A WHITE PAPER BY

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BUSINESS NETWORKING: A NECESSARY THIRD MILLENNIUM SKILL

If a single word defines the business environment a decade into the third millennium, it's complexity. As organizations get larger, adopt complicated structures, become increasingly international, and deal more with outside vendors for key parts of their operations—all accelerating trends that show no signs of abating—new pressures are put on individuals at all levels.

But the stresses on middle and senior managers are the most pronounced. To deal with it all, they need to know more than ever about what's going on both internally and within those outside entities (government, competitors, vendors, pressure groups) that can affect their organization. This means that middle and senior managers today face a knowledge gap—a gap that will grow in the future as the level of complexity accelerates—between the personal knowledge they now possess and all that they need to know to do their jobs effectively. A similar gap exists at lower organizational levels as well, but, as Figure 1 illustrates, the severity of this knowledge gap is much greater for mid-level and senior managers than it is for those at lower, supervisory levels. What does it take to close the knowledge gap?

Figure 1: Knowledge gap increases with organizational level.

BUSINESS NETWORKS ARE A VITAL METHOD OF OVERCOMING KNOWLEDGE GAPS

Over the last 30 years, organizations have tried to build or improve their communication systems, introducing intranets and other technology tools. They also have pinned their hopes on matrix management structures and cross-functional teams as workplace innovations that should promote a freer flow of information. But these efforts have proven insufficient at closing the knowledge gap for middle and senior managers. What has become apparent is that the solution lies with the middle and senior managers themselves.

Individuals have to take an active role in setting up their own communication channels so they can anticipate emerging issues, get ahead of breaking information, obtain coaching relative to important decisions, and request help to get things done. These activities are part of what constitutes "business networking"—developing, nurturing, and tapping contacts to further business or personal success.

A business network is a collection of people, preferably with a broad array of experience and knowledge, to which an individual is connected and with which the individual is in periodic contact. Ideally, any member of this network would answer an e-mail request for help within 24 hours. It's that level of responsiveness that one should aspire to when assembling a sound business network.

While building and maintaining a business network is important to ongoing job success, it's even more important when transitioning to a mid-level or senior manager role. The speed at which individuals promoted into one of these roles can build a solid business network is directly related to how fast they will be able to make correct job decisions, because they will be able to access a range of appropriate information more quickly.

Those managers who engage in business networking reap many benefits. Research on business networking has found that it is positively associated with salary growth[1], number of promotions[2], perceived career success[3], and current job satisfaction.[4]

It also is worth pointing out that one's existing business network usually isn't sufficient when transitioning into a new management role. People beginning a new job make a common mistake: They tend to rely on their old network of contacts and their knowledge of the organization. They don't stretch themselves to develop broader networks or expand their knowledge. By not stretching themselves, they inadvertently put a drag on their speed to job proficiency. They fail to recognize that networking is a much more efficient means of gaining access to knowledge and information than is "learning it yourself" through other means.

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THE DIFFERENCE BETWEEN A BUSINESS NETWORK AND A SOCIAL NETWORK

A business network should not be confused with a social network. Social networks are made up of people that you know and who are probably very much like you. They may be individuals with whom you are acquainted but who do not meet the requirements for a business network—they cannot be counted on to answer your e-mails or offer job-relevant help when you need it. Even a particularly robust social network is no substitute for a business network.

HOW TO BUILD A BUSINESS NETWORK

Business networking comes easily to some people, not so for others. As in all aspects of business, it's not the degree of effort that matters; what matters most is the outcome—a diverse, reliable business network.

Whether networking comes easily to you or not, there are four activities that will assure your success in building a business network.

1. FIGURE OUT WHO SHOULD BE IN YOUR NETWORK. (BE PURPOSEFUL)

Building a strong business network requires that you avoid relying just on your lunch partners. Ask yourself: Who can help me? Who knows what's going on? Who gets around roadblocks? Who are the critical links in the supply or information chain? Your boss can be a big help by identifying people, setting up meetings, introducing you at conferences and conventions, and making introductory phone calls. But don't rely solely on your boss; develop your own contacts. With some creativity you can identify people who will prove valuable in surprising ways. One of the best contacts I made in a job at a large retailer was the person who managed office moves—he always knew who was on the way up.

Your business network needs to include both internal and external contacts. For some positions a strong business network can be built exclusively of internal contacts. Increasingly, however, this is the exception rather than the rule, especially for middle and senior managers. Now, most managers need to have their business network extend outside of their work group and even outside of their organization (e.g., contacts in government organizations, other companies that your organization deals with, competitors, technology experts). The broader the reach of your network, the more knowledge and information you will be able to access when you need it.

2. DARE TO INTRODUCE YOURSELF. (BE COURAGEOUS)

The greatest fear people have about networking is that their efforts to build a networking relationship will be met with rejection. While this fear is grounded in human nature, experienced networkers understand that it is largely unfounded. Most people will be more receptive to your attempts to reach out to them than you think. No one turns down a call from someone who starts the conversation with, "I've just taken over the responsibility for the XYZ project, and I'm trying to get to know people who…"

My own experience bears that out. When a competing firm in my industry hires a new chief, I write a congratulatory note and say I'd like to drop in sometime. I've never been turned down.

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3. ASK FOR HELP. (BE COURAGEOUS)

It's not easy for many people to ask for help. Some people think it makes them look impotent or unknowledgeable. Others believe that asking for help makes them appear as if they are lazy or unmotivated. For many others, they simply never developed the habit of asking for help.

A great deal of research confirms that asking for help is a behavior tied to job success.[5] In fact, it's difficult to conclude otherwise. Don't ask for help, and you may not have all the information you need for a proposal. You could offend a constituency group whose reactions you didn't consider. You might propose an idea you think has a lot of promise, not realizing it was implemented in the past and failed. You could be late on a project because you didn't understand exactly what was expected of you or you didn't tap into resources that could have helped you complete it on time.

Asking for help comes naturally to some people more than others. To those for whom it doesn't come naturally, asking for help is a courageous act that they avoid at all costs, particularly when taking over a new position or taking on a new project—when the help from others is needed most.

4. NETWORKING MUST BE RECIPROCAL. (BE PURPOSEFUL)

An effective business network must be a two-way street. People in your business network will expect that you will help them as needed, just like they will help you. In addition to providing help when it's asked for, you can reciprocate in other ways, such as sharing information you think they will find useful, passing along relevant articles, or congratulating them on a job change or other accomplishment. Many executives I know spend about an hour a week maintaining their networks. Those who invest even more time always find the extra effort to be worthwhile.

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Purposeful, Courageous Networks

As the actions described here indicate, there are two main requirements for building successful business networks: being purposeful and being courageous. Therefore, I call business networks "Purposeful, Courageous Networks."

In my career I've interviewed thousands of executives, and most of the successful ones are purposeful, courageous networkers. They cite having a wide range of contacts as a major contributor to their past success, and they see it as even more important in the future; they understand the importance of business networking as a third millennium skill.

All managers need to understand this too. Having a good network of business contacts is indispensable as organizations increasingly span the world, horizontal relationships become just as vital as vertical relationships, decision time is shortened, organization strategies change frequently, relationships become more confusing (e.g., vendors who are also customers), and the knowledge gap between what you know as a manager and what you need to know continues to expand.

Note: An adaptation of this article was published in the January 2009 issue of the *Harvard Business Review*. William C. Byham can be contacted at Bill.Byham@ddiworld.com for more information.

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