointment setting program can become the cornerstone to a highly profitable sales pipeline.

Ultimately, the growth of your business depends on you and your willingness to challenge your own status quo. You might be able to comfortably get-by on referrals alone for the rest of your career, but you risk missing opportunities that more aggressive competitors will capture first and you risk hitting a slump in sales when your pipeline—powered solely by referrals—hits a lull. The worst risk of all: you may never tap into your full potential as a producer. Think beyond referrals. Grow your business with a well-rounded sales pipeline.

About the Author



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About The PT Services Group



The PT Services Group is committed to helping you open the doors to new prospects and new business. While the methodology and expertise behind our appointment setting, business intelligence, and data collection programs are powerful tools, the secret to their effectiveness is the people using them. We are owned, operated, and staffed by professionals with expert knowledge of the financial services and insurance industries. Visit our website at www.ThePTServicesGroup.com to learn more.