How to Create a Client Referral System That Works

Diederik Gelderman, BVSc Hons1, MVS

The equine practitioner needs an insight into the importance of referrals in growing their business and the way an effective referral strategy can be used as a low-cost method to dramatically increase the number of good-quality, compliant clients in their practice. The “Five Step Referral System” can be quickly, simply, and easily implemented in the workplace. Author’s address: PO Box 3312, Exeter 2579, NSW, Australia; e-mail: dgs@turbochargeyourpractice.com. © 2010 AAEP.

1. Introduction

Referral is the most effective, most cost-effective, and yet most underused method for bringing great new clients to an equine veterinary business.

2. Background for the Session

Using a systematized, referral strategy can definitely help you gain more clients by referral. There are two immutable facts that are important here: in well-managed practices, >85% of new clients come from referral and almost no practices actually have a system in place that captures referrals.

Many practitioners will spend a lot of money on Yellow Pages advertising, letterbox drops, newspaper advertising, and in-house advertising. Many practitioners spend money—not knowing or measuring what actual benefit they receive from these strategies.

However, there is no formal, documented, or targeted referral system—a system that results in the largest and best influx of new clients.

Despite all the positives inherent in the use of such a strategy in the equine veterinary practice, this tool is hugely underused. In fact, it is rarely used at all, and in the rare cases that it forms part of the practice’s marketing strategy, it is badly used.

Referred clients are by far the most valuable clients to have because they have a higher average transaction fee; they are more likely to accept recommendations (are more trusting and compliant); it is easier to gain and build rapport (have someone in common to talk about); they are more likely to stay with the practice for longer; they are more likely to refer their friends to the practice; and they are more likely to complain and raise issues that concern them directly to the practice rather than just leaving or telling their friends.

It would not be an overstatement to say that most practices do not obtain nearly as many new clients coming to them by referral as they could or should. The primary reason for this is that most veterinarians do not ask for the referral in the first place.

Many studies show that most clients will not in fact refer their (equine) veterinarian to their friends. During the session, the reasons for this client behavior will be explained and explored. Studies have shown that clients in general are
loath to advertise many businesses to their friends. The reasons for this are well documented and are easily managed once the reasons for this behavior are understood. Once the veterinary practice makes it evident to the client that they are happy to have new clients come by referral and put systems in place to ask for the referral, this is much more likely to occur.

**Key Points**

- Have a referral system in place that optimizes the use of this tool
- Thank and reward the client for their referral (money and discounts do not work)
- Train the team in the system
- Test and measure the results to fine tune the system to gain even better results