

Business Building Concepts

Is Your Referral System All it Should Be?

By David Gould, Staff Editor

“Whatever you do,” advised Walt Disney, “do it so well that people will want to experience it again and bring their friends.”

The inimitable Disney understood that recommending a product or service was the natural conclusion to a customer’s positive experience. Then again, Walt was selling mass-market entertainment—a feel-good item that basically everyone springs for. Thus, an “Aladdin” or “Lion King” fan wouldn’t think twice about urging others to see it.

At the other end of the spectrum are purchases like life insurance and tax preparation—both of which do rely heavily on word-of-mouth endorsement. Given the stakes, people might shy away from influencing another’s choice within those categories. And that’s true no matter how satisfied they were with their own selection.

Golf instruction lies somewhere along this continuum. The fairly knowledgeable golfer realizes that a swing change tends to cause temporary regression in skills and scoring. For that reason, referring a teacher could be one of those good deeds that doesn’t go unpunished, at least for a time. Then there’s the scenario in which a golfer wants to experience your teaching again and again but he refutes Disney’s axiom by NOT wanting to bring his friends. For competitive reasons, he’d rather see their technique remain flawed.

And yet, there is no well-run golf academy (or sole instruction practice) that doesn’t take pains with its customer referral program. Doing so is part of the increasing sophistication of business practices in our industry. Golfer A telling Golfer B that you helped him with his game is something that happens organically, but that’s not good enough. A level of strategy and rigor should be brought to the process.

Life insurance is probably the ultimate example of a referral-driven industry that has made a science out of getting current clients to identify new ones. Entire seminars are devoted to this process, and agents take great care as they approach an existing client and ask for names and contact information of uninsured associates. One universal belief among high-performing insurance reps is that you have to



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earn your referrals—both by doing an excellent job and by actively, repeatedly asking clients to refer others to you—not sitting back and waiting for this to happen.

Proponent Group member Andy Hilts, director of instruction and education for GolfTec, says earning the right to request word-of-mouth promo from existing students is a mantra at his company. It’s difficult to truly improve at golf and likewise difficult to fix a player’s swing. If you succeed as a teacher/coach it’s a thing to be celebrated, and it should lead to more business. “Make people better and you earn the right to ask for a referral,” says Hilts. “We talk about this all the time.” Knowing you deserve the chance to start this conversation with a student helps greatly, but it’s only a beginning. Hilts believes you should be thinking about who this golfer plays with and whom he or she could influence—the regular foursome being most likely. You should also ponder the “how” of referral requesting carefully.

“It’s the type of conversation that can make both parties uncomfortable, so how you do it is critical,” says Hilts. “Our instructors are urged to practice their delivery and pay attention to how it’s received. You can practice your delivery as you drive in the car. You can practice on your spouse or a friend. You need to do it with poise and confidence.” The phrase “raving fan,” invented by business writer Ken Blanchard, applies to this question. “You’re always looking for who that raving fan is,” Hilts comments. “In some cases it will take a student a year to go from satisfied customer to raving fan, so you can’t judge immediately.”

Golf instructors are advised to measure referral activity and set numerical goals. Deb Vangellow, a Proponent Group member based at a private facility in Sugar Land, Tex., Riverbend Country Club, needs no further convincing. “I aim for 25 or more new students every season, based solely on referrals,” says Vangellow, who earned LPGA National Teacher of the Year honors in 2012. “Riverbend allows guests to come for instruction, which is a wonderful thing for me and a positive for the club. It has translated into an effective form of advertising that has brought in new members.”

Vangellow places emphasis on how the referral is requested. She relies on her USchedule software for systematic “coverage” of her referral-providing database, but beyond that the process is all about warmth and sincerity. “I utilize USchedule and all of its post-lesson options such as email blasts and newsletter sending,” says Vangellow. “My message is to thank students for working with me and thank them for them for referring family, friends, and colleagues. This has been extremely effective—but remember that wording and sincerity are important.” Pivoting off the Harvey Penick motto, “If you play golf, you are my friend,” Vangellow usually thanks clients for their friendship rather than for their “business.”

This is subtle but it’s enormously important: You tell your audience that they are, indeed, recommending you far and wide, that you’re getting new students regularly and that it’s all good. Doing this creates a sense of ease and flow. Speakers at those life insurance seminars will note that agents get shy about seeking referrals for fear of sounding desperate or damaging the customer-agent relationship that’s already in place. This problem is pre-empted when you tell the target audience that lots of referral activity is taking place already, has been for a long time and all involved are happy and satisfied.

Renée Trudeau-O’Higgins, a Proponent member based at the Biltmore Hotel and Golf Course in Coral Gables, Fla., is a Class A PGA and LPGA member and a TPI level one golf professional. According to Trudeau-O’Higgins, her students “are wonderful at spreading the word,” even the semi-

regulars. “Many of my referrals come from clients I don’t see that often,” says Renée. “My previous two positions were at busy private clubs in the area, so many of my referrals are those clients who don’t have the option of bringing their friends to their club.” Here in the digital age of Yelp.com and other opinion websites, there is a softened way to ask clients to endorse you—ask them to write nice things online. “I’ve never asked for a referral, nor will I ever,” says Trudeau-O’Higgins. “However, I will ask for a review.”

Currently, she is researching loyalty programs and pondering ways she might help those who contribute to her business-development efforts. “I would like to provide some incentives,” she says. “I do have an incentive for those clients that refer a clinic/ group of students. If they fill a clinic of 6 people, they come to the class for free.”

Brian Varsey, who serves a notably affluent clientele at the Ocean Reef Club in Key Largo, Fla., is dedicated to building up his teaching practice. Now in his second year at the high-toned private golf-and-yachting community, Varsey is generating revenues about 20 percent higher than in his inaugural season. For that he credits the recommendation factor—satisfied customers touting the results of working with him. Some new students openly say that a friend “insists I come and take a lesson with you,” explains Varsey.

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Not all newcomers say what persuaded them, so he imagines there are referrals that go uncredited. That would likely be different if a reward program were in place, but Varsey feels it would be inappropriate and even gauche to create a dollar-based incentive program for referrals.

“This is the type of club where people never ask what the price of the lesson is,” says Varsey. “You aren’t hitting any kind of hot button when you offer a \$100 fee voucher.” In such situations, the network-marketing experts would urge a teaching professional to identify a non-financial incentive that could motivate satisfied students to actively endorse the experience. Among the likely possibilities are an invitation-only party that rewards the referral givers, or a special clinic with a high-profile guest coach. To avoid hurt

(Continued on page 16)