

Reference Selling

Everyone knows that reference-selling makes selling easier. People will buy from vendors they trust; and a reference is simply “borrowing” someone else’s trust based on the reference’s experience.

The problem is that, in order to get a reference, you first have to perform. And if you’re new in a territory, you can’t get that first reference because you can’t have a satisfied customer unless there are already leads in the system for him; and you can’t get leads into the system without already having users – a classic Catch-22.

The first thing to do, of course, is read “The Trick to Selling the Lead Generator in a Virgin Territory.” This gives you the basic strategy for bootstrapping a territory. Within that approach, the following strategy for reference-selling will make sense.

When you talk to a prospect (let’s say his name is Joe), one of your key goals is for Joe to “get it.” That is, you want him to understand that the Lead Generator can generate leads if he puts his needs into the system. (You want to avoid him thinking that the Lead Generator is just a database full of cheap sales leads.) Once he realizes how the Lead Generator works, he will probably ask if there are any other users in the area (or in his target market). And if the answer is no, then he might be discouraged. On the other hand, you could ask him the following question:

- Assuming the system worked, do you know anyone else who might need qualified sales leads?

If Joe is in sales, or knows anyone in sales, then the answer will almost certainly be yes. You can then also ask “What do you think it would mean for your colleagues if they had access to qualified leads?” and, of course, you can ask, “Assuming that the Lead Generator can do what we say it can do, do you think they might be interested in the system?” And then, of course, you could ask for their contact information.

This is the most direct path to acquiring new names to contact, which is the first part of a reference. Arguably they’re not traditional references because they’re not recommendations based on Joe’s good experience. Instead, Joe’s reference is based on his seeing that the Lead Generator is a good idea, and that it’s in his best interest to see the database grow.

The degree to which this can work is astounding. Many people have handed over their entire contact lists, more than 5,000 names and email addresses in many cases, because they want to see the database grow. (Take a look at the Invitation system to see what can be done with these lists.)

Why do they do it? Because they need more sales, and while Joe’s next prospect may not be in his contact list, it is likely to be in someone’s contact list. And if we can get that person onto the system, it’s in Joe’s best interests to help make it happen.