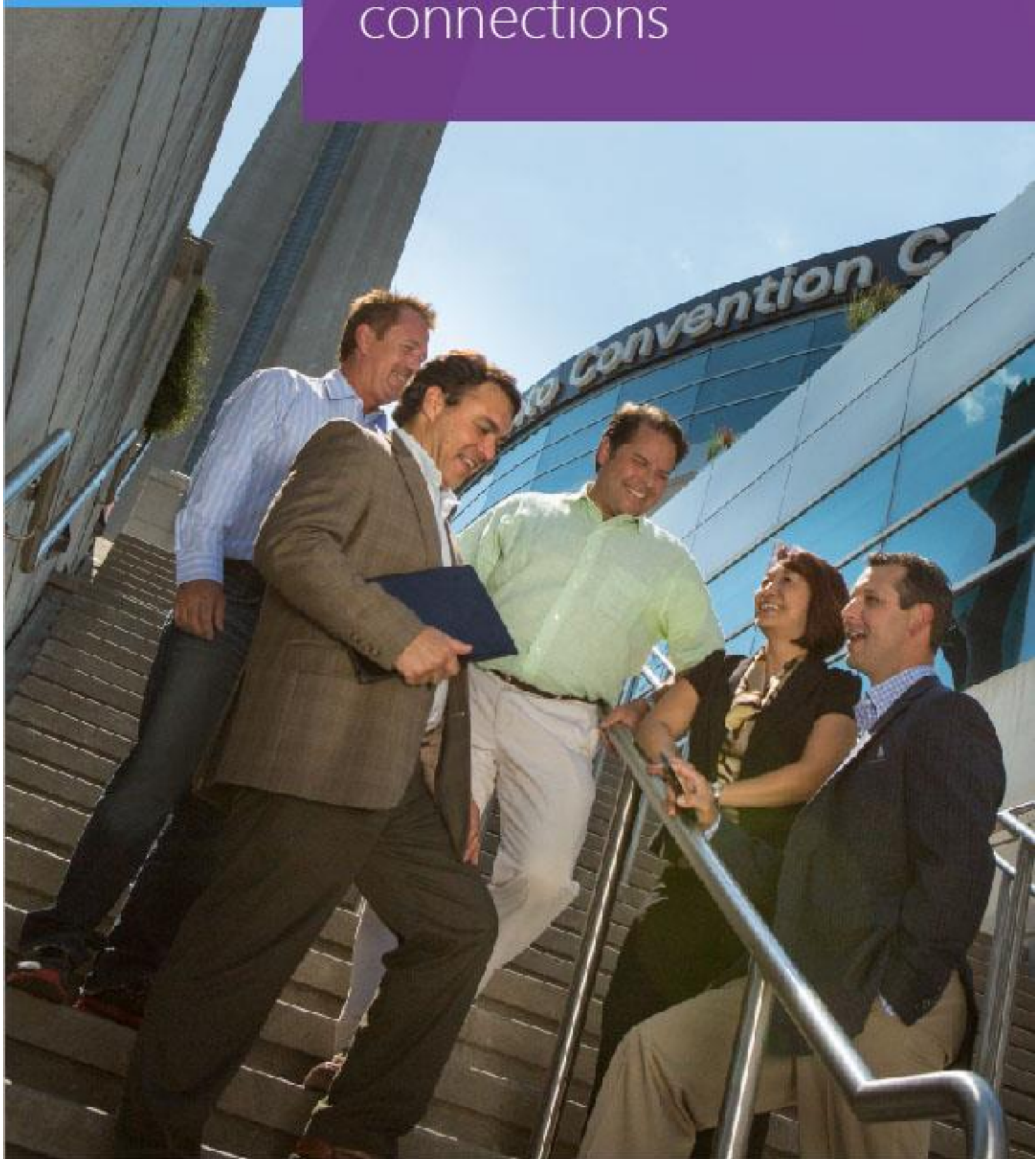


Microsoft  
Small  
Business

Networked business:  
The wealth in your  
connections





## Day of the maven: Are you a super-connector?

Networking is crucial for most small businesses; certainly for service businesses. ‘Getting out and meeting people’ is ideal for unearthing demand for your offering, and also an important way of competing against the thousands of service providers hawking their wares online for bottom-dollar.

Networking guru and author of [“Recommended: How to Sell Through Networking and Referrals”](#), [Andy Lopata](#),

gladly takes his own medicine: he says that being connected is at the heart of his own business.

“It has to be! I’m proactive about asking my immediate contacts for referrals to their [contacts](#), and I’m diligent about managing my reputation and brand so that I get independent referrals too. It’s where the majority of my business comes from, and that should be true for many businesses.”

Note, however, that Lopata has not specifically mentioned sales. It’s a fallacy to think of networking as a sales tool. Firstly, it’s not. Secondly, it might instead be one of the defining sources of value in your business. Business strategist [Ross Dawson](#), author of the (free and highly comprehensible) [Future of Work Framework](#) explains how. “Thanks to technology, we can [work anywhere](#). Social trends, meanwhile, show that workers have higher expectations of their jobs, workplaces and career options. The freelance economy is booming and corporate structures are flattening. The structure of business is therefore changing to what I would

describe as a ‘modular’ economy, where the relevant entity of value creation becomes smaller and smaller – it’s no longer the organisation that is the primary vehicle for value creation, it’s often the individual.”

In this sense, large companies are often a highly liquid collection of motivated individuals; many of whom will [coalesce for only weeks at a time on any one project](#). There is no pyramid of power. If the concept of ‘a job for life’ disappeared in the 1970s-80s, technology in the 2000s is allowing the talent market to become completely granular, with skills available on demand and businesses operating in [as lean and flexible a way as possible](#).

This is obviously great news for small businesses, who (red tape willing...) will have unprecedented access to corporate clients. But Dawson’s point is more subtle: whether you’re a freelance, a small business or an employee in a larger organisation, your network will be crucial to your very value. “Two things will make a difference”, he says. “Firstly, your specialist expertise. If you don’t have world-class capabilities, then you’re a

*“It’s no longer the organisation that is the primary vehicle for value creation, it’s often the individual. This is a more interdependent world than ever before, so customers are looking to work with people who are good at collaborating and bring a network of connections with them.”*







commodity. You need to become an expert in your field and put constant effort into learning to stay at the top of your game.

“But secondly, your value in such a fluid world where we move from project to project or job to job will be based on the [depth of your connections](#) and the strength of those relationships. So whilst on the one hand we need to be specialists, experts at something very specific; the corollary of that is that we have to be better at [collaboration](#). This is a more interdependent world than ever before, so customers are looking to work with people who are good at collaborating and bring a network of connections with them.”

### *An ever wider circle of openness*

Clearly, that network of connections is not just a bunch more of your clients. Today’s networked business owner connects with suppliers, advisers, product testers, bankers, partners and many more. Says Lopata, “My support network is crucial. I’m in a ‘mastermind group’, for example, with four other people with very recent, high level corporate experience. We get together once a month and we brainstorm our challenges; and they’re all very helpful. I’m not selling to them, we’re solving each other’s problems and building trust and goodwill.”

Lopata adds, “It’s important to surround yourself with opinions you might not agree with. Especially if you work alone, you need the equivalent of the water-cooler to bounce ideas around. If I find people I like and respect, but don’t necessarily agree with, it’s worth being open to their viewpoints. I probably won’t change my whole plan, but I might question it, and there’s value in having your judgements tested.”

This new connectedness may require an attitude change. Managers of growing businesses can tend towards protectionism or secrecy. Owner-managers in small businesses, meanwhile, might feel they just have too little to offer, and no right to be a maven or super-connector in their professional worlds. Neither is true. “We need to shift from protecting things by default to being open by default”, says Dawson. “Neither approach is any harder or easier: you just need to make some decisions about how you operate. Of course you need to protect any intellectual property in your business; but if you start with an open mentality, you have a tremendous advantage.” Lopata agrees: “As G. K. Chesterton said, ‘One must somehow find a way of loving the world without trusting it’: be open, share, but have a healthy degree of questioning.”

### *Making your mark in a crowded world*

So where is it all going to stop? Thanks to the internet, we can now fulfil many of a business’ obligations by outsourcing to people we have never met. Most small companies use talent marketplaces to get work done – indeed the original [Elance](#) and [Guru](#) are now perceived as ‘old’, and ever more turnkey solutions like [People per Hour](#) and [Sooqini](#) are the latest evolution. Then there’s crowdfunding for finance ([Kickstarter](#), [Angels’ Den](#)), crowd testing ([uTest](#)) and many more: talent is truly on demand.

But there is a logical limit to outsourcing, and Dawson says it comes down to ‘context’. Casual, on-demand labour exists without context. That’s why, for example, something as simple as crowdsourced logo design can go horribly wrong: without knowing the soul of a business and its strategy, it’s pretty hit-and-





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miss to design its brand. “Again, that context is about strength of relationships”, he says. “It’s why we still have our favourite suppliers or contacts whose advice we trust. When context is less important, we can outsource. And business will certainly become more distributed; it’s an inexorable force. But you can’t outsource trust, competence or brand values.”

*Ross Dawson*

As Lopata says, networking is, in fact, never about selling. It’s about becoming

- **better known:** worthy of recommendation, trusted and seen as a safe pair of hands
- **better equipped:** professionally more capable, because of the support of others
- **and better connected:** both for new business and capable of calling on a wide range of contacts to solve other people’s problems.



*Andy Lopata*





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## The agency that created its own network from scratch

Few companies can demonstrate the power of the networked business better than [The Organic Agency](#), a creative and marketing agency in Exeter.

Certainly, their sector is busy: there's plenty of demand for online marketing services. However, with a profitable business comes competition, and even with a fine body of work, it's hard for an agency to stand out against hungry competitors. Plus, in the creative industries, every job is different; so you can't rely on previous commissions to persuade clients of your value. Often, agency choice comes down, above all, to the assiduous building of personal relationships.

Luckily, CEO Andrew Ellis is a sociable chap, and he has taken networking to its logical limit and beyond. Partly through planning, partly through luck, and with a large dose of pure curiosity, two years ago, he and a couple of colleagues set up a side project: [Like Minds](#). The ambition of Like Minds is to be a 'TED for business'; and in 2013 it has run five events across the world, plus monthly breakfast and lunch gatherings. Their events attract top-table speakers from the marketing profession and, thanks to some social media magic, have a significant global footprint which rivals household brands with much deeper pockets.

Says Ellis, "Like Minds is hard work, but it has given us access to some of the leading thinkers in our business, and also plenty of opportunities for Organic too. Both of those are huge differentiators. They give the

agency credibility and allow us to position ourselves demonstrably as experts, connected to the best and most current ideas in our field."

Of course, best of all is the fact that Like Minds is now a self-sustaining venture in its own right. It makes a modest income from its events, and the brand itself has significant longevity and value.

Not every entrepreneur or business owner is going to have the time or scope to run an events business. Plus, some sectors just don't need another event. But many people – even one-man-bands – have successfully stuck a flag in the ground, around which others will happily congregate. If you run the show, you get all the glory. If you attend the show, you'll certainly have fun. If you don't even turn up, well, that's when it should be no surprise that your business is overlooked.

# Like Minds



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## A networking primer for the terminally shy

There is a type of person who takes to networking like a duck to water. They've got the wide open face, the firm handshake, and always seem to have a finger on the pulse of their industry. Equally some of us feel clammy at the very thought of having to leave home. If that's you, you're not alone. You're also not as inept as you think you are. The smooth operators on the networking scene just have the patter of experience – even they were nervous first-timers once. So, here are our top tips for pressing the palm with aplomb!

- 1) **There's no substitute for face-to-face.** Sure, you can make some cracking connections on [LinkedIn](#) or an online networking group devoted to your profession. But there's no substitute for getting out there and meeting people – it's not just a source of business; it's a source of recommendations...
- 2) ...which brings us to the concept of '**Paying it forward**'. Don't go to an event and sell. Ever. Let me say that again. Don't. Ever. Sell. Nobody likes double glazing salesmen turning up at their door, and equally nobody goes to the effort of attending events only to have a stranger spout off at them. (Rest assured, you will experience this, and you'll soon find out how frustrating and annoying it is!). Instead of selling, concentrate on building your reputation as a friend, expert and all round good egg. Introduce people to one another. Solve problems for them. Pay some goodwill now, and you'll reap the rewards forward in time. Soon, your growing network of [contacts](#) will recommend you to their contacts – and a heartfelt recommendation is half the sell done. Hey presto: qualified sales leads and you've never had to act the greasy sleazeball.
- 3) **Bring business cards.** It's a basic courtesy, they're cheap to print now (invest in [Moo's](#) lovely cards, not the tacky ones from some other providers), and they are a non-negotiable part of your brand. Swap cards later in a conversation, not as an automatic opener.
- 4) **Be positive.** Unfortunately, we are all naturally attuned to spot someone who is desperate for business, dishevelled and down to their last tenner. You don't have to look a million dollars (and dress codes are often flexible), but do present yourself with confidence and – above all – warmth. Incidentally, positivity doesn't need to be overbearing or brash. People ranging from Stephen Hawking to The Dalai Lama manage to hold an entire room's rapt attention without being brash: so find your own comfort zone for communicating effectively.
- 5) **Turn up early.** If you hate walking into a full room of people, turn up half an hour early. Not only will you walk into an empty-ish room instead, but you'll have some time with the event organiser, you'll have time to assess other attendees as they arrive, and you'll have the chance to influence conversations rather than just joining them. Obviously, if everyone follows this advice, it won't work (events will just start many hours early...) but it's







astonishing how successful this sneaky technique can be.

- 6) **Ask ‘Have you come far?’, not ‘What do you do?’.** Joining a group of people is socially awkward – most people hate it. And yet, we all want to be talked to. It’s tempting to open with ‘What do you do?’, because it puts a person in their comfort zone, however, unless you both happen to be right for each other, you’ll enter the typical dance of two people boring each others’ socks off. Instead, establish a personal rapport, with more personally-oriented topics.
- 7) **Forget the seven minute plan.** There is a horribly mechanised approach to networking from the US which says you should move on from anyone you’re speaking to within seven minutes. As Brits, this is distasteful (unless it’s a speed-networking event). If you want to be remembered and loved, give generously of your time and wait for a natural break to extract yourself if you’re close to withering with boredom.
- 8) **Listen, encourage and nurture.** The art of sales is [listening, not talking](#). Sales legend Dale Carnegie said, “You can close more business in two months by becoming interested in other people than you can in two years by trying to get people interested in you”. So ask questions before you give your spiel.

Remember, you’re not selling; you’re nurturing relationships. Encourage and endorse what you hear rather than talking across other people’s opinions.

- 9) **Watch your drink.** Some experts advise not to drink at all; but alcohol is clearly a fine social lubricant, which is why so many networking events feature a bar. So we won’t point the finger just yet. However, the bar can be your best friend and your worst enemy. Civilly buying a drink for someone will certainly get you some brownie points; equally hanging off the rail, gurgling, with a dribble of wine down your shirt, will not mark you out as a solid business contact.
- 10) **Always follow up.** After the event, add everyone you’ve met to your [list of contacts](#); even if it’s just in a [Word](#) or [Excel](#) list. Better still, note down also how you met them – then in two months’ time you’ll be able to recall it when it comes to emailing them: “We met at Bar JoJo’s at Marcia Smith’s networking event, and I thought I might get in touch...” . If they are good contacts, follow them on Twitter, or hook up with them on LinkedIn within 24 hours, even if you plan no further contact with them in the near future. This diligent preparation will ensure you’re ready for business when circumstances dictate it’s the right time to progress.





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### Networking your way up the food chain

*Jerry Brand is a serial company-builder and sales veteran. His latest venture, [Caternet](#), saves time and money in procurement and admin for the foodservice industry.*

One ambition of growing businesses is to pick up larger clients. We want higher value contracts and also prestigious names: big companies with big cachet. But these larger clients can be monolithic, impregnable fortresses. Is networking the answer?

Well, they say 'It's not what you know, but who you know' and, to a degree, that's still true. It's certainly helpful to have plenty of connections. It's very useful to have a high profile in one's industry, and to attend lots of events.

However, just as making new contacts on LinkedIn and Twitter is no substitute for meeting people face-to-face, the social whirl is no substitute for [a systematic sales process](#).

Here's the problem. It is indeed just conceivable that you will bump into the CEO of your perfect client at the golf club. But it has happened to me maybe twice in twenty five years. These chance encounters are not a reliable platform on which to build your sales strategy.

Worse still, whilst that contact might have got you business back in 1985, it probably won't today. This is because big company processes are complex and conservative. The dreaded Purchasing Department has got involved and spoiled the party. Even with CEO backing (and that's no bad thing to have), you'll still bump up against labyrinthine tendering processes and plenty of competition.



Turning your network into sales opportunities therefore needs to be part of a [disciplined sales process](#), and rule #1 of that process is to make sure you're talking to the decision-maker for your activity or offer. In a large business, that is fairly likely **not** to be a board member. It may be a purchasing manager, a department head or other budget holder, but it's probably not the CEO (too high up the chain), or indeed the service user (too low down the chain). If you're not connecting to a person with fiscal responsibility, you won't get a deal signed.

That's not to say that executive contacts are useless, nor that every networking event should be used to sell. It's quite the opposite: my point is that it takes an investment in time and energy to build relationships through networking, so you need to approach it with discipline and strategy, or you can waste an awful lot of effort.







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In fact, it takes more effort than ever before. We all hate cold callers; we also know how to give them the brush-off. Networking is similarly devalued if you just pitch up with your business cards and sales spiel. You need to engage in what I would call 'connection development'. The aim is to be as quality-oriented in the way you connect with people as you are in the delivery of your product or service.

Make a point of getting people's names right, know what their companies do, learn about the challenges they may be facing or any recent news stories. It's basic sales discipline, and it ought to be obvious -

because these are the missing pieces which annoy **us** when bad sales people call.

As an owner-manager, you have plenty to offer. You're fast to react; you're committed to your clients. You take personal responsibility for your service. Within certain constraints (e.g. trading history, risk assessments), larger companies **will** be happy to work with you. You just need to be prepared to play a game which can be convoluted and time-consuming; and where the most senior and high-profile contacts may not be your ideal target.

### HOW MICROSOFT CAN HELP

[Microsoft Office 365](#) brings together online versions of the best communications and collaboration tools from Microsoft. Subscribe to web-enabled tools that let you access your email, documents, contacts, and calendars from virtually anywhere, on almost on any device.

[Windows 8](#) is reimagined to support different working styles. It's more intuitive so you can find what you need faster and easier. The new look of Windows and the new app model make it easier for businesses to create their own line-of-business apps to help improve productivity.



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