



EXPERT ARTICLE

A Strategic and Practical Guide to Networking

By Colin Graham, CEO, Innovation Centre Sunshine Coast Pty Ltd

Introduction

In starting and growing a business it's not just about what you know, it's also who you know. Building and tapping into an effective network is essential in growing a successful business. The article will also highlight that a well-connected network of key people is also essential to growing a strong regional economy.

This article aims to provide practical insights and tips into how to build and utilise networks to advance your business and your own career.

1. WHAT IS NETWORKING?

According to Susan Ward, who runs an IT business in Canada, *"Business networking is the process of establishing a mutually beneficial relationship with other business people and potential clients and/or customers."*¹

Many people are frightened by the mere mention of the term 'networking'; this should not be the case. It can and should be a very natural activity, part of every day life and business and - with a little coaching - almost anyone can develop a productive and supportive network.

The key to true business networking is the establishment of a mutually beneficial relationship, building a good collection of people who can help each other with ideas, support and business referrals and revenue.

A strong network helps to get things done, you do not need to know everything or everyone you just need a solid network of people that you trust who have knowledge, experience and contacts that can be mutually beneficial.

Another useful definition is from Lauren Neilson:

"Effective business networking is the bringing together of like minded individuals who, through relationship building, become walking, talking advertisements for one another."

¹ <http://sbinfocanada.about.com/cs/marketing/g/busnetworking.htm>

Doing business in a networked world

In today's economy, most people work in small or mid-sized businesses rather than large corporations. Although the big companies may have many thousands of people on the payroll, even they do not claim to have all the talent in the world under their one roof. They need to connect with customers, suppliers, partners, marketing agencies, investors etc.

Entrepreneurs and small companies – often with a handful of key staff - know for sure that all the talent is not under one roof! Futurist Frank Feather² describes a future business universe with 100 mega corporations, 1 Million niche companies and 1 Billion webpreneurial businesses. In this context, we all need to connect and network.

To be truly effective in today's interconnected business world, we need to quickly acknowledge and act upon the obvious:

... there is a big wide world out there with lots of talented people – who are not on your payroll - who have great ideas, skills and experience. Get to know them and work with them!

There are a lot of talented people out there who are good to know and can help you and you can help them. This is what networking is about.

Why bother with networking, what can it help you do?

The bottom line is that ambitious entrepreneurs need to be well connected and networked to be effective in today's business environment and to leverage talent, ideas and resources to get things done.

Networks can help to:

- Build a supportive peer group, people who may be in the same situation as you that you can trust and bounce ideas off
- A base of talent with a range of skills and experience in key areas of interest to you
- Get things done more quickly – learning from the experience of others, by asking for referrals of key people, potential customers or credible service providers
- Career development – may be a source of a new job or opportunity if your new venture goes wrong or it is time for you to move on
- Build a reputation - developing strong 'word of mouth' or buzz about you and your business, word of mouth is frequently cited as a leading sources of new business enquiries for start-ups and service firms

Research into the growth of major technology clusters around the world – notably Cambridge in England, Silicon Valley, Boston etc – has highlighted the critical role of '**social networks**' in growing clusters of entrepreneurial businesses.³

² <http://future-living.net/9weblifeaspects/9homeebiz.html>

³ Myint, Y.M., Vyakarnam, S. and New, M. (2005) "The effect of social capital in new venture creation: the Cambridge high-technology cluster." *Journal of Strategic Change*, 14: 165-177

Strong social networks develop by key players in a region – including serial entrepreneurs, service providers, angel and venture capital investors, university staff etc - getting to know and trust each other and then working and collaborating together. All these key players in the network can tap into the collective talent, wisdom, experience, resources and wider networks of its members.

In any region, the opportunity is there to develop a productive network that not only benefits its members but also boosts the wider economy. How many people does it take? Paul Graham in his outstanding essay on ‘How to be Silicon Valley’⁴ says its all about people, and if you moved 10,000 people out of Silicon Valley to say Buffalo then that could be the next Silicon Valley. He then adds an interesting footnote:

“It’s interesting to consider how low this number could be made. I suspect five hundred would be enough, even if they could bring no assets with them. Probably just thirty, if I could pick them, would be enough to turn Buffalo into a significant startup hub.”

I agree, 30 good people could change almost any region into an entrepreneurial hotspot. If a network can do that for a region, what could it do for you and your business?

Building your network

You are not starting from scratch. Whether you know it or not, you already have a network and so does everyone else. Your network includes past and former work colleagues, family, friends, business associates etc.

It is also vital to realise that networks already exist. The key then is to identify the networks that are useful to you and begin to tap into them and become a valuable and contributing part of them.

Every network has a few key people who are really ‘human hubs’ - this may be down to their role or personality or some other factor – and they know everyone in an industry sector or location and are well respected in that network. You need to identify and build a relationship with these key people they can open the door to many other useful connections.

Another useful and practical idea is to take 20 minutes to sketch out a **network map**. Think about your own role, business, profession, interests, goals etc, then map out key areas it where it would be good to know people, for example in my role at the Innovation Centre Sunshine Coast, key parts of my network map include:

- IT industry
- Clean technology industry
- Creative professionals
- Key referral sources e.g. lawyers, accountants, product designer, patent attorneys
- Professional associations e.g. Australian Institute of Company Directors which has over 300 members in the local region
- Leading lights in local business community
- Leading lights in Brisbane tech business community and professionals service firms
- Key staff – at all levels – at the University of the Sunshine Coast
- Local, State & Federal government
- Angel and venture capital investors
- Local community groups
- Etc

⁴ <http://www.paulgraham.com/siliconvalley.html>

Once you have figured out the key parts of your network to build up, next steps include:

- Joining one or two key industry associations – although make sure you ‘try before you buy’, go to one or two of their events first before signing up as a full member or committing much time to a group
- Ask around and try to identify the key ‘human hubs’ and then ask to meet them
- If you are new to an area or have a new business, you have a great excuse or reason for a get to know you meeting

You need to have a clear purpose for any meeting and respect the other person’s time. If you are starting a business it can be useful to have a ‘network’ or ‘referral’ meeting – just make a direct approach by phone or email, highlighting you are starting a business, would appreciate just 30 mins of their time and would appreciate the benefit of their advice and experience. This approach has a high success rate and you can gain another useful connection, some suggestions or ideas for your business and ideally some referrals or suggestions for potential clients.

Making the most of events

Practical tips:

1. Focus - pick the right events in the first place, don’t waste time on groups or associations that do not feel right or that have the wrong member mix for you
2. Don’t stand in corner or just spend all the time with someone you already know
3. Go and speak with people, say hello, introduce yourself and ask them a few questions, starting with an easy one like ‘what do you do?’
4. If you have met an interesting person who you would like to stay connected with, ask them the simple question ‘Have you got a card?’ they will typically say ‘yes’ and give it to you and then you hand over yours. Note the order of events here!
5. Follow up, a brief ‘good to meet you’ email can be a simple follow up a day or two later and an opportunity to suggest a next step – such as meeting over lunch or a coffee – if it is appropriate and you have a connection

Industry trade shows are a special type of event where – at the best ones – who can get all the key players under one roof for a few days. They can be a great way to build your industry knowledge and contacts. If you are exhibiting, don’t forget to get some advice or training in advance as to how to make the most of the opportunity and make sure to take some time in quieter moments to get to know your fellow exhibitors.

A little bit of technology

Technology can help you keep track of - and keep in touch with – your network contacts. Apart from simple databases, one of the best resources has to be LinkedIn.com, This is basically a vast online collection of 60 million professional CVs (or resumes if you prefer!). You can use LinkedIn in many ways – to reconnect with former colleagues, associates etc, as a recruitment tool, to stay in touch with new contacts, to tap into knowledge through a Q&A tool and to research a network.

LinkedIn is also a great way to understand how networks work and to see who your key contacts are also connected to. Take a look at my own network statistics below; I am connected to 207 people who are in turn connected to 32,900!

Your Network of Trusted Professionals

You are at the centre of your network. Your connections can introduce you to 2,679,900+ professionals — here's how your network breaks down:

Your Connections	207
Your trusted friends and colleagues	
Two degrees away	
Friends of friends; each connected to one of your connections	32,900+
Three degrees away	
Reach these users through a friend and one of their friends	2,646,800+
Total users you can contact through an Introduction	2,679,900+

3,971 new people in your network since March 2

About the author

Colin Graham

Colin is the founding CEO of the Innovation Centre, a company of the University of Sunshine Coast. He has worked with over 60 start-ups in the UK and Australia. He has a strong marketing background and also has in-depth HR experience having set up and run his own recruitment and training business, advised many start-ups and some of the world's largest companies.

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