



# MILLIONAIRE IN YOU

## Winning word of mouth

*By Jason Felts, Advanced Merchant Services Inc.*

With every new year come resolutions. From losing weight to quitting smoking, from spending more time with family to working smarter rather than harder, resolutions run the gamut of personal and professional goals. In business, one often-overlooked area critical to increased sales is building referrals.

What referral resolutions have you made for 2007?

The benefits of a strong referral program are many. In times of economic uncertainty, prequalified leads help reduce promotional costs. Also, unlike standard advertising and marketing initiatives, results from a referral program can be easily tracked and verified.

Even more rewarding, each time you receive a referral your merchant is telling you you're doing a good job. Satisfied merchants who become your advocates are the best sales force any company can have.

From the merchants' perspective, referrals reduce the risk of making a bad decision. They are more confident when buying from a highly recommended source. Merchants don't respond well to agents who blow their own horns. A claim by a third party is much more credible than one you make on your own behalf.

Prospects obtained through word of mouth are more likely to give you fewer objections because a trust factor is already in play.

Telephone calls to new prospects are more likely to be returned if they come from referrals, as opposed to cold calls. And, most importantly, closing percentages skyrocket when prospects are from a referring party.

### Go with the flow

Growing a business this way can be fun and more lucrative than any other strategy. You can even become pickier about whom you take on as a new merchant. When you create a self-perpetuating flow of referrals, you eliminate the anxiety of wondering where future business will come from.

So, what is a referral flow? It is a set of strategies that bring qualified leads and thus new accounts to merchant level salespeople (MLSs). Many MLSs have built thriving businesses entirely upon referrals. No joke.

Indeed, most small businesses are started on referrals because their promotional budgets are often insignificant. The majority of small businesses lack the resources to run long-term advertising campaigns. Referrals build trust. And for small business owners, nothing is more important than

trust.

The beauty of referrals is that they work great for you, as an MLS, if you are willing to implement a systematic approach. Financially, referrals can get you the best bang for your buck. And such a system can be implemented at very little, if any, cost.

Some cost will always be involved. However, compared to traditional advertising and direct-mail campaigns, referral marketing can provide the greatest return on your investment of time and money - if done correctly.

There are two very important components in any referral flow system. The first is getting a steady flow of recommendations.

The second is actually converting those prospects into merchant customers. When starting your referral flow, be prepared to provide your merchant customers with the following information:

- The types of merchants who are the best fit for your MLS business
- Why you deserve referrals from your customers
- What you are going to do with the referrals your merchant clients provide
- What your customers will receive if their leads produce new merchant accounts for you.

Equally important, you must demonstrate to their leads the benefits you offer.

## Be spot-on

The following five skill-building steps are critical to achieving a thriving referral-based business:

**1. Adopt a referral mindset.** Your attitude and assumptions are the starting point for building a successful business. Adopting a referral mindset means you embrace referrals as the best way to build your portfolio.

When you have this orientation, leads provided by people you know are not just every-now-and-then occurrences. They are your primary method for acquiring new clients or, at the very least, a major part of your overall marketing plan.

When you truly embrace this way of thinking, everything you do in your business will promote your goal of getting more high-quality prospects.

**2. Enhance your referability.** How do our clients thank us? They come back for more business and refer others to us. This is the first cornerstone of business.

Without it, other cornerstones will hardly be possible. You must serve your clients consistently and well. Diverse companies are providing great service, so your practices will be measured by high standards set across many industries. You should be getting referrals just by virtue of being in business. Plenty of people actually enjoy giving referrals and will do so without being asked.

Even so, your service must wow people so you can get them talking. If you are not currently getting referrals, you need to improve the level of service you provide and the relationships you establish with your clients.

**3. Prospect for referrals.** To achieve sustained success in sales, you must become a master prospector. While well-executed marketing plans will bring customers to your door or phone, that's not always enough.

Sometimes the clients who come to you aren't the ones you want. Sometimes the volume isn't great

enough to sufficiently boost your sales. You must always be proactive.

Many people are great at serving clients because that's the safe side of sales. But these same salespeople don't know how to leverage those great relationships into a continuous flow of new prospects. As a result, a lot of money is being left on the table.

**4. Network strategically.** Not all of your referrals need to come from satisfied clients. Many can come from people who may never become your customers. Networking is an overused term, not to mention a strategy at which few people are actually skilled.

One reason networking doesn't always produce results is because salespeople don't always approach it strategically. Without a well-thought-out networking plan, results are severely diminished.

**5. Target niche markets.** Creating a solid reputation for yourself and your company with a shotgun marketing approach is very difficult. Narrowing your focus to one or two well-defined niches makes it much easier to establish a reputation. This can substantially increase your referral business.

When you target a niche, your real and perceived values are enhanced dramatically. Plus, your requests for referrals are more targeted and, therefore, more effective.

When you target a niche, you bring value to the first appointment with a prospective customer: You can engage in a deep level of conversation about the client's needs right from the start. This is something competitors who don't target their marketing cannot do.

Referrals are as important to Advanced Merchant Services Inc. as they should be to you. One critical lesson I've learned when it comes to a successful referral strategy is to align yourself with vendors, processing partners, etc., that will maintain the highest standard of service and support for you and your merchants.

Our goal is to be superb, not average. We strive to maintain excellence at all times. I certainly appreciate the referrals we receive. And I'm certain that building a business on cornerstones of ethics, integrity and unwavering character will guarantee you referrals for the long haul.

In next month's column, I'll examine the many opportunities in which you can effectively use your newfound referral skills. I'll also discuss various approaches that are tailored for specific merchants, as well as how to plant referral seeds for future harvest. Don't miss it.

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Article published in issue number 070102