

# HOW TO EFFECTIVELY NETWORK TO CREATE NEW BUSINESS LEADS

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By Bruce Kullberg

Networking. (1) The ability to build sales profitability through impersonal communications and contacts, and (2) the most cost effective way to market a business. - INC. Magazine, Dec.'91.

Networking is both a concept and a specific activity which, if understood and successfully implemented, can mean big things for your entrepreneurial business. The dictionary defines a network as "an arrangement of parallel wires, etc., crossed at regular intervals, or anything like this, as in a system of inter-connected roads and individuals." When placed in a business context, networking means seeing to it that practical information about similar (parallel) business needs or customers' desires get communicated (via wires?) to all affected businesses (inter-connected individuals) so they can take action. By being "wired" into a human network of contacts and information relevant to the business, the entrepreneur can be better positioned to exploit the marketplace.

## Where and How Do I Begin?

Business networking groups and organizations have become commonplace in almost every metropolitan city and community throughout the United States. Either through the efforts of your city and/or state economic development departments, Chamber of Commerce, universities, or private initiatives, the structure is in place. Almost all local newspapers publish meeting or club dates for special interest groups. If you can find the listing, call the contact person or your local newspaper for further information. It is up to you to tap into these organizations and benefit through active participation. Some charge a fee to belong, others are free.

Networking is advertising in its' purest form - word of mouth. I'm not referring to advertising a product or service - but yourself. If you are attending networking meetings, but not introducing yourself to as many people as possible, AND explaining your present situation or business needs, chances are you're leaving the meetings feeling discouraged and ineffective. And your probably wasting your time. Suppose you are brave enough to attend several meetings and you get to know several people? What usually happens when you attend the next meeting? Do you end up finding a comfortable corner and talk to the same people you met the week before? Sure, most people do! Almost everyone feels more comfortable and secure by socializing with familiar faces.

But that's not the purpose of joining a networking group. Results are! Take the initiative to talk to someone new by introducing yourself. Ask them what type of business they own, or would like to start, or at least why they attended the meeting. Be a matchmaker by introducing and linking people with similar interests. Through your actions, they are going to be appreciative of your efforts, which could result in a returned favor. Most likely they will follow your example and be a matchmaker too. Networking should become an integral part of your marketing efforts. This was best explained by Harry Leibowitz, President, Partner In Marketing, a marketing firm based in Columbus, Ohio, "Everyone is a potential customer, or a lead to a potential customer. You have to work at it, and it should be thought of as a job. And don't have someone, or expect them, to sell your business. You sell it!"

## Generating New Business Leads

Mr. Leibowitz uses a process called 'extended networking' in his daily activities.

1 - Start by writing down the names of everyone you can think of, everyone you know from school, church, organizations and associations, friends, neighbors, relatives and so on. You should have approximately 500-600 names on this list.

2 - After compiling this list, exercise judgment in dividing this list into three categories. This list will include Potential Customers, Leads to Potential Customers, and Both. Take each Potential Customer list and divide into

three categories, being High Potential, Modest Potential, and Low Potential. You will now have 9 cells of categories:

- a) Those that are on the High Potential list, send a personalized letter and a nice brochure, then call to follow up within 5 days after sending. If you have more Potential Customers on your list than you can conveniently call within 5 days, then send in waves and allocate the time to call.
- b) Those that are on your Modest Potential list, send a letter and brochure. After waiting 2 to 3 weeks, send another letter (only) as a reminder. In another 2 to 3 weeks, send another letter. Follow up with a phone call ONLY after working your High Potential list.
- c) Those that are on your Low Potential list - don't bother.

### **Don't Let Your Efforts Go To Waste - Follow Up!**

Once you have generated interest, be sure to follow these simple steps to close the sale:

- 1) Pursue the appointment. You still have to get your foot in the door and make your presentation.
- 2) Be prepared. Find out as much as you can about your potential customer - company background, competitors, etc.
- 3) When doing your presentation, sell the benefits of your product or service, not the features. The customer wants to know how your product is going to benefit him, save him money, or increase productivity. How it works is of little consequence or importance.
- 4) Be persistent. After making your first presentation, follow up to answer any questions or objections, then,
- 5) Ask for the order! It never ceases to amaze me how many people go through all the trouble of making a contact, doing a presentation, answering objections or concerns, but never asking for the order. Once you leave, your chances of making the sale will decrease tremendously.

### **More Networking Techniques!**

You must be an active participant in networking meetings. If you aren't attending, don't expect the benefits. An associate who belonged to a local networking group told me that every time she attends a networking function, she tries to meet five new people, get their business card, and discuss with them their specific business needs. After doing this for six to seven months, she reported to me that several contacts resulted in new business, several were appreciative of her assistance (good public relations), and several may become clients in the future. Several have also sent her referrals.

When someone asks you for assistance, to whom do you refer them to? Simply, people you know. That's why it's important for everyone to know what your business is, so you will be referred to. An example of this is a gentleman who called me from out-of-state, requesting information on an organization. I answered his questions, but also asked him about his business, and what specific information he was interested in if wouldn't mind sharing with me. I provided him with several resources that could possibly help him. In return, he told several of his friends and within one week I received two more phone calls requesting assistance.

So far I have given you some specific examples of networking techniques. You might be saying to yourself right now, "Well, I tried that, but it just didn't work for me." Then try again! Maybe you were just talking to the wrong people, or not asking the right questions of the right people. The point is...keep practicing. You will attend meetings where you will walk away with 5-10 great new leads, and other meetings with nothing. That's to be expected. Chart your results for at least a dozen meetings. You will be surprised as to how effect your networking really is! Use the matrix as outlined previously to categorize your leads.

## **Becoming A Networking Guru**

The following networking guidelines will help you gain important insight in networking effectively. According to Tim Connor, of T R Training Associates, Ann Arbor, MI., who has done extensive research in the area of effective networking, there are some basic rules you must follow if you are going to be successful in networking.

- \* Learn to like yourself. You must like yourself. Every positive relationship, including all types of networks, begins with a healthy self image.
- \* Make the first move. In any encounter, someone must initiate the relationship.
- \* Be willing to be vulnerable. Very few people are willing to put themselves on the line -- to be real. One of the best ways to get others to shed their costumes and masks is to drop your's first.
- \* Be willing to risk. All of life involves risk. In probing a potential network for contacts, information, or common interests, there is the potential for rejection.
- \* Learn to overcome the fear of rejection. The fear of rejection is one of the major causes of failure in selling, relationships, and business. Everyone has a fundamental need to be liked, accepted, and loved.
- \* Put your energy into your positive contacts. If you think that everyone you meet likes you, you have another problem. It is unreasonable to be accepted by everyone you meet, regardless of the circumstances. Nurture those relationships where there is genuine and mutual respect, liking, and caring.
- \* To create a positive first impression: be – don't act. What do you look for in someone you meet for the first time? What qualities make you feel comfortable and create a willingness to get to know this person? Why not develop a list of all the qualities in other people you like, and then rate your self on those same qualities.
- \* Judge not that you might be judged. Each of us has something to offer each other and the world. Learn to accept differences as normal. Just because the other person is not like you, it doesn't give you the right to judge.
- \* Networking is not a one way street. The desire to grow, learn, and share is the basis of all networking. But to find the areas, with each person you meet that can benefit one of you in the relationship, requires some probing, asking, and learning about each other; your needs, interests, and problems. To successfully accomplish this step requires a two-day dialogue.
- \* Everyone you meet knows someone you know or someone who can help. Everyone you know knows someone that you know. It just depends on how far back you have to go to find the common contact. The chances of improving the number of common contacts increase with a few basic factors:

### **Are you in a common business or similar organization?**

- Do you operate in the same geographic area, have any common interests, similar problems or goals, or face similar opportunities? These are just a few ideas for openers.

\* Listen to your world – you may learn something. Few people really listen. We are becoming a nation of talkers. Everyone needs someone to listen to them and everyone has something worthwhile to say.

\* Networking at meetings is not a numbers game. Networking can take place anywhere; on the street, in elevators, in coffee shops, in airplanes, and in business meetings. However, some environments are more conducive to building a productive network than others. Business meetings fall into this category. Building an effective network contact takes time, respect, and interest. Too many people jump from person to person in a matter of seconds. You know

who I mean. They pounce on you by saying, "Who do you know that...", and they are gone. In my opinion, this isn't networking, this is rude behavior.

\* Learn to separate business and social networking. Networking at a special event can be just as productive and beneficial as at a business meeting. In a social setting, the initial networking steps should be taken establishing common ground, interests, etc. Many of the details should be discussed later by phone, or at a future non-social meeting. Learn to separate business from pleasure in this environment. The follow-up in this situation is where the bulk of information should be gained.

\* Positive conversation is an ongoing give and take. Starting a conversation can be an easy or a frightening experience. The best way I have found is to either ask an open ended positive question related to the environment or person or make a positive statement about the environment or person. Then follow it up with an open ended question requesting an opinion, feeling, or response from the other person about the environment, an activity, or situation at hand. The rest is easy.

\* Business cards are a tool, but they must be used properly. Most business cards end up in the trash. Many times people exchanging cards believe that the other person is saving their card. I always ask the other person, "Why would you like it?" I don't do it in a smart manner; I am genuinely interested in their reason for asking. This usually starts the dialogue.

Final thoughts. Think about all the people who you know that you met through other people. Think about all the benefits you have gained through this matrix of contacts. Positive networking is like a chain letter. You can't just be a taker, you must be a giver, too.

**Happy networking!**

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