

# Referral partner calculator

## How many referrals do you need?

In a 12 month period...

<i>a</i>	What annual income do you want for your business?		£
<i>b</i>	What income will come from clients other than referrals?		£
<i>c</i>	Therefore, what income needs to come from referred clients?	$= a - b$	£
<i>d</i>	What is the average income from a referred client? *		£
<i>e</i>	Therefore, how many referred clients do you need (per annum)?	$= c / d$	
<i>f</i>	What proportion of referred leads can you convert to clients?		
<i>g</i>	Therefore, how many referred leads do you need (pa)?	$= e / f$	
<i>h</i>	How many referred leads do you need per month?	$= g / 12$	
<i>i</i>	Allowing for a contingency of 10% **, how many referred leads do you need per month?	$= h * 1.10$	

\* If this is too unrealistic a question, do two (or more) calculations for separate client groups

\*\* or some other figure more appropriate to your business

From the figure  $i$ , the number of referred leads you need per month, you should draw up a spreadsheet showing, for each month,

- number of referred leads being received
- number of leads received in previous months that are converted to clients (based on the percentage  $f$ )
- income coming in from clients taken on in previous months.

Because these leads come from referral partners, or advocacy partners, and you cannot get them all on board simultaneously, the figures in the early months will, in fact, be below what you require.

I recommend having between four and eight advocacy partners, and I recommend not attempting to get more than two on board at a time, though you can start off two more while the first two are still settling, and so on. I would allow at least a month for the partner acquisition process to complete, and then, of course, you have to be realistic about how long before leads come in (the first ones could be prompt), how long before they become clients, and how long before the fee earning work yields money in the bank.

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