

1

Why Most “Networking” Doesn’t Work!

COPYRIGHTED MATERIAL

Today, we are more likely to *call* a colleague who works three offices down the hall from us—or worse yet, send a *text* or post a note on the person’s Facebook wall—rather than make the short trip for a face-to-face visit. After having spent the past several months on conference calls, exchanging voice mails and e-mails on key projects, and even attending the same company meetings, we pass key team members in our corporate hallways and have no idea who they are. Whom are you e-mailing? Whom are you asking for resources? Whom are you selling to? Whom are you listening to? Whom are you asking for help?

When technology, even with its vast operational effectiveness and efficient capabilities, determines the nature of our human interactions, is it any surprise that many believe there has been a dramatic erosion of our sense of community and our ability to touch people? Have we gone so far that we need “No E-Mail Fridays” and have to have corporate access to various social networking sites blocked?

In 1916, L. J. Hanifan, practical reformer of the Progressive Era and state supervisor of rural schools in West Virginia, described *social capital* as “those tangible substances [that] count for most in the daily lives of people: namely good will, fellowship, sympathy, and social intercourse among the individuals and families who make up a social unit” (quoted by Robert D. Putnam in *Bowling Alone*, p. 19).

Isn’t it interesting that Hanifan’s account of social capital anticipated virtually all of the crucial elements in later interpretations of what is essentially the lubricant of our day-to-day interactions as human beings? Unlike the generation before mine, which was proactively involved in various lodges, parent-teacher associations (PTAs), churches, and political parties, I submit that we are becoming increasingly disconnected as a society in many ways, and even more so in business, where many of us spend the majority of our waking hours.

My intent in the next several chapters is not only to illustrate a practical and applicable process for identifying, building, nurturing, and leveraging relationships instrumental to your personal and professional success, but also to help *quantify* the economic value of your most valuable and often *strategic* relationships. In short, relationship *creation* alone won't suffice—regardless of how many cups of coffee or lunch visits you schedule. Savvy professionals find opportunities to monetize their business relationships by bridging relationship *creation* with relationship *capitalization*.

There are three fundamental attributes of growth—the gradient or slope of growth, the torque or speed of growth, and the fuel efficiency or profitability of growth. I'll elaborate on each in the next chapter. We have proved that enterprises can fuel their growth, through a unique return on their strategic relationships. In developing a broad array of value-based relationships, two schools of thought are prevalent. On one end of the spectrum is the *art* of building relationships. For many, this is the ability to *engage* others through the exchange of business cards and the building of transactional relationships. There is little or no shortage of resources in the marketplace today to help train and develop those who seem otherwise introverted and must adapt to a social network. I'm intrigued by recent developments in this area, such as 118 in *The Mirror Test* (the 21st-century version of the elevator pitch), created by Jeffrey Hayzlett, former Kodak chief marketing officer (CMO), and Steve W. Martin's work in *Heavy Hitter Selling: How Successful Salespeople Use Language and Intuition to Persuade Customers to Buy*. On the other end of the spectrum is the world of social network analysis (SNA). You may be surprised to know that it has very little to do with Facebook, Twitter, or YouTube. What began as the study of patterns of human interaction in the 1930s has evolved into a fascinating discipline, although often very dry and rather academic.

Relationship Economics—the *art and science of relationships*—is the balanced, hybrid approach necessary for anyone who needs

to build and leverage relationships to get things done. Effectiveness and productivity are both measures of outputs, but efficiency also includes the amount of *input* required. Let’s start by looking at why most people are inefficient when it comes to business networking and building long-term, value-based relationships.

Top 10 Reasons Why Networking Doesn’t Work

I deliver 50 to 80 global keynote speeches along with consulting on a dozen or so projects annually, and I have found that one of the consistent reasons many people become frustrated with networking is that they don’t believe it produces any quantifiable results. Simply put, they don’t think much of their effort really works. Whether we are talking about senior executives, business unit leaders, project managers, or salespeople new to a territory, it’s amazing to me how many undervalue their portfolio of relationships.

Beyond your educational foundation, professional experience, industry wisdom, and all of the skills and talents you have acquired over the years, your portfolio of relationships transcends geography, function, company, and often any particular point in time.

When I simplify business networking into the three stages of preparation, interaction, and follow-through, I have identified the top 10 culprits that render traditional networking ineffective. They include a lack of purpose or planning, engagement of the wrong people or the inability to disengage when necessary, and the absent notion of triangulation.

Let’s take a quick look at each.

Preparation Phase

In the *preparation* phase, your goals, strategies, and tactics will drive efficiency.

1. *Lack of Purpose*

Most people network without a purpose. When they come to me and ask, “Do you know this executive at XYZ company?” My first question in response is, “What is your intent or purpose for networking? *Why* do you feel like you need to get to know this person?”

Typically, they don’t have a well-thought-out answer, or what they do say is often very transactional and based on an immediate need, such as job transition or a prospective client.

Relationship-Centric Best Practice: Purpose

Purpose, by the way, has nothing to do with what you do for a living. It is your guiding light, and it starts with a healthy self. If you’re not centered—if you don’t know who you are, what you stand for, and your true intent for building relationships—how can you genuinely articulate the same to someone else or make course corrections in your efforts along the way? There is no right or wrong answer here, but it is critical that you start your relationship-building path with an overarching purpose. For example, there is the paternal purpose: *I want to pave an easier path for my children. If I build and nurture key relationships now, it will make it easier for them to get into better schools, land more promising jobs, and have access to a greater wealth of time and opportunities than I did growing up.* This is a purpose that is clearly independent of any particular point in time, geography, or specific functional job.

Others have defined their purpose as personal and professional growth: *By getting to know others, I get to know myself better and can build on my strengths.*

By starting with a succinct purpose of personal and professional development, building and nurturing productive relationships becomes your compass rather than your stopwatch.

2. Fuzzy Goals

There is no shortage of relationship *formulation*—many can identify great contacts—but we often struggle with consistent relationship development *execution*. Goals are the fundamental link to how you translate great ideas into actionable impacts in your life and in your personal and professional relationships.

The notion of business relationships is not a stand-alone concept. It’s an enabler toward achieving business goals and maximizing an individual’s, team’s, and organization’s performance, execution, and results. Without succinct, measurable, and success-proof goals, many of your investments in relationship creation will be lost in the nurturing, development, and ultimate capitalization of those relationships. Said another way, you’ll spend a lot of time and effort on unproductive coffee shop or lunch visits and have little to show for that investment of time, effort, or resources.

Are you new to a project team, sales territory, divisional, or leadership role? How will networking help you succeed given the dynamics of your new role? Which relationships will help you enable, accelerate, or maximize your ability to achieve your goals?

By succinctly crafting three to five specific and measurable goals—not just simply self-directed ones such as “becoming a better person,” but those that will require collaboration with or cooperation from others, what we refer to as relationship-centric goals—you develop a crystal-clear destination for this desired journey. Many business goals, such as attracting and

retaining top talent, growing profitable revenues, improving cost performance, and maintaining lasting behavioral changes, cannot be achieved in isolation. They require value-based relationships to be accomplished. This is a critical point, because quantifiable relationships must have a barometer against which you can measure your efforts.

3. Lack of a Relationship Development Plan

The bulk of my strategic advisory services is focused on helping clients link their strategic direction with personal action, that is, how to execute great ideas by leveraging not just the *what* and *how* but also the *with* and *through whom*—in essence, collecting, connecting, and capitalizing the dots. Your approach to building and nurturing key relationships must be agile, similar to a speedboat, so that if you are not headed in the right direction, you can expeditiously make course corrections.

You simply can't improve what you don't measure. So, if you keep going out and getting involved with organizations and attending networking functions, how are you measuring the results of that attendance? You constantly meet with the same group of individuals, either inside or outside the organization. Are those investments really producing any meaningful results in your efforts toward reaching your goals and objectives?

One of the fundamental reasons networking doesn't work is that most people network without a plan. They are not methodical, systematic, or disciplined about *which* events they attend, *why* they attend them, *what* they are trying to achieve while there, and *how* they will follow through after the event.

To quickly review, the critical first three areas in which networking fails are *purpose*, *goals*, and *plan*—PGP. This is a great mechanism to consistently think about not only *why* you are building relationships but also *how* you will drive results well beyond any single interaction.

**Relationship-Centric Best Practice:
Vibration versus Forward Motion**

It is critical not to confuse vibration with forward motion. Many people equate busy work in networking with progress in relationship creation and capitalization, when, in fact, it’s just that—vibration. Countless meals and coffee visits will seldom turn into newly acquired customers, great employees, or the execution of critical milestones. The results you seek will come from a changed behavior. Get in the habit of sitting down in a quiet place 15 minutes in advance of the next networking event or coffee shop meeting and really think through your relationship development continuum. What has to happen for you to get to know them and give them a chance to get to know the *real* you? Open, candid discussions regarding respective interests, agendas, and success criteria move discussions and relationships forward at an accelerated pace. Consistently thought-of and executed PGP can help you realize the desired forward motion in achieving critical business goals and objectives through your portfolio of relationships.

Interaction Phase

In the *interaction* phase, different situations mandate unique rules of behavior, which will deliver relationship development effectiveness. Networking is not simply a noble cause but rather an endeavor to create preferential advantage. It cannot be left to chance. Here are some common culprits in this phase.

4. Haphazard and Reactive Efforts

The process of identifying, building, and nurturing relationships requires disciplined thought and action. In essence, this

needs to become the dye in the fabric—not a patch. The dye permeates throughout the fabric. In many ways, the dye *defines* the fabric. A patch is just that—a bandage, a fix, a transaction. If building relationships becomes what you do every day, as opposed to something you feel like you have to do to get by, it tends to become less of an afterthought.

Let me tell you about my first encounter with Joan. It was 6:00 A.M. on a Saturday in May and I was standing in line at a local YMCA, registering my children for upcoming summer programs. Next to me stood an unassuming, five-foot-tall, middle-aged woman (as she later described herself) wearing no makeup, a T-shirt that should have been donated years ago, and black Spandex, with shuffled registration paperwork spilling from her arms. Curious, I simply began by asking about her children and which programs she was registering them for. As she reciprocated and we got to know each other, I met a giant personality beneath this unpretentious exterior.

Want to know what Joan does for a living? She orchestrates global events for some of the biggest multinational organizations, private conglomerates, industry associations, and non-profit causes—often in the 15,000-attendee range. Her broad sphere of influence extends beyond business leaders to include numerous policy makers and serial entrepreneurs. My question to you is: How many Joans are you walking by every day? How many prospective employees, clients, suppliers, worthy causes, and investors are you choosing to ignore simply because you perceive the circumstances to be inopportune?

**Relationship-Centric Best Practice:
An Opportunity Every Minute of Every Day**

You have an opportunity to build relationships every minute of every day, both within your organization and outside

of it. Unfortunately, people go through most days with their heads buried in their respective checklists, running from one meeting or conference call to the next. I equate this to having a lot of machetes, making sure that they are all freshly sharpened, and chopping down a lot of trees without ever stopping to ask if you are in the right jungle! "Let's set aside two hours a day to network" is a patch. "I will make time to meet and really get to know a broad array of diverse, interesting people at every opportunity" is the dye. You never know whom you are going to meet at the grocery store or church or while standing in line registering your kids for summer camp. These are but a few opportunities missed every single day by those who either lack the skills, willingness, or humbleness to engage or are simply oblivious to the fact that our lives are all inherently intertwined in a bizarre way. Forget the six-degrees-of-separation cliché; with the advent of social networks, now three degrees of separation is very real.

Think of the last networking event you attended. Most people often have no real resolution or intent as to why they were there. The organization was getting together, so they thought that they should probably show up. (By the way, there is nothing wrong with the innate need to belong. In time, your involvement will provide a multitude of benefits.) Furthermore, most had no idea who else would be at the event and tended to migrate to attendees they already knew versus extending or expanding their reach to a broader contact base. And, most were running late from all of the different *have-to* events in their lives, so they could only grab a quick drink before the program started. They didn't really give themselves an opportunity to engage current and prospective relationships and then ended up leaving immediately afterward to attend yet another commitment.

Sound familiar? If this describes you, then why did you pay the entrance fee and set aside the time to attend the event if you weren't going to be more systematic and disciplined? Are you really starving for more small talk?

Now, consider a different approach to the same networking scenario: First, you prioritize the organizations most relevant to your personal and professional goals and objectives. Many groups plan and publicize their events well in advance, so you aggregate a master list of upcoming events and prioritize your attendance based on those most strategic to your predetermined set of goals, objectives, and action items. You pay and register in advance and place a solid date on your calendar to avoid possible conflicts. Two weeks to a month in advance, you invite a handful of others who you think would also appreciate attending this event. You go online, and with the use of Google and various social media sites, you research the speaker's point of view, subject matter of the presentation, or panel discussion so you can arm yourself with insightful perspectives. Most events actually have the attendees' name badges at the registration table, so you arrive early so that you have an opportunity to browse the attendees. You identify three to five people you would like to get to know better and give yourself plenty of time to meet and greet a broad spectrum of attendees. When you meet someone who may not be as engaging or relevant to what you do, you politely disengage—something most people I've met can't do politely or very effectively!

Time and intellect are your two most valuable assets; you can't afford to waste either. If a conversation is not interesting or productive, you simply must be disciplined enough to move on. Most people get little or no value out of small talk. Instead, ask a poignant question to engage, often a unique and highly differentiated strategy. I'd much rather attend an event and really get to know four or five dynamic, intelligent, interesting, quality people with whom I can follow up after the event instead of going to an event, "working the room," and collecting a

handful of often useless or irrelevant business cards. Let me save you the time and aggravation: there is something called the Yellow Pages, and it provides the exact same value as the stack of business cards you collected. But if you engage others in meaningful discussions, proactively listen to the content presented, and then have a systematic process to follow through with them afterward, you will have used your time much more fruitfully. Attending events becomes a great deal more relevant if you have thought about your goals, strategies, and tactics in advance.

The other fundamental challenge here is the very reactive nature of most networkers. An example of this is when people are in job transition. What do they do? They network like there is no tomorrow. Their job becomes finding the next job. They ask everyone they meet, “Do you have a job opening? Do you know someone who has a job opening?” What typically happens when they find a job? I think we’ve all seen it. Most stop building those relationships and, worse yet, forget everyone who helped them get there until three years from now, when they start calling or e-mailing again. And what do they want? That’s right—the next job! By establishing this pattern, they build a reputation that says that the only time they call is when they want something, versus proactively staying in touch and truly nurturing critical relationships along the way.

Recommended Readings on Value-Based Relationships

Years ago, my dad, an avid reader himself, told me, “Leaders are readers, and readers are leaders.” I had no fluency in English when I first came to this country, and to this day, I still go through the process of looking up definitions and synonyms to grasp a contextual understanding of the
(continued)

Recommended Readings on Value-Based Relationships (Continued)

broader content. Through this practice, I have managed to develop a passion for not only absorbing interesting content but also really thinking through its applications in my work.

In my keynote speeches as well as in this book, I highlight many influential works. At any given time, I am often reading four or five books on a variety of topics. Instead of aimless music or obnoxious radio talk shows, I prefer books on CDs or insightful podcasts from a dozen or so mentors on my iPod. I have read 100-plus books on the topic of business relationships, and my suggested reading lists follow. Most are available on the authors' respective web sites.

- Baker, Wayne
 - *Achieving Success Through Social Capital: Tapping Hidden Resources in Your Personal and Business Networks*
 - *Social Networks and Loss of Capital*
 - *Positive Organizational Network Analysis and Energizing Relationships*
 - *Enabling Positive Social Capital in Organizations*
- Brafman, Ori, and Beckstrom, Rod
 - *The Starfish and the Spider: The Unstoppable Power of Leaderless Organizations*
- Burt, Ron
 - *Brokerage and Closure*
 - *Teaching Executives to See Social Capital: Results from a Field Experiment*
 - *Network Duality of Social Capital*
 - *Gossip and Reputation*
- Cialdini, Robert
 - *Influence: The Psychology of Persuasion*

- *The Practice of Social Influence in Multiple Cultures*
- *Training in Ethical Influence*
- Cohen, Don, and Prusak, Laurence
 - *In Good Company: How Social Capital Makes Organizations Work*
- Covey, Stephen M. R.
 - *The Speed of Trust: The One Thing That Changes Everything*
- Gladwell, Malcolm
 - *Blink: The Power of Thinking Without Thinking*
 - *The Tipping Point: How Little Things Can Make a Big Difference*
- Putnam, Robert D.
 - *Bowling Alone: The Collapse and Revival of American Community*
- Rosen, Emanuel
 - *Buzz: Accelerating Natural Contagion*
 - *The Anatomy of Buzz: How to Create Word-of-Mouth Marketing*
- Watts, Duncan
 - *Six Degrees: The Science of a Connected Age*
 - *Small Worlds: The Dynamics of Networks Between Order and Randomness*

I’m often reminded of Harvey Mackay’s book *Dig Your Well Before You’re Thirsty*. You have to build and nurture these relationships well before you need them. People are a lot less likely to respond and react if you call only when you want something; you should also get in touch to find out how they are doing and how you can become an asset to them. (See the section on relationship givers, takers, and investors later in this chapter.)

When I hear someone say, “I *need* to network,” it sounds desperate to me. That’s *reactive*. They are looking for a job, they are behind in their sales quota and are scrambling to find prospects, or they are in trouble with their project deliverables. Success comes from being much more proactive.

I liken proactive and consistent networking to playing a game of chess. What I love about playing chess is that to be successful, you must proactively think a number of moves ahead. Similar to what I understand of military situations, it also challenges you to constantly conduct situational analysis. Where am I today, what am I trying to achieve, what happens if I make these efforts, and what’s next? Investing in your relationships is also a constant situational analysis. It’s critical to think about relationships as investments, and like any other investment, it’s imperative to evaluate your return on that investment. When it comes to relationships, ROI needs to be reinvented. Think about this in regard to your *return on involvement*. You belong to all of these different organizations and attend all of these functions. What do you have to show for it? Later in this book, we’ll discuss return on integration, return on impact, return on influence, and return on image—all quantifiable perspectives on investments in a critical soft asset: your relationships.

5. What’s in It for Them?

You have to find ways to invest in others—or make *relationship currency deposits*—as I cover in later chapters. Find ways to become an asset to others and link your quantifiable value added to their efforts. Those who understand the true value of a relationship will find a way to reciprocate—maybe not today, tomorrow, or this year, but reciprocity is a natural and undisputable law in the *favor economy*.

Unfortunately, many people overlook the critical nature of such reciprocity in favor of focusing solely on their own situation. Another observation that I’ve made in working with a

broad array of functional teams in various organizations has been the perpetual nature of many who think, “What’s in it for me?” In essence, when they meet others, both within and external to their organizations, they have their hands out. To recipients of this posture, the interaction becomes a complete turnoff, being perceived as insincere and entirely self-serving. Questions that should be conversational come across as an interrogation, and the person probing often asks intimate questions about information most people are not comfortable sharing with someone they don’t know well (read “like or trust”). Their comments come across as scripted or somehow manufactured. They are, in essence, *harvesting conversations*.

Compare and contrast this approach with the one that we teach to frontline contributors and to executives alike, which involves investing most effort in engaging the other person to really understand what that person is about. Take the time to understand the other person’s issues and challenges, and give him or her a reason to want to get to know you better. If you add value to every conversation with a unique perspective, the comment you most often tend to hear is, “Wow, I never thought of it that way.” And the perception becomes one of continued interest for a follow-up dialogue.

Relationship-Centric Best Practice: Ask Better Questions

If you want better answers, start by asking better questions! Alan Weiss often comments: “Ask engaging questions and you’ll influence the conversation. Influence the conversation and you’ll influence the relationship. Influence the relationship and you’ll influence the outcome you desire.” What engaging questions are *you* asking to influence your conversations and key relationships?

(continued)

**Relationship-Centric Best Practice: Ask Better Questions
(Continued)**

INSTEAD OF ASKING:

What do you do?
Are people *really* your
biggest asset?

Do your people know how
to collaborate?
How effective is your formal
mentoring program?

Tell me about your talent
acquisition efforts.
What keeps you up at night?

TRY ASKING:

How are you measured?
Where would developing
intracompany
relationships rank in your
performance evaluation
plan?

Do you have teams or
committees?
How is reverse mentoring
keeping your company on
the leading edge of
innovation?

Tell me about your fear of
flight risk.
What frustrates you the
most about your role? Or
What takes you and your
team entirely too long to
accomplish?

When I meet an executive or individual for the first time, I'm not gauging whether we can do business together, whether we can do a project together, or whether that person can help me. Instead, I'm asking myself, "Does this person understand and value relationships? And if I start by making a deposit—by finding a way to become an asset in solving his or her challenges—will this individual find a way to reciprocate?" It is important to point out that I am not talking about doing only for others who are going to do for you, but as we all know, it is a lot easier to ask for a withdrawal *after* you have made a deposit.

According to the psychological perspective of former PepsiCo, Lucent, and Hewlett-Packard (HP) human resources executive Pat Dailey, Ph.D., a friend of mine, “establishing relationships is a process of successive disclosures. You give me a little of you, I take it and make a judgment. I give you a little of me, you absorb it and make a judgment.” This evolutionary process comes to fruition faster for those with the DNA to process the give-and-take more quickly and naturally. However, you certainly don’t have to be slick and quick to become an efficient relationship builder. In our experience, everyone has a unique pace in mastering these skills and behaviors, and it is critical to clearly understand the line of too much, too fast in the early stages of relationship formation.

Every job has its issues and challenges. At the next internal or external networking function, start by asking people you meet about their roles and realm of responsibilities and how you can become an asset to their personal or professional efforts. Think about who you know that can help them and how you can make an impactful deposit for this person. Share a contrarian perspective they may not have previously considered, and aim to add value to every interaction.

I have a personal three-touch rule that I follow. I will make three investments without expecting anything in return. As I meet individuals who are looking for knowledge, talent, or an introduction to an influential relationship, I’ll go out of my way to somehow become an asset to them. But the fundamental challenge is that you simply don’t have enough bandwidth to invest in all of your relationships equally. How you prioritize which relationships you invest in has to be congruent with your relationship-centric goals and objectives and your individual definition for a return on your relationship investments.

Everyone is tuned in to the same FM station—WIIFM: What’s in It for Me? The next time you meet someone, instead of having your hand out and wondering what this person can do

for you, *lend* a hand by asking yourself, “How can I *really* get to know this person and find ways to become an asset to *him or her*? How can I find ways to create *quantifiable value* for this person?”

**Relationship Economics @ Work:
Bob McIntosh at RockTenn Company**

When Bob McIntosh, senior vice president and general counsel for RockTenn Company, is evaluating potential service providers, at the top of his evaluation list are competency, service level, and expense. But relationships are also an important factor.

“Performance comes first,” he said. “But relationships absolutely come into play. Take investment bankers, for example. These are very large firms that often service a particular industry. They are in the business. They are selling their services, but as a potential buyer, you also want an investment banker who will bring you deal flow when they come across an opportunity.”

RockTenn’s corporate strategy includes organic growth plans, as well as some inorganic opportunities, according to Bob. These strategies are transparent to bankers, who are aware of the kinds of acquisitions the firm is interested in. Investment banking firms that want to do business with RockTenn will regularly visit and share ideas about potential transactions that might interest the firm. This includes companies (or divisions of companies) that may be available for purchase.

“They may bring it up to gauge our interest,” said Bob. “Of course, the hope is that they build a relationship with us so that when a deal comes up that we’re interested in because it is a quality deal that fits within our growth strategy, we’ll choose them as the investment bank that assists us with the deal.”

6. Engagement of the Wrong People

Two of the best opportunities to expand your portfolio of relationships are internal company meetings (particularly if you work for a midsize or large organization) and industry conferences. In both examples, two aspects motivate most attendees: content and community. That is, what insightful information can I get exposed to, learn, or otherwise gather, and who else will be there of particular interest and value?

In the internal company meeting example—think of an annual sales kick-off meeting—the attendees are from the far corners of the organization. Field sales professionals meet to review the previous year’s results, get updates on new products or services, and understand expectations of them in the coming year. Corporate marketing people, product or service line leaders, key people from finance, technology representatives, and even a number of international or cross-brand attendees are also there. I’ve spoken at several global meetings where new acquisition team members are there for the first time, or it’s the merger of two entities that are coming together as a new team. Needless to say, it’s an environment rich in relationship development.

At many industry conferences, you have the opportunity to explore the latest market trends and the competitive landscape and to hear from thought leaders. Likewise, it’s a fertile environment to extend and expand the diversity and quality of your business relationships. Even at events with great opportunities such as these, you tend to have those in attendance who are not relevant to your current role, realm of responsibilities, or aspirations. The number one mistake most people make when they walk into events like these is that they spend an inordinate amount of time and effort talking to someone who is not relevant to what they are doing, and they get sidetracked from their relationship development playbook. When I refer to the “wrong people,” it is not intended to mean that some people have less value than others. I am simply trying to get you focused on

relevancy. How relevant is this individual to the goals and objectives that you are trying to achieve? Please understand that this comment is not to be construed as manipulative. It's not about an elegant way of using people, but about becoming smarter in how you invest your valuable time, efforts, and resources. You simply cannot afford to invest in every interaction equally. (More about how to leverage technology to help you do some of this in later chapters.)

One of the best practices in this section is to identify what we call influential hubs. These are subject matter experts or those naturally highly connected who are consistently able to engage and influence others over a certain period of time. If you think of the classic bike wheel, they represent the hub in the middle with the many spokes fanning out from that position.

Certain functional roles lend themselves naturally well to this concept. The best commercial real estate agents I know are very well connected in their communities to a multitude of possible direct client or referral sources. The best attorneys, accountants, insurance agents, recruiters, nonprofit fundraisers, lobbyists, and industry consultants are often very good hubs because of the diversity of friendships that they build over the years. It is critical to your relationship-building approach to identify those hubs and find ways to become an asset to them.

**Relationship Economics @ Work:
Dan Brown and Heavy Hitters at Various Functions**

According to Dan Brown, a personal friend and former executive at SunTrust Bank, "It all starts with relationship building. You have to find some common ground with whomever you are dealing with. You can't be too needy—it has to be a relationship of equals. This begins with a centered self. If I am at an interesting function and there are

some heavy hitters there, I don’t necessarily have to approach them. If I am there having conversations with a group of people, some of these heavy hitters might come up to me and introduce themselves.”

So I asked Dan, how does he characterize a *heavy hitter*? “This is someone in a relationship-type area who deals with a lot of people, travels globally; they’re often an expert in their respective field—someone who if you are in that function, is deemed very influential.”

What makes some of these hubs more attractive than others? “It largely depends on the function and the person. There is the internal persona and then the role that they play. Some people are heavy hitters internally—no matter where they are, they are people you want to know. Others have a heavy hitting function, but they are not necessarily someone you care to spend any time with. Others, no matter what position they are in, they are an interesting person to get to know.

“Where do I spend my time? Sometimes you just spend time with people whom you find interesting, not necessarily someone whose role can benefit you.”

Dan and I have been involved in the High Tech Ministries Prayer Breakfast for years, thanks to another personal friend and mentor, Charlie Paparelli. In many ways, Dan was instrumental in helping me focus my avocation as my vocation. Eight years ago, over a cup of coffee, he mentioned that I networked better than anyone else he had ever met and wondered if I would come to his church and speak about my approach to building and nurturing relationships.

Assuming there would be a dozen or so attendees, I prepared a few remarks only to find myself in an auditorium in front of 250-plus audience members. After a 45-minute speech, I stayed for 90 minutes afterward to

(continued)

**Relationship Economics @ Work:
Dan Brown and Heavy Hitters at Various Functions (Continued)**

answer individual questions and share best practices. From that one session, I was invited to speak to 30 other similar gatherings of church, Rotary, and academic groups. This led to consulting and speaking engagements with global corporations, which then led to the industry associations and academic forums today. Dan remains a great personal friend and is now an interim executive on various operations and strategic technology assignments.

Remember that one of the fastest ways to turn off a hub is to go to that person and say, “What can you do for me?” Although these hubs are typically genuine and go out of their way to help people, you will quickly brand yourself a taker by approaching them in this way. What is critical to hubs, or to any relationship development effort, is that you truly invest time, effort, and resources in advancing the achievements of others.

Follow-Through Phase

During the *follow-through* phase, systematic, disciplined thought and action will drive recognition. If you believe in the premise that most people genuinely want to help, then it becomes incumbent upon you to not just follow up (transactional) but follow through (transformational) the initial success in meeting and engaging interesting, relevant contacts.

7. Failure to Arm Others with the Right Ammunition

When people say that networking doesn’t work, they usually cite as evidence the fact that they have invested in others in the past without any reciprocity from the other side. When I inquire

specifically, “How did you arm them with the appropriate context to introduce or recommend you?” the answer is often a blank stare.

Business Relationship Don’ts: “John Nobody Sent Me!”

I recently received a voice mail to the effect of: “David, this is Steve Blank, friend of John Nobody (*whose name I honestly did not recognize at first and later recalled that I didn’t care for him at all*). I was wondering if you could meet me on XYZ dates and times and let me pick your brain to become a consultant, an author, or a professional speaker. John says you’ve become an overnight success.” You can’t make this stuff up.

I continue to wonder what he was thinking. What in that voice mail could possibly propel me to take action? Nonetheless, acting on a favorite grandmother’s advice to always be nice, I returned Steve Blank’s call to inquire about his background. “Well, I was most recently a VP of sales,” he declared. “I have been selling for 40-plus years and can’t possibly imagine a company out there that I couldn’t help.”

I asked him about possible target industries, size, or types of companies, or relevant background and applicable strengths. With each of these inquiries, I consistently felt that he was making me draw this information out of him.

Because Steve Blank was not forthcoming in discussing his situation, I wasn’t able to help him in the manner that he had hoped. He essentially wanted the return on his investment—without having to make any investment.

We can easily distinguish between the “Steve Blank” approach of looking for a handout versus Keith Conley’s style of trying to figure out a way to become an asset in the best practice that follows. In this process, if you can get to know

me, understand my business, and learn what my challenges are, you can uncover ways to help me. And when you do, my next logical question will be: How can *I* help *you*? That's when you can tell me that you are in transition and looking for a VP of sales position.

**Relationship Economics @ Work: Stephen Ebbett
and ProtectYourBubble.com**

In my two decades of consulting experience, I've found that every organization reaches an inflection point—think of it as a fork in the road to continue down the status quo path to “commodity town,” or pave a new road to “marginville,” as I once heard it described. This new path is often the vision of someone in the most unlikely of places who find themselves in an opportune environment to shine—with an undervalued client, unique product or service launch, or simply an interesting perspective in how to look at a mature business. The relationships they build and the manner in which they engage and influence those relationships to further their mission or vision are often the differentiating factors between just another interesting idea and a fundamentally different path for the organization.

Stephen Ebbett, head of global direct distribution for Assurant Solutions is one such client. Although in his early to midthirties, Stephen comes across as sharp and very knowledgeable about the e-commerce world. His first hand experience in getting a dozen or so previous e-commerce sites live has served him well—particularly when trying to replicate that past success in a conservative organization.

Stephen was recruited to Assurant Solutions UK three years ago to launch a direct to consumer web site selling tangential insurance policies online, in order to reach a customer base outside of the reach of the organization’s existing B2B distributors. Since then, he has not only executed on the business goals and objectives set out for Protect YourBubble.com in the UK, but has more recently been promoted to lead a broader direct distribution effort for Assurant Solutions.

One of Stephen’s biggest assets is his ability to communicate his progress, with a broad array of constituents—*consistently, intently, and strategically*. By arming his portfolio of internal and external relationships with ammunition to see his progress, and believe-in (as well as buy-in) on his efforts, he has managed to raise the awareness, interest, and the company’s investment in his vision of an “e-commerce site that sells insurance, versus an insurance company that sells policies online.”

It’s a strong new path for the organization, and a considerably broader realm of responsibilities—as well as a personal and professional growth opportunity for Stephen. Did I mention that he reports directly to the CEO now?

Arm people with the appropriate information they need to help you. It is critical not to leave this to chance. Come to the table prepared with a systematic game plan that explains how you can become an asset to their efforts.

Personal and highly informative e-mails such as the one in Figure 1.1 from Stephen Ebbett elevate you above the market noise.

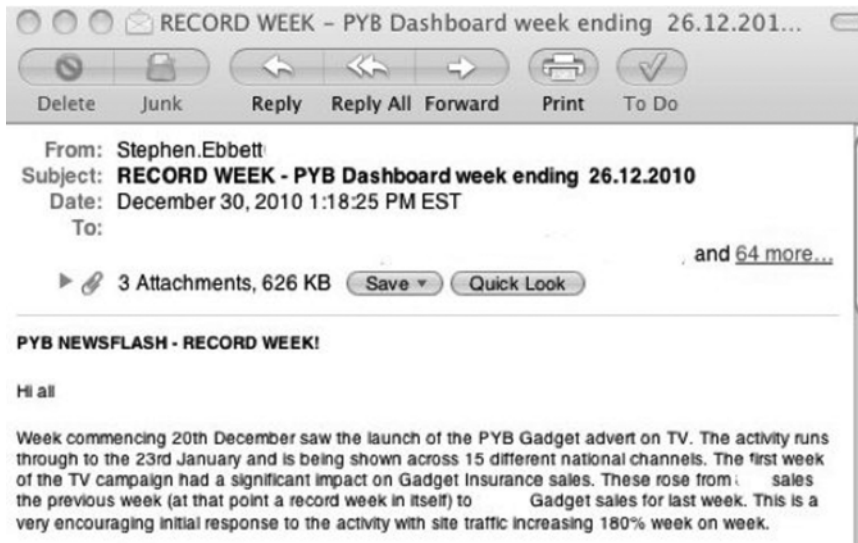


FIGURE 1.1 Consistent E-Mails Updating the Team on PYB's Progress

Relationship Economics @ Work: Pat Dailey on Becoming an Asset and Arming with Success-Proof Information

I met Pat Dailey several years ago when he was in career transition. Pat is a global human resources (HR) leader who is passionate in the recruitment and integration of senior teams around the globe. As I got to know him, I learned that he is fundamentally an architect of employer-of-choice practices that attract top-tier talent. With each interaction, he clearly demonstrates deep expertise in transforming organizations challenged by strategic repositioning, globalization, turnarounds, SG&A (selling, general, and administrative) cost reductions, and reengineering. Working in a function that many believe is focused purely on the tactical aspects of the role, Pat is a clear-thinking business leader with a proven ability to upgrade both the credibility and the quantifiable contribution of the HR team.

His background includes chief administrative officer at Herbalife International, VP of global workforce management at HP, VP of HR for the network products group of Alcatel-Lucent, VP of HR for Banc One Services Corp. (now a division of JPMorgan Chase), and a partner at Korn/Ferry International. Performance clearly trumps all, but beyond that, as we got to know each other, Pat has always offered to be an asset. In an effort to reciprocate his kindness, I offered to introduce him to a number of private equity relationships. What follows is an example of the information with which he armed me, not only to make that offer more successful (after all, who best to present your credentials than you?), but to mitigate the risk of me formulating his credentials to chance.

Subject: Virtual Intro: Pat Dailey—PepsiCo-trained Senior HR Executive

Neal—I had a good lunch visit with David today and he asked about the progress of our discussions, so I wanted to touch base to see if you’ve thought any further about getting the portfolio execs together in 2012. I will also call you early next week to follow up.

Separately, I want to introduce you and Steve to Patrick Dailey. Pat is targeting his search for a number one HR role—most likely with a company navigating business transformation and proactively upgrading its competitive capability. His geography is wide open and his hands-on expertise includes best practices at companies such as PepsiCo, Hewlett-Packard, and the U.K.-based BOC Group.

Pat is a leader with distinctive experience including:

Chief Talent Scout. Recruiting, assessing talent, and assembling senior leadership teams, globally

Changing the DNA. Leading and partnering a range of organizational transformation and performance initiatives

(continued)

Relationship Economics @ Work: Pat Dailey on Becoming an Asset and Arming with Success-Proof Information (*Continued*)

Succession Planning. Developing the leadership pipeline and orchestrating leadership change with continuity

Board of Director Experience. BOD selection. Installing *performance-based* executive compensation plans

High-Performance Culture. Building sustainable cultures and reward systems that guide and retain great talent

Protecting the Corporation. Managing and monitoring Sarbanes-Oxley (SOX) and Code of Conduct compliance

Global HR Leadership. Inspiring and coaching a lean, global HR team within a highly matrixed organization

I can answer questions you might have about Pat but please feel free to contact him directly at XXX. His CV is also attached.

Best,

David Nour

8. Less Than Ideal Relationship Profiles

There are many social networking tools on the market today to help you find specific contacts. Some of the better ones I've found include LinkedIn, ZoomInfo, Spoke, and Jigsaw. All of these tools enable you to identify contacts. The web site TheyRule.net, for example, will show you who is on whose board and profiles these key individuals.

Type "Equifax," one of the credit-reporting companies, based in Atlanta, into ZoomInfo and you will see that Rick Smith, the current CEO, came to the company following 22 years at GE. ZoomInfo not only shows you Rick's background and tells you that he is on the board of directors of the Commerce Club, attended Purdue University, and held previous roles at GE, but also shows you a picture of the Equifax

board and provides you with their respective profiles. (See Chapter 10 for an in-depth review of the most prevalent social networking technologies on the market today.) Figure 1.2 is one of the best concepts I’ve seen from TheyRule.net.

There is a plethora of publicly available information out there to help you profile key individuals who could be instrumental to your success. This independent due diligence prepares you for an insightful interaction, with intelligent remarks about the company or its leadership, and greater opportunities to work with Rick and his team in addressing critical company challenges and opportunities.

Other popular tools here include Hoovers, OneSource, Factiva, and Leadership Library. There is certainly no shortage of resources for exceptional due diligence information to profile key individuals who are instrumental to your success. Most of these sites are limited to the more visible roles—mainly executives—but with Google, it is difficult for any of us to hide. So if the individual you are trying to meet has ever written an article, been published, or spoken at an event, chances are that his or her profile, background, and points of interest are going to be online. I have also found *McKinsey Quarterly*, Booz Allen’s *strategy + business*, and CEOExpress.com to be invaluable tools.

9. Lacking Relationship Insight Validation

Another common mistake in most people’s relationship-building efforts is that they do not verify, validate, or void the critical assumptions that they make about key pieces of information or individuals critical to their success. You don’t want to walk into a meeting, or any situation, with incorrect or outdated information.

Years ago I created a process I refer to as strategic relationship triangulation (Figure 1.3).

Let me explain. For any person or piece of information critical to your relationship development success, you need to

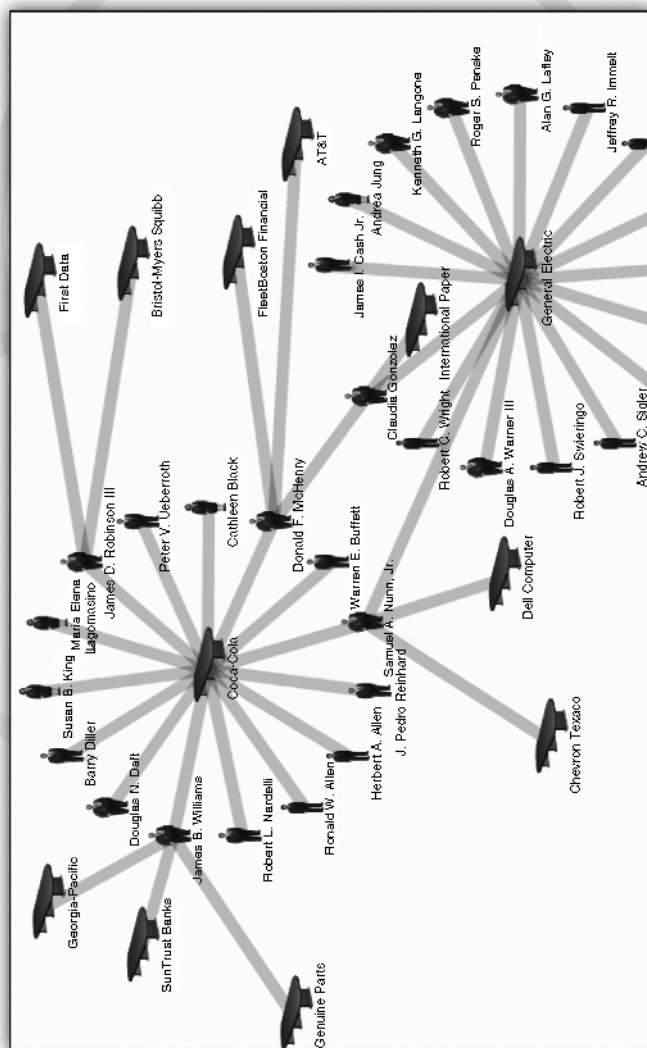


FIGURE 1.2 TheyRule.net Board-Level Social Network

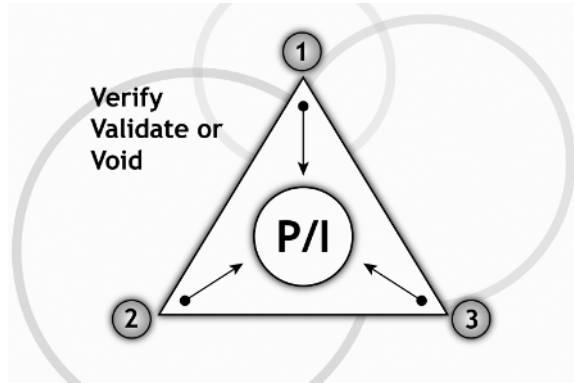


FIGURE 1.3 Strategic Relationship Triangulation

find three independent sources to verify, validate, or void the critical assumptions you’re making about that person or information. Is this person still in charge of this project? Is this person responsible for this engagement? Is this person physically based out of this office? I have heard nightmare stories of people getting on a plane for a meeting in New York only to find that the person they are meeting with changed jobs recently and is completely irrelevant to the critical opportunities at hand.

Relationships triangulate a key individual’s realms of responsibility. What is this person’s real clout? What projects is this person involved in? How many people are on this person’s team? If this relationship is important to you, it is critical to do some research in advance to find other trusted sources that this individual works with.

A recent survey polled 100,000 executives about the best way to create access both inside and outside the organization. The overwhelming response—more than 85 percent—was “through a trusted source.” That source was further described as an internal lieutenant who works with the individual and knows you and can recommend you, or an outside adviser such as an accountant, lawyer, or consultant whom this individual has

worked with who can likewise recommend you. Relationship triangulation can also help you understand highly influential sources within a team, a department, an organization, or an entire industry. Who are the key organization or industry advisers? Who works with real decision makers and in what capacity, and how can you become an asset to them? Knowing this enables you to more effectively customize your presentation and add value to the individual with whom you are trying to develop a mutually beneficial relationship.

10. Givers, Takers, and Investors

In my experience, there are three types of networkers: givers (God bless Mother Teresa), takers (we've all known some), and investors. Which one are you? If I asked your colleagues, customers, suppliers, superiors, subordinates, and industry contacts, which would *they* say that you are?

As I have mentioned before, some people reach out only when they want something. I call those people *takers*. They have a very “me-centric” approach to their networking. I am not sure I would even call what they form *relationships* because their transactional network and contacts are made solely for their benefit—and only *their* benefit. They call you for an urgent task and expect you to drop everything else you're doing to serve their immediate needs. They see you periodically in the market, exchange less than genuine pleasantries, and reiterate “Let's catch up,” often meaning “Let me suck out of you all the information I need about what you're doing and what I can replicate from your efforts to improve my situation, and offer no value in return.” You must deal with these people cordially but at a distance. Be polite, but guard your valuable assets—knowledge, talent, insights, and, most important, other valuable relationships. Unfortunately this type of behavior seldom improves.

Business Relationship Don'ts: "Drive-By Greetings"

I'm an adviser to the DBM International Center for Executive Options (ICEO). Here in Atlanta, Bob Chaet and team do a great job coaching senior executives in transition to appropriately aim their compass toward an opportunity they'd be most passionate about in the next chapter of their careers. Unfortunately, having had the rug pulled out from under them (often through no fault of their own), most of these execs typically network like mad to uncover that next job. They fill their calendars with endless coffee meetings, countless e-mail touches, and a myriad of "networking events." They proactively reach out to everyone they used to live next to, go to school with, work with, or play with, and even parents of their kids' soccer teammates. They really work it . . . until they find a job.

Then, not only do many stop the activity and tend to go dark under the new rug (which will get pulled out from under them in another few years), but much more detrimentally, they forget the amazing alumni of friends and colleagues, advisers, and hubs who helped them in the process. Other colleagues who are likewise in search of their next opportunity are suddenly forgotten. Favors promised are ignored. And catch-up visits with those still in the market become less important than that corporate visit.

Instead of embracing the very portfolio of relationships that enabled their success, many of these executives further distance themselves. Until three years down the road . . . when they come looking for another job. How likely are you to help them? Most are not. I actually ask them, "When was the last time you called to see how *I* was doing and how *my* business has been since your last search?"

However, the altruistic givers are just as challenged. Don't get me wrong; there is certain nobility in being the Mother Teresa of relationship giving. All this crowd does is give. Constantly doing for others drives them, but they become sheepish when *they* need help. They go out of their way to help people with important projects, often neglecting their own needs, desires, or deadlines. They're often perceived to be incredibly sweet, kind, and giving. There is absolutely nothing wrong with any of these attributes. They simply become an open door for many to take advantage of this kindness. When engaging a giver, you must ensure that you don't become a taker! Always be gracious, thank them for their generosity, and consistently offer to add value to their efforts; for example, constantly ask, "What can I do to help you?" They may never accept your offer, but it's incumbent upon you to keep the balance in a giver relationship.

Patricia, a good friend of mine, is directly responsible for a great number of chief information officers (CIOs) having found their current roles. Yet, when she could have used their help for a charity fundraising event, an incredibly worthy cause, she was reluctant to seek their support.

What Patricia and all the other givers must realize is that when you give, you are making deposits—by doing for others—and those investments are perishable. You will lose the opportunity to leverage those relationships and therefore will have zero to show for all of that generosity, other than self-gratification. It is critical to point out here that we are not talking about keeping score or doing for others only who do for you. But as with most things in life, too much of either of these—taking or giving—will fail to produce the desired outcomes. You must find an appropriate middle ground on which to form personal connections.

The professional balance is a *relationship investor*. This type of person understands that you have to start by giving. You have to make an investment to get a return on that investment.

Long before a need to capitalize or monetize relationships, an investor has accumulated a great deal of social capital through the development of a strong *relationship bank*. This person’s name alone creates a sense of obligation to deliver value. Said another way, these are the people you would bend over backward to help, not only because they have gone out of their way to help you in the past, but because whenever you need help, they embrace you with open arms.

Similar to any other investments, relationship investors read their prospectuses. They truly consider their portfolio of relationships to be their biggest asset and constantly aim to analyze and enhance their return on relationship investments. In Chapter 3, I discuss strategic relationship planning best practices.

No one has enough resources to invest in every relationship equally, so you must prioritize your relationships and decide which to invest in more. This is not to say that you should be anything less than cordial and gracious in meeting and engaging others. But you also have to make sure they understand that true relationships are reciprocal in nature and investments made in building and nurturing relationships must be realized as a value-added item at some future time.

Corporate Relationship Deficit Disorder

Business relationships are formed in a variety of contexts. One of the misconceptions of business relationships is that they are purely an external asset or liability. But a great deal of our work over the past several years has been focused on *intracompany* relationships.

Companies, regardless of size or industry, and despite efforts to the contrary by their leadership, tend to build geographic, functional, and project-based silos. Have you ever heard the ongoing disputes between the Los Angeles and New York offices, for example? By definition, those geographies

will compete for mind share and wallet share of the corporate headquarters and often create geographic silos.

Likewise, when most organizations are structured by functional capabilities—whether they are practice groups in a law firm or finance, engineering, marketing, and legal departments within most corporations—they are forced to compete for resources. Doesn't that create functional silos?

Last, if key initiatives tend to be organized by cross-geography and cross-functional projects, isn't each project team often competing for access, influence, and resources? As such, aren't project-based silos not only created but often nurtured in time? Many corporations, because of their sheer structure, performance expectations, measurements, and rewards, are not conducive to collaboration and not constructed for communication, and what suffers most are the intracompany relationships. And just like a family, when it is broken on the inside, guess who sees it.

Cultural Divide

An obsession with transactions first and relationships later often tends to distance us from other people instrumental to our personal and professional success. Many have heard of the socioeconomic divide. In more recent years, we have also heard of the digital divide. But I would submit that the cultural divide in our global economy is the biggest culprit in hindering the development and nurturing of both internally focused and externally focused relationships.

Travel to the kingdom of Bahrain and you'll see that a business transaction often includes not only personal embraces but a predominant focus on character—in essence, more emphasis on the DNA of the individual and considerably less on the transaction. On a recent trip to the Middle East, I met Basim Al-Saie, managing director of Installux Gulf, and Fasil Ali Reza, managing director of Ali Reza and Sons. They represent an infectious level of patriotism and all that is right and good about the Arab

world. These highly U.S.-educated (both went to school in Boston), affluent, family-centric business executives see more in an individual's character than they do the value of a transaction. As a matter of fact, much of the world comes to the United States and is surprised, if not offended, by our unquenchable thirst for transaction success before we show any signs of a personal connection.

**Relationship-Centric Best Practice:
Welcoming More Than Just the Employee**

Think about it: The last time Michael and his entire family were transferred from San Diego to Chicago, his new immediate manager barely got out an e-mail on the Friday afternoon before that Michael would be joining the team the next Monday. Why not organize a small reception at the manager's home, invite key employees and their spouses along with Michael and his wife, Lori, and make it a personal mission to make sure they feel comfortable in their new personal and professional surroundings? Because despite popular belief, I would submit that (1) what Michael does for a living isn't who Michael is, and (2) if Lori doesn't feel at home in Chicago, the stay for the job will be a short-term transaction rather than a long-term investment in the position of the company.

One of our clients has created a "family buddy system," where they introduce a recently relocated family to several other families and help them adjust. From neighborhoods with great schools, to places of worship, to places to shop for groceries and find activities for the kids, they have determined that the level of engagement in the new community by the entire family directly correlates with the level of satisfaction and comfort by the employee in the new assignment.

