

The Boston Globe

Innovation Economy

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ENTREPRENEURSHIP, TECH

'Thanks for the referral. Here's your steak.'

In August of 2007, Lewis Weinstein launched the beta version of ReferralKey, a site intended to help digitize the process of sending referrals from one professional to another. If a real estate agent sent one of his clients to a mortgage broker, the site would track that ? and also keep tabs on whether the mortgage broker ever returned the favor. Weinstein envisioned building a new kind of social network for small businesses that would provide continual streams of leads to its members, in a way that sites like LinkedIn and Facebook do not.

But the site didn't immediately take off. Weinstein, a serial entrepreneur and third-generation tax accountant in Needham, found that professionals using the site felt it just wasn't helping them generate enough new business. "The common response was, 'I thought you were gonna send me referrals,'" he says.

That's where the steaks come in.

When Weinstein relaunched the site this past April, he decided to create a new system of incentives. Professionals can now offer a cash bounty to spur others in their online network (or anyone who views their profile on ReferralKey) to send them a new prospect. (Some professionals, such as lawyers, real estate agents, and accountants, have codes of conduct that prohibit them from taking such a payment.) If the prospect turns into a paying client, the recipient of the lead instructs ReferralKey to cough up the money via PayPal.

Users of the site can also upload their databases of clients and send out a message encouraging them to refer their friends and relatives to their trusty financial planner, for instance. "The site will track what happens as a result, and offer them an Omaha Steaks gift certificate, one from Callaway Golf, or one from L.L. Bean, for the new business that gets generated," says Weinstein. As an accountant, he says, he would typically send his clients a letter once a year that offered them a \$75 gift certificate to Legal Sea Foods for any new business they sent his way, but the program was a pain to administer.

Weinstein says that ReferralKey attracted about 5000 members during its beta period. Since then, it has grown to just over 32,000 members. Premium memberships, offering an unlimited stream of referrals, cost \$19.95 a month.



About **Scott Kirsner** Scott Kirsner was part of the team that launched Boston.com in 1995, and has been writing a column for the Globe since 2000. His work has also appeared in Wired, Fast Company, The New York Times, BusinessWeek,

Newsweek, and Variety. Scott is also the author of the books "Fans, Friends & Followers" and "Inventing the Movies," was the editor of "The Convergence Guide: Life Sciences in New England," and was a contributor to "The Good City: Writers Explore 21st Century Boston." Scott also helps organize several local events on entrepreneurship, including the Nantucket Conference and Future Forward.