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## PowerGrowth Tip: Synergistic Referral Relationships

### Double Your Prospect Base Using a Variation of a Time Tested and Proven Business Growth Concept

Michael Bitter

One of the fastest and most cost effective ways to increase your prospect base and generate new business is through the use of something called a Synergistic Referral Relationship (SRR).

An SRR is a relationship between one or more different businesses that sell products or services that compliment what the others sell. AN SRR is similar to a concept called Spheres of Influence, but it takes those relationships a step further. It leverages a concept called synergy. Synergy occurs when the sum of two parts yields more value than if added separately, i.e.,  $2 + 2 = 5$ .

In an SRR relationship, the combination of products or services provides more value to the customer who purchases both, than they would receive if they had purchased the products or services separately.

Let me explain using a real life example.

I regularly attend a referral sharing group. One of the members of that organization sells cell phone services that feature a popular wireless PDA device. Another member sells hosted email services and innovative process improvement applications. On its own, the PDA is a pretty powerful business time saver. However, when it is combined with email and process improvement applications (conveniently provided by the other member), the value of the PDA is increased dramatically.

Conversely, the application service provider's applications are a great value on their own. But, when combined with the wireless PDA (conveniently provided by the wireless service vendor), a whole new set of applications are possible—providing the application service provider with an even more compelling value proposition and a strong marketplace differentiation.

Both of the vendors benefit, but the real winner is the customer. He or she ends up with a solution that provides more value than either vendor could have provided on their own.

But, wait. There's more. Both of these vendors typically sell their respective products and services to the same type of decision makers. While they share some of the same contacts, for the most part their client lists are different. By working together, they have been able to nearly double their respective prospect base—without significant marketing expense. And, because their combined product/service offer provides such significant additional value, it's nearly a "no-brainer" sale.

Nearly every business owner we work with has the opportunity to develop these types of relationships. If you haven't taken the time to think this through and identify and develop relationships with other business owners who sell products and services to your existing customer base that could potentially increase the value of what you sell, you could be missing one of the easiest, fastest, and most cost effective ways to increase your business.

Here are a couple of questions to get you started:

- Who else sells products and services to your customers?
- Are there any product features, services or add-ons that customers have asked you to provide that you were unable to provide as a part of your product or service? If so, who might be able to provide those additional features or services?
- When you sell your product or service to your customers, are there any other businesses that typically benefit? (i.e., when an architect sells their design services, they need someone to build what they design. Demand for building is created. Therefore, the builder benefits.)
- Conversely, are there cases where you benefit from products or services provided by other businesses? What are those cases, and who is it that is creating the demand for your products or services?
- Considering the relationships above, what is the added value that the customer might potentially receive when they do business with both of you, rather than just one of you or both of you independently?

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### About the Author

Michael Bitter is a well known educator, mentor, and professional speaker with over 30 years of business development experience. He is the owner of Business Results Unlimited ([www.bizresults.net](http://www.bizresults.net)), a firm that provides business growth and development focused education, coaching, and mentoring services to small businesses and professional service firms. He can be reached via email at [mcbitter@bizresults.net](mailto:mcbitter@bizresults.net) or by telephone at 636.207.1227.

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