

Referral Networks: Building Relationships is a Long Process, but Not as Tough as it Sounds

Successful relationships with referral sources are built the same way successful personal relationships are built: slowly. It takes consistent, personal contact over a long period of time. Think years and decades, not months.

When getting started, there is no room for shyness, and little reason for it: Experts say most professionals will welcome your attempts to initiate a referral relationship. Start with the easiest group: other professionals who serve your clients. From there, your network hopefully will expand to their referral sources and beyond.

Look also to sources you may not have thought of, and make sure you follow up with your contacts to keep yourself in their sights and on their minds. Put your expertise to work building a network with other experts, and make sure you offer as much help as you receive.

Make the first move

Remember, first, that building referral networks takes time. "When you talk about which contacts are going to generate leads and new business, that's going to be a long process," says Jean Caragher, president of Capstone Marketing/Chesapeake, Va.

Start with your clients' other service providers. Who are your clients' bankers, attorneys, investment professionals and insurance agents? Don't know? Ask your clients.

"Those are the easiest people for CPAs to start with because

they have clients in common," Caragher says.

When you contact those professionals, let them know you would enjoy meeting them, that you have clients in common and would like to learn more about their businesses. Calling someone you've never met is intimidating for many accountants, but when it's done in the spirit of networking, there's no need for anxiety.

"All of these people know they need to be out there networking and generating leads," Caragher explains. "You don't need to disguise your purpose in calling. If you're initiating the meeting, you're making their job easier."

When you meet with professionals, be sure you can describe to them the type of business you are looking for so you don't receive inappropriate referrals. Caragher advises listing the size of clients you prefer, the niches you are looking to build and the types of industries you serve.

William Colangeli, a partner at O'Malley and Colangeli/Bedford, Mass., has found that the old-fashioned networking lunch has served him well: He uses it as his primary referral-building activity.

"I have lunch with about 12 referral sources regularly, some monthly, some quarterly," he says. "I call them. I don't leave it up to them to call me. I put them on a fixed schedule."

Colangeli says he knows his efforts regularly bring in new business—to the tune of \$20,000 or \$30,000 a year for his small firm.

He finds the referral sources are receptive to having him initiate the meetings, and he gets a feel pretty quickly for whether each one will be an ongoing contact. "When you meet people, you can almost sense right away if there's a rapport or not," Colangeli says. "So you know it's not painful to go to lunch with them."

Think new sources

Of course you want to target lawyers, bankers, financial planners, insurance agents and payroll sales representatives, but don't limit your networking options to those people: Think creatively about other professionals. Larger, middle-market companies and public companies often have boards comprised of business leaders from across the community, and those people can be great referral sources, notes **Maggy MacPherson**, director of marketing at **bmc/Reading, Pa.**

Your own firm's alumni are good sources too, she adds, especially if they've gone into industry and hold—or may one day hold—CFO positions.

Look also to the industries you serve. What other types of professionals serve that industry? If the construction industry is one of your niches, you could be building relationships with bonding agents, Caragher suggests.

And don't forget about some of your best referral sources: other accountants. If your firm is small, you should be network-