

The Hidden Power of Networking



We all make use of traditional forms of getting new business in - advertising, direct mail, brochures etc but networking is one form of marketing which, has been under-utilised. Until now that is. Small business owners are finally beginning to understand the power of networking and what it can do for their sales figures.

But what is networking?

In its most basic form, it's word-of-mouth advertising but originated by you, not your customers. It involves taking every opportunity to raise awareness of your product or service amongst the people you meet. At a more sophisticated level, networking can be achieved by taking advantage of the formal networking groups or events that have been arranged purely with the idea of putting potential partners together. Perhaps the most famous example of effective networking was the First Tuesday group, which during the height

of the dot-com era, was the primary way of getting new business ideas across to the people with the dosh!

But how can you, as a small business owner, become a more effective networker and take full advantage of the opportunities presented? We are going to give you some key tips and ideas on how to be a better networker.

What are the key advantages of networking?

Networking has some very good advantages over the traditional type of marketing:

- It's free! Talking to someone costs nothing except your time
- It's targeted marketing in that it's likely the person you are talking to has a direct interest in your product or service. Consider newspaper advertising, which will mostly be read by people who have no interest in what you have to offer

- It's face-to-face marketing unlike direct mail, adverts and telephone calls. You have the immediate opportunity to establish rapport and get an understanding of the person's problems
- You have the chance to mix with business owners in other industries, which may open the door to new opportunities you had not previously considered
- It's not only a way of creating business but also a great way to solve problems and seek advice. Why sweat over a solution when someone has probably already experienced and solved the same problem? Ask and find out who can help you

Where to find a network

Finding a place to network, where like minded business owners are present, is not that difficult. Whilst you should be networking all the time - taking the opportunity to promote yourself where ever you can - it's more effective if you can meet people who are there to do the same thing; you can get onto the same wavelength that much quicker. Here are some possible networking opportunities to think about:

- Your local Chamber of Commerce or business club - as well as hosting their normal meetings (which are great networking opportunities anyway) they may hold regular networking sessions which are dedicated to putting business people together
- Business Link - with their remit of helping local small businesses, some of them may already hold network meetings where they bring together a batch of 'new recruits'. Check out the

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Business Link website for details of your nearest office and give them a call (www.businesslink.org)

- Trade Associations - your industry may have an association which holds regular meetings. Whilst you are dealing with businesses in the same line as you, so making it difficult to get new business, you will still be able to find solutions to problems and pick up new ideas. Who knows, if you establish good rapport with another business, they may be happy to refer surplus work to you or tap into a unique specialisation you may have?
- Seminars - keep a look out for seminars being run for small business owners. As well as being informative, they are a great networking opportunity, especially over coffee and lunch when you have the chance to start a conversation going along the lines of, "How do you think you're going to apply that point we learnt this morning in your line of business?" In just this one question you will have found out what business they are in and one of the problems they are currently facing. If you're lucky, you may be able to offer help as well - one extra sale!
- Anywhere and everywhere - remember to network all the time! Never miss an opportunity to tell people what you do. You may only get a successful hit in one out of a hundred contacts, but one sale may be enough to make it all worthwhile!

Where and when are meetings likely to be held?

Formal networking events can be held over breakfast, lunch and dinner. Breakfast sessions are popular because it allows business owners to start the day on a positive note, leaving the remainder of the day free for 'business as usual'. However, how good are you at holding a sensible conversation at 7 o'clock in the morning? If you don't look or sound your best in the early morning, then you had better find an alternative!

The best networking events are where you are free to 'work the room' and not be tied to a table with food being served.

Hotels and pubs are popular venues but if you are attending events hosted by Business Link then you may find them held at their offices.

What to prepare

As with any marketing promotion, any networking should be thoroughly prepared for. Badly presented sales pitches lead to lost sales; the same goes for networking. So what should you do before attending a networking session?

Step 1: know your products and services inside out. If you are only just starting out, make sure you are fully briefed on all the in's and out's of your product.

Step 2: Write and rehearse an opening statement to the question "What do you do?" This may sound an easy question but try thinking an answer on the spot and at the same time making it some good! Not so easy. Write a clear and concise statement, which encapsulates everything about your business.

Remember, this is your chance to impress! Having decided on your opening line, rehearse, rehearse and rehearse. It has to be word perfect and confident sounding.

Step 3: Make sure you have enough business cards. You don't want to scribble your number on the back of a napkin! Not very professional.

Step 4: Double check the venue and time. You don't want to turn up late and miss any opportunities or appear to be lacking in time management skills.

Step 5: Dress to impress. Make sure you are neat and tidy - everything a successful small business owner should be.

Step 6: Leave your house/office in plenty of time to make sure you don't arrive totally stressed out

You're off!

You have arrived at the venue and if this is your first time, what are you likely to do? Find the nearest corner and pray that someone doesn't approach you! Networking, especially the first time, can be nerve-wracking. It does take a degree of confidence but over time this gets better.

Top Five Reasons Businesses Succeed

1. The experience and skills of the top managers.

Over half of business failures are directly related to managerial



incompetence.

2. The energy, persistence and resourcefulness (the will to make the business succeed) of the top managers.

Many business owners have failed or come close several times before their "instant" success. Don't give up.

3. A product that is at least a cut above the competition and service that doesn't get in the way of people buying.

There must be a compelling reason to buy; the product is great, the people love to provide service, and the buying experience is easy and fun.

4. The ability to create a "buzz" around the product with aggressive and strategic marketing.

Make scarce marketing resources count. Do as much homework about your customers and their choices as you can before investing your marketing pounds.

5. Deal-making skills to sell the product or service at the highest possible price given your market.

It comes down to your customers' perception of the value of your product and sometimes the power of your personality.

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More useful information, advice and tips coming up next month