



## TOOLKIT 20 – BUILD YOUR BUSINESS BY NETWORKING

- ❖ **Create and maintain relationships with people who can help you build your business.**
- ❖ **Obtain information and resources at low cost.**
- ❖ **Open doors to new opportunities.**

Networking is about building and maintaining relationships with people who can help you achieve your business goals. No business has all the resources or information it requires internally, therefore, you need to forge strong links with people who can help you.

In numerous studies, networking, building alliances and making connections has been shown to be the major contributor to successful business growth and development. The 'knowing who' is nearly always more valuable than the 'knowing how'!

Networking is not about attending as many business lunches or business clubs as possible, that's usually 'not working'!

It is about identifying those people, including people in other departments in your business, who can help you to develop your business, and then building and maintaining a positive relationship with them so that they will provide help and support when you need it, such as

- Contacts with target customers
- Providing invaluable market intelligence
- Access to resources including finance
- Help to remove blockages to progress
- Giving your business much greater reach and influence
- Creating new profitable business
- People in other departments in your business whom it is important to collaborate with rather than compete

Let's look at two stories that clearly demonstrate different aspects of networking.

## STORY – JO SNEDDON

Jo Sneddon set up a new consultancy practice in Perth, Australia in 1999. Jo was new to the city and consequently had few contacts or established networks.

'I attended every Chamber of Commerce lunch and business breakfast going. This was very time consuming and did not create many new opportunities for me. Eventually I realised that I was not networking with the people who could provide me with business leads and contacts, so I started afresh. I asked myself who do I really want to do business with and who influences them?

'I quickly realised that the key signposters were business development people at the local government agency, regional managers of the banks responsible for medium and large clients and conference organisers.

'So I set out to make a list of the key people in Perth in these three categories and started visiting them and establishing relationships.

'I found that the government agency people had databases of local business people, which I could access. They also introduced me to a number of their clients because I did some free market research for them in order to help them identify new targets; they were delighted and went out of their way to help.

'The banks looked like a good networking contact, but I found they were very reluctant to introduce me to their clients and never actually did!

'However, the conference organisers turned out to be my best network contacts. I developed some marketing and PR material that helped them boost their sales for free, so they gave me their contact lists and also invited me to speak at some of their conferences. This turned out to be a real win-win.

'Networking really helped me build my business and we have never looked back since. We still network but do it in a much more targeted way.'

**JO'S TIP: Network with people who can really help you.**

## **STORY – SIMON WOODROFFE, YO SUSHI**

Simon Woodroffe worked in the music and TV business with some of the biggest names in pop as his clients. Yet he felt frustrated. One of his Japanese clients said 'What you should do Simon is to set up a conveyor belt sushi bar.' So Simon decided that's what he would do.

But he had two major problems; he knew nothing about running a food outlet and even less about sushi; not a great start.

"So I started calling people up but many dismissed me unceremoniously. I networked my way round London using all my old contacts. I thought who could help me raise the money; I made a list and then started to network with them. I also saw site after site and at every rejection I had to remind myself that this was taking me closer to my goal. I also had to network by telephone into Japan, at £8 a minute, in order to find out how sushi bars worked. Eventually a guy sent me a manual on how to run a sushi bar with everything in it! Fantastic. I also used my contacts to get me into Honda and Sony. It took 12 months of constant networking and effort. Eventually they agreed to sponsor me. We put their names on our restaurant door and people said that if Honda and Sony are sponsoring them then they must be a big player!

'Simple formulas really; network constantly and eventually you will get what you want. Once I realised that you had to build and maintain relationships with people and that rejection is not personal then I created more chances to score a goal.'

**SIMON'S TIP: Be brave, pick up the phone and expect to be rejected seven times at least – but be persistent.**

## HOW TO NETWORK

**Step 1** Decide what help you need to help you build your business.

Do you need help to get?

- finance
- new customers
- information
- competitor knowledge
- resources
- ongoing intelligence
- technical information
- market information
- positive PR
- others

**TIP:** If you don't complete step 1, then you can waste a lot of time networking with people who cannot help. Dinah Bennett, an expert in networking, reckons that if you do not target your networking, you may need to meet 50 people to get what you want. Targeted networking reduces the contact rate to 10 people – a 500% improvement.

**Step 2** Determine who could help you to build your business by meeting the needs you have identified.

- Don't be afraid to ask around to see who can help you.
- Get to know 'signposters' who are people with extensive networks themselves who could signpost you to the right contact.
- Try to identify:
  - Experts – people who have the knowledge you really need.
  - Key players – influential figures who could help.
  - Industry leaders – often have extensive networks and can open doors for you.
  - Helpers – people who are paid to help people like you.
- Seek advice from others in your industry – who do they find helpful.

**TIP:** Remember it's not organisations that are helpful but the good people who work for them.

- Make a list of key network contacts.

### Step 3

Try to find out the best way to contact the people on your contact list.

- Who do you know who might introduce you to them?
- What networks do they belong to?
- Do your homework on your key contacts.
- Work out how to contact them and what you might say to them.

**TIP:** You are often only 3 phone calls away from the person you want i.e., you know somebody well who has a friend who knows your target contact well.

### Step 4

Develop your interpersonal skills, so that when you contact people you do it in a skilful way in order to maximise your chances of success (see toolkit 4).

### Step 5

Contact your network contacts and take an interest in them.

- Get to know them – do something for them.
- Invite them to dinner or a sponsored event, golf or races. Ask them what they like doing and delight them.

### Step 6

Observe the rules of good networking when dealing with your key contacts.

1. Start giving before you need to receive.
2. Acknowledge others' contributions publicly – share the limelight.
3. Don't burn your bridges.
4. Don't whinge, complain or gossip maliciously to people in your network.
5. Contact them regularly, not just when you want something.
6. Thank people for any help they provide.
7. Recognise networking is a two-way process.
8. Try to create 'significant moments' for people in your network.

e.g.

The first time David Hall visited his friend Gerard Egan in Chicago, he took him for dinner with his friends; Gerard had arranged for the restaurant to print book matches for everyone with David's name on.

### Step 7

Make your network work for you:

- Put your contacts in your forward contact system.
- Contact them regularly with news, information, help or intelligence. Try to contact them at least every three months as a minimum, not just when you need their help.
- If you ask for help and they respond then always say thank you. As Tom Peters said, 'If you want to build your business, send thank you notes.'

### Step 8

If you are intending to attend an event where you might want to network with a range of new people, decide who looks the most promising and concentrate upon one or two people. Don't give out 30 business cards to just anybody hoping you might strike gold.

Practice your introduction and be interesting, e.g., 'I'm John Smith, I'm here to meet people who might be interested in doing business in Japan ...'

### Step 9

Keep working at it. Make networking a key part of your role.

**Example:** Our research shows that in businesses that successfully grow and develop, the Managing Director or Senior Management are spending at least 50% of their time outside the business, networking with key contacts.

I need assistance in the following areas	Because	So the skills that I am looking for are	Names of people I will approach	Method of contact	What am I offering them?	Outcome. Placed in future business register?
Example - Marketing	My mail shots never seem to have the desired effect	A direct mail marketing executive	Gemma Pawson	Outside my sons school	Take their son to school in the morning because they live 2 doors away!	22/02/05 Agreed to school run and meeting arranged. In FBR
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2						
3						
4						
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