

THE N FACTOR

THE N FACTOR

How Efficient Networking Can
Change the Dynamics of Your
Business

Written by
Adrie Reinders & Marion Freijssen

WBusiness
Books

an imprint of New Win Publishing
a division of Academic Learning Company, LLC

Copyright © 2007 by Adrie Reinders and Marion Freijssen

Published by WBusiness Books,
an imprint of New Win Publishing,
a division of Academic Learning Company, LLC
9682 Telstar Ave. Suite 110, El Monte, CA 91731
www.WBusinessBooks.com

Cover Design by Gary Baltazar, Jr., 2007

All rights reserved. Published in the United States of America. No part of
this book may be used or reproduced in any manner whatsoever without the
written permission of the publisher.

ISBN 10: 0-8329-5006-8

ISBN 13: 978-0-8329-5006-3

Manufactured in the United States of America

11 10 09 08 07 1 2 3 4 5

Library of Congress Cataloging-in-Publication Data

Reinders, Adrie.

The N factor : how efficient networking can change the dynamics of your
business / Adrie Reinders, Marion Freijssen.

p. cm.

ISBN 0-8329-5006-8 (hardcover)

1. Business networks. 2. Interpersonal communication. I. Freijssen, Marion.

II. Title.

HD69.S8R447 2007

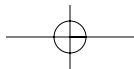
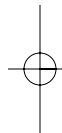
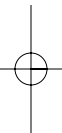
658'.044--dc22

2006039256



“No man is an island entire unto itself.”

—John Donne



*Thanks to the N Factor approach, I was able to find my
brother after more than 50 years.*

—Adrie Reinders

Contents

Prologue	ix
Introduction	1
CHAPTER 1: Networking the Old-Fashioned Way	15
Global Networking	25
CHAPTER 2: Maintaining Your Network	29
Events	35
Other Events	37
Is a Network transferable?	48
The N Factor and Charities	51
CHAPTER 3: E-Networking Tools	53
CHAPTER 4: Building a Network- Do's and Don'ts	75

CHAPTER 5: OHM Inc. - The N Factor at Work	79
CHAPTER 6: Lifestyle	85
CHAPTER 7: Networking in Politics	91
CHAPTER 8: So Many Countries, So Many Cultures	107
Vision on the N Factor in the East Coast, U.S.	110
Vision on the N Factor in China	112
Vision on the N Factor in France	118
Vision on the N Factor in Japan	123
Vision on the N Factor in the UK	129
Vision on the N Factor in the U.S.	132
Vision on the N Factor in India	135
Vision on the N Factor in The Netherlands	138
Conclusion	143
Index	145

Prologue

During the greatest part of my life I have been a technology entrepreneur. Envisioning concepts and acting to make them a reality is what I enjoy most. However, building a company is not something done in isolation. True success depends on an ongoing liaison with many, thus building upon one's knowledge base. To develop a universe of other professionals with whom to collaborate - is an art, the art of networking.

It is a given that developing and managing productive relationships with a diverse audience is the basis for a successful operation. Equity holders, directors, employees, customers, suppliers of goods and services et al, all contribute to a firm's viability.

Experience has taught me that productive dealings, especially with the right people, result in business success. You establish professional relationships, a network upon

PROLOGUE

which one can rely in a multitude of circumstances, maybe even "to fall back on" to. Only in the recent past have I realized that networking is truly an art.

Thus I became increasingly interested in this unique professional phenomenon of networking. I was doing a lot of it but not as well as I could have done. This resulted ultimately in the realization that maintenance of what, for me, had become a large network required structure, management and organization, lest its benefit be lost. There were valuable lessons to learn along the way. And, as Confucius taught, I would like to share what I have gained. This book, therefore, aims to pass on to you my perspective on one of the most essential elements of business transactions and interaction. Confucius instructs us that each individual is obliged to perform as best as they can in whatever they choose to do and ensure their knowledge and skills are passed on to those who come after. This ideal inspired me to write this book and share the valuable lessons of starting, building, and managing a successful network.

I am very fortunate to have worked in an age that is open to enterprise, in an industry that defines innovation and to have come from a country acknowledged as free, open and entrepreneurial. The same spirit attracted me to the U.S. where we established a base in the early eighties. However, given the common universe of business ethics and the rules of human interaction, where you are or where you work are subordinate to respect and openness for cultures and practices other than your own.

Introduction

This book has been written with two groups of people in mind: the High Potential and the Starting Entrepreneur.

If you are either, it could be that you do not yet realize that ultimate success in your career or business depends to a large degree on how successful you are in creating your own network.

Creating a network is a profession within a profession and needs to be structured well. It requires an ongoing active investment in time, taking many years to build. It will however offer you a greater return as time goes on.

The so-called High Potentials are young, well-educated people, late twenties to late thirties, working for large organizations. This group has the advantage of being introduced to technology from an early age and is used to living in a “virtual” world. As a High Potential you have your career mapped out in front of you. You have been selected by

INTRODUCTION

large organizations such as Unilever or Shell to follow a management program, exposing you to a variety of business areas and teaching you various skills with the sole purpose for you to achieve a senior position in the organization at some future point in your career.

The second group, Starting Entrepreneurs, whether younger or older, have a number of things in common: they are creative, “stubborn” in their views, strongly motivated, and very focused on realizing their ambition to distribute their service or product via their very own organization. They are impatient for success, looking for a quick win. However, this is contradictory to the fact that a network takes time to build, an investment that you make over time. You may already network a bit, intuitively (as you will have been forced to do from the day you started your own business) but often the danger is that you seek quantity instead of quality.

The common factor between these two groups is that they will need a network to achieve their ambition.

So what is the issue with these groups?

Entrepreneurs

This book is written with entrepreneurs in mind. In my view, entrepreneurs are a special type: they will often leave school early; they are not at their best in larger organizations and therefore are not easy to manage; and they voice their

INTRODUCTION

opinions clearly and have a mind of their own. If I look back on my own early career, working for smaller or larger organizations, things often started going wrong because I viewed the management team and business models with a critical eye. And often, I would not hide my views. However, my criticisms, suggestions and ideas would be discarded by my managers. If you are in the middle of this, you have the feeling you are “different.” You don’t quite fit in. And there is always a dream in the back of your mind to start out on your own, to do things differently. And what you see then, is that a lot of other people have the same drive and that there are a number of things these people have in common.

They have a dream

They have an enormous drive

They want to win

And mostly, against all advice, they continue to believe in their mission.

The catalyst can sometimes be technology, other times it can be sales. In all cases, there is the will to succeed. It does not really matter where you are an entrepreneur – be it Europe, the U.S. or Israel. You do see however, that because of the increased popularity of Initial Public Offerings (IPOs), there are a large number of entrepre-

INTRODUCTION

neurs who are driven solely by expected financial gain. This is the case in particular in the U.S. and Israel. If you observe Silicon Valley where around 10,000 technology companies are currently operating and where there is a huge pool of talent and money, the founding of a company has almost become an academic exercise. First comes the idea, then angel financing, next comes product development. After a couple of years there's financing by a professional institution such as venture capitalist or financial, then taking the product to the market and after five to seven years realizing a merger or IPO.

In such an almost scientifically prepared process, it is of incredible importance to have or build a sound network. Your network is one of the most critical success factors. We call this the N Factor.

The N Factor is not only about finding talent, angel financing and knowing the right venture capitalists, most of all, it is about creating an exit and knowing the right people who can help you shorten the lead time in the sales trajectory. Because you know people, they will help you get to where you need or want to be. In short, they emphasize and lend you the credibility to realize your success.

From my own experience, I know that entrepreneurs are not the most likely people to work systematically at their networks nor to register and manage their networks. They often do this "as it happens." As the N Factor is of critical importance to the success of every organization, I will pro-

INTRODUCTION

vide you with a number of examples in this book from creation via expansion to structuring of your network.

High Potentials

As High Potentials you often have relatively easy access through your organization to external contacts. This may create the false impression that proactive networking is not necessary or even that networking itself is very easy. You may fail to realize that the apparent simplicity of making contact is based on the strength of your company's brand or the product you represent. As a High Potential of a large organization such as Procter & Gamble you will of course be received more easily into a circle, than if you were approaching the same circle as Joe or Jane Blogs of Blogs & Partners Inc.

It is easy as a High Potential to neglect to see that while you are well-educated and receive special attention in your own organization—courses and programs especially geared towards you—an internal network is almost of equal importance as an external one. Moreover, it is also imperative to have a group around you that will support you on your way up.

One of my early and wise employers used to say to me: "If you ever do end up working in a large organization, make sure you get noticed. If that means you have to quarrel or argue with your bosses, do so. There is nothing more deadly to your career than having been working for a com-

INTRODUCTION

pany for over ten years, and nobody even knows you.”

Throughout your career, you will equally need your network to help you reach decisions and achieve your goals. If you don't have such a group around you, you will be blindfolded as you go. You will need to have access to all layers of your organization. For instance, it may be helpful to have access to a former teammate who is now the manager in Bangladesh who will be able to supply you with local information that could prove invaluable to you.

High Potentials are often found in the age-group of thirty to forty. With a short period of working experience behind you, you now reach the most critical, defining period of your careers. Having enjoyed a sound education, you may have commenced working at around twenty-five years of age - often starting in the lower ranks of a large organization. This organization will typically have a hierarchical structure based on the shape of a pyramid. As you look up, the tip of the pyramid is hiding in clouds and although you know that you want to move up the ladder, it is not clear yet how far you may rise and exactly how many others are climbing the same path. Moreover, one must realize that there is only a limited time in which you can still make it to the top. If you don't get to the higher echelons of your organization by the time you are forty-five, you can safely assume you will never make it all the way up the pyramid either. In short, there are about fifteen to twenty years if you are lucky to take the steps you need to get there, so why not use all the help you can. A network will most certainly give

INTRODUCTION

you a competitive advantage.

The era of life-time employment is history. It may seem, when working for a large organization and being recognized as a High Potential that the world is at your feet and you are assured of a solid career at that organization. However, history has proven that this is definitely not always the case. In this time of shareholders' value, the key goal of the organization is profitability. We have clearly seen in the past decade that this is often achieved by Cost Savings which in turn has led to a large number of Mergers & Acquisitions. Whole industries are being consolidated - banking, telecommunications, even the steel industry; nothing escapes the M&A rush. This leads to thousands of job losses as companies are brought together. So what happens now? You happen to be part of the wrong side; tough luck but you are no longer required as part of the core team. You will have to look for another position...so who do you know?

As an entrepreneur you have a totally different problem. Often you will have to manage so many different things at the same time. You will be working at all times and you may think you do not have the time to establish a network. You feel you are not able to spare time to go to meetings, events or professional gatherings let alone find time to go play a round of golf or visit a concert with a group of professionals or a summer BBQ. Before you know it, you become isolated and find the world is passing you by.

INTRODUCTION

Another issue facing entrepreneurs is the fact that there is often a limited window of opportunity to market your product or service and equally often, a limited amount of cash available. As an entrepreneur you will have to find ways to speed up the process of going to market. You cannot afford to lose a lot of time.

Other aspects that lead to the time-pressure High Potentials and entrepreneurs face today is the changing demographics. While (mostly) men used to be able to build their careers and their spouses ran their homes and eased pressure from this side - these days, often both partners are working simultaneously on their careers. They therefore have to juggle the pressures of work and family. This professional couple will probably decide to postpone having children until they are in their mid-thirties due to their career plans. The result is two High Potentials juggling the need to work long hours and finding time for their family and themselves. This time restraint would limit them to accept invitations or invest time in building other relationships no matter how crucial these may be to their careers. It becomes all too easy to see “social” gatherings as merely “fun” and something that can be done without as opposed to an item that forms a highly critical element of their future success.

In a world where quantitative skills and analysis have been emphasized over qualitative abilities at every turn of the road, High Potentials and entrepreneurs alike may well believe that eventually all decisions will be made in a pure-

INTRODUCTION

ly analytical quantitative framework and thus negate the need for a relationship with the decision maker.

However, given it is more likely than ever that in any opportunity there are likely to be several products, services, or individuals that are equally capable of delivering the desired outcome, it seems that the strength of the relationship and the network may be the final deciding factor in such instances.

Why The N Factor?

To understand what you are trying to achieve, you have to know what we mean when we use the N for Networking.

As we see it, networking is:

Building and maintaining relationships to establish a trust basis for the long term.

Networking is something that you should start doing the moment you enter the business world. Unfortunately, instead of it being a conscious process, it is often something that people have unconsciously and haphazardly done during their careers.

Nowadays, technology plays a key role in all fields. As we perceive the world getting smaller and smaller, the rapid growth in competition in whichever field you choose to be in becomes evident. Therefore, it is essential to create a competitive advantage for yourselves. Business is essentially

INTRODUCTION

all about dealing with people. That is exactly why you have to know them.

Let's take a few examples:

Time to Market

It is not only a matter of development time; it is also a matter of traction in the market. You need to know people in order to get in front of the right person quickly.

Local Knowledge

When you expand your business to other geographies or countries you have to rely on people you know and trust to provide you with relevant information about the area you are moving into and its culture. These individuals can also help you when things get tough.

Internal Networking

For those of you in a large organization, a network is an absolute must at all levels.

Employment

At the point in time you have to look for alternative employment, building relationships is too late. It is reported that at least 60 percent * —some say even higher—of all jobs are found by networking. Of course the opposite is also true, when looking for new people for your business you can use your network to find people you can rely on.

Financing/Mergers & Acquisitions (M&A)

For fund-raising it is absolutely essential to know who

* Source from www.linkedin.com/.

INTRODUCTION

provides your money. They should suit your business and add real value to it. They should not take ages in coming to a decision. For Financing, trust is the vital ingredient.

With regards to M&A, trust is even more important. If you are being acquired, it usually only happens once. It is therefore a key decision you will make in your business's life. Often your payment will be structured by way of an "earn-out" or with shares in the acquiring company. If it goes wrong - there is no way back. Therefore, the views of people you know and trust can provide valuable insights on the acquiring company or even, in the best case scenario, they could introduce the acquirer to you.

With a merger - due diligence can tell you a lot about a company, but it tells very little about the key people you will have to deal with. And yet, in more than 50 percent of the problem cases, this is exactly where it all goes wrong.

Large organizations are often also multinational organizations. It is highly likely that you will end up overseas for at least a period of time. This is a unique opportunity to learn another culture, to work with a different nationality and learn to manage both cultures in a work environment. Don't be tempted to stay within your own nationality regardless of the many groups you get invited to join. Use your time wisely and you will reap the benefits later on. When you do spend time abroad, it is always worthwhile getting to know local governments and visit Chambers of Commerce as these can be very helpful in getting to know others. This

INTRODUCTION

can benefit you if you should want to establish a base here at a future time.

Often people think of networking as a technique for selling goods, services, and/or brands more easily. However, there are a number of other good reasons why a strong network can be critical to your business.

For instance, in 1989 I founded Rijnhaave, a technology company. From the early days, the strategy was based on doing a roll-up with acquisitions in a number of European countries and the U.S. This would provide the basis on which we could continue to build the company organically. However, at the most critical moment—the consolidation phase of the acquired companies—the world hit an economic downturn. Information Technology, our market segment, was especially hard hit. This caused a number of financial institutions who were involved with Rijnhaave, to revoke their lines of credit. Without my network, this would have been the end of the organization. The company teetered on the edge of collapse. At such times, you truly experience the benefits of a strong network. In a very short time-span, I was able to mobilize accountants, shareholders, lawyers and management so that we could avoid a bankruptcy. Not only that, but we managed to bring the company out of this episode stronger than before. This was only possible due to strong, long-term relationships based on mutual trust. Two and a half years later, the company was successfully sold to British Telecom.

INTRODUCTION

While business schools and universities may teach you valuable techniques for running a business, the networking topic is strangely absent from the curriculum. It is imperative to make a conscious decision to start networking as early as you can. Those contacts that you make at the start of your career will grow with you as you go along and often they will rise in their organizations to a higher level just as you may in yours. Thus, this early group will become your network's most solid foundation. You will know them well, as you will have known them for a long time, and they will be in places where you are even more valuable to each other than you are today.

Relationships are like an exquisite wine, the older the better.

Chapter 1

Networking the Old-Fashioned Way

The definition given earlier for networking is: *Building and maintaining relationships to establish a trust basis for the long term.*

As with any successful endeavor, one must always be actively engaged, pursuing a set of goals. Networking is no exception. No matter how you may choose to partake, expect investment of some time and money. Needless to say, make sure you enjoy doing it and that it provides an unlimited scope of activity!

Remember, networking demands that you invest a lot of time—including a lot of evenings and weekends. Working globally can even be a non-stop job in this day and age.

Integral to effective networking is patience. It must be done gently. Liaisons with decision makers can be a bit of a challenge as they are reserved and skeptical. Developing a sound foundation for what will become a mutually bene-

CHAPTER 1

ficial relationship with them takes time. This is time well spent.

Never consider networking simply facilitation to selling goods or services to your contacts. Use these events to arrange a happening or, even, work against something. Here you will have the opportunity to acquaint yourself with a unique crowd, eclectic in their interests, nationalities, languages, and customs. Often inspiring, usually of value, networking is also a lot of fun!

There are a number of different ways you can start building your network, such as events, seminars, peer-to-peer networking events, individual meetings or even chance meetings.

Where possible you need to prepare for these meetings, you also have to gain the interest of the people you are meeting with, find something in common. And you should not forget to start using the electronic tools you have available as early on as possible. Enter the name of your contact in your CRM so that you can annotate it with other information which you may need later on. Neither should you forget to follow up after such a meeting within twenty-four hours or so, whether by phone call or e-mail. And last, but certainly not least, in all cases continually think of what you have to offer your new contact instead of just the other way around. Your contact has to have an interest to want to work with you, to get to know you better.

One way of proactively building a network is by organ-

Networking the Old-Fashioned Way

izing well-targeted networking events. For instance, assemble small groups who have the same interests, that is, CIOs working in varied industries spanning verticals, perhaps young High Potentials who have the skill and are slated for senior or board positions in a few years. With these demanding groups you must ensure well-targeted content, otherwise, it will be only a one-off event in which will not provide an opportunity to strengthen or build on your network.

Draw your groups together with an acknowledged industry icon to speak on a topic close to their interests. Thus, you can build an atmosphere for exchange of experience and expertise. An event that is well matched to a targeted group is the key to success.

Commonality of topic breeds an environment which fosters the N Factor so fundamental to networking. The audience experience is enhanced by the speakers themselves, their expertise and topic forming the environment for aligned thinkers to network. Smaller events allow all the participants to get to know each other well. Don't forget to provide a contact list for all attendees of those who did attend and distribute to all upon their departure.

At these events, a fundamental idea that is on the forefront of your mind as well as those you are engaging in a dialogue with should be "How can I benefit from this event...and what can I offer?" This idea will endure beyond the events and can lead to the development of mutually

CHAPTER 1

beneficial dialogues.

The very first contact is often the most difficult. You can plan carefully to meet people; however, timing is often an important factor. Taking the initiative with smaller, better targeted events often pays off as you, the organizer, can structure an event such that you achieve your goals. The event-planning theme is noted throughout this book. As you organize events pay attention to catering to a homogeneous group with common interests. Those in attendance will experience successful networking opportunities. Repeating the event ensures maintenance of valuable contacts made at earlier gatherings as well.

A good example of the above is a forum such as the one we organized in Dallas in late 2006 together with the Southern Methodist University (SMU) for CXOs from Texas. The event was based on a subject that is current, the role of the CIO in a modern organization. While the content is very important, with speakers from key companies like ExxonMobil, PepsiCo and Chiquita Banana, it is also of importance to attendants that they meet, exchange information, experiences, and of course, business cards so that the initial contact can be continued at their convenience.

My experience has been that larger events, trade shows, and so forth, lack the intimacy of contact to allow the best networking unless you prepare well. Otherwise, these events will result more in a business card collection activity and quick chats instead of leading to a more meaningful and

Networking the Old-Fashioned Way

valuable communication. Often the nature of a tradeshow means that it is too quick and short to really talk to someone and get to know them, or even to meet with pre selected people that might be important to your network. For me, these events become frenetic and without the substance required to further develop a viable and productive network.

If you want to use these types of large events to extend your network, try and find a way of getting a list of participants upfront. From that list, select five to ten people you would really like to speak with; make sure to maintain a limited number. Use search engines on the Internet to find out as much as possible about your selected persons so that you are well prepared when you do get your chance to speak to them. Everyone is susceptible to someone who seems to be knowledgeable about their achievements and activities. Even in this area, technology can assist in creating a better foundation for your networking.

Recently, we spoke with Mitra van Raalten, an entrepreneur with a background in the travel industry. During her career, she experienced this same problem and has now developed a tool together with a number of business partners to solve exactly this issue – how to pre-select the people that are worthwhile talking to at these large events. The tool is called “Matchwork.”

Matchwork© will enable people to get back in touch with other people based on the following principles:

CHAPTER 1

- Development of value added content based on input by those people themselves; “by people for people”
- Mixture of elements of “strong” and “weak” ties
- Cross bordering of all kind of social levels of society and business settings

Set of examples:

Market	Matchwork© field of operation	Examples
Congresses (one day/multiple days) National and International	Connecting visitors and participants prior, during and after the event. Creation of value-added input for this community	Congress Centers, Foundation of Education, NGO's.
Network organizations	Co-development with organizations that are focused on networking.	OHM Inc., The European Centre of The Experience Economy, Club of Budapest
Event/Concerts	Visitors get access to Matchwork© when buying an entrance ticket	Concert brokers and ticket offices
Educational Institutions	Stimulation of community, own campus, connecting	Middle and Higher Education, Universities

Networking the Old-Fashioned Way

(Online) Educational Institutions	With online offering of all kinds of education tools; possible to create a community (instead of only one to one) this is without borders of time and location	Digital University
Individuals	Connecting to create a marketplace for content	The-E-Factor (www.the-e-factor.biz), Hyves.nl , www.wineandfood-professionals.com
Corporate Companies	Community, connecting, knowledge management, internal communication, HR, social mapping	McDonalds, chain companies (hotels, food organizations, etc.)

If you are focused on networking, even random contacts can turn into relevant contacts for your network. Flying 250,000 miles a year, you can imagine I meet many people during flights. Some of the contacts in my network today, stretch back to flights I took over twenty years ago.

These coincidental encounters require very rapid follow up. Doing so at least within twenty-four hours is wise. In your follow up, clearly refer to that which held your com-

CHAPTER 1

mon interest (the film, book or other topic of interest) that provided fuel for the two of you to share ideas and interests.

This may sound a little obvious, but to best take advantage of these random encounters make sure you have something to say. Being able to answer the question "what do you do?" is essential. An exhaustive knowledge of your enterprise and the market segment in which it operates is a given. But go beyond this. Develop broad knowledge of general topics. Imagine how valuable the discussion will become when you speak knowledgeably of the profession of your counterparty, or even share appreciation and interest in the arts, cooking, music, and the like. You don't have to be a renaissance man, but it doesn't hurt to have a general knowledge of your contact's interests.

Keeping current with matters of (global) politics, business, and world events is a valuable weapon. As these spheres impact your ventures, current knowledge of them is essential. The value of this knowledge can serve a similar purpose as that noted above. It is a worthy endeavor to read several papers and magazines. Comprehensive understanding of what is going on in politics, corporate, as well as public life, and in the markets—M&A activity, New Issues/IPOs—are all fodder for good conversation. Needless to say, if your skill indicated here has an international flavor, it adds depth and complexity to your presentation.

Whether at preplanned events or simply during the

Networking the Old-Fashioned Way

course of living one's life, many of the contacts made have inherent and long-term value. Access to these contacts on demand is essential to best avail of the network. Fortunately, modern technology fosters enhanced cataloguing and retrieval through CRM software of which there are quite a few examples. The old Rolodex has had its day—the increasing time pressures of contemporary (global) business demand a system which gives you immediate and easy access to information or allows you to set alerts to key events.

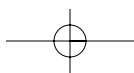
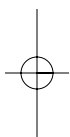
Yes, technology is a core element to building and maintaining networks on such a large scale. However, the essential element of networking will always be the people. You must always invest the time to visit your contacts face-to-face when possible.

Another method of accelerating building your network is by tapping into the network of someone else. The trust basis between you and the person who introduces you to their network is of critical importance. Without that trust people will be very defensive of opening up their network and contacts to you. I have experienced this a number of times. For instance, I was recently appointed to a board and asked one of the other board members for an introduction to someone he knew. His (fairly blunt) answer was “I don't know you well enough yet.” Again, this emphasizes the fact that you will first have to build a trust relationship before approaching someone to share networks.



CHAPTER 1

Once you have achieved the basis on which the other will introduce you to their network, it goes without saying that this creates the obligation on you that you will treat the other's contacts with the utmost respect and carefulness.



Global Networking

The global economy introduces a "wild-card" into the process. A plethora of customs adds to the challenge of building and nurturing good, mutual dealings.

In the United States it is quite acceptable to call just about anything a networking event. In Europe you have to be much more careful with this term. Nevertheless, in the U.S., networking has become an art form, which can vary from a charity event to speed dating; it is commonly accepted to choose the most efficient format to getting to know as many people as possible in as little possible time. It is no surprise that the "elevator pitch" was born in the U.S.: tell who you are, what you do and everything else between the third and sixth floor! And this approach always results in superficial and casual interactions rather than in deep and durable relationships.

Networking is sometimes seen as a clubby event. For example, in the U.S., there are many so-called professional "clubs." In these clubs, everybody knows one another and, where possible, will help each other. Becoming a member of such a club can be very beneficial to your network, particularly in the U.S. This can be a country club, a university club or a club such as the prestigious Bohemian Club in San Francisco. It is not always easy to join one of these, as in almost all cases there will be great scrutiny, strict balloting

CHAPTER 1

and a long waiting list. However, it is an excellent way of meeting people who in turn are well connected. In these club environments, you will meet like-minded people: individuals with a common interest or a common background. Most of these clubs do have strict rules regarding business transactions – you can meet people at the club, but business is actually done outside its walls.

In the same manner as the example of clubs in the U.S., each country has its own specific formats and structures when it comes to networking. They might be political, dependent on the school you attended such as Oxford or based on companies that you may have worked for such as McKinsey's, IBM or Procter & Gamble. They may be located across different countries, different cultures and different languages but they share a common background.

In the global economy "Culture Gapping" is an absolute necessity as many business transactions will take place across various countries or even continents. Culture Gapping is the quick establishment of a sound relationship between two or more parties from different cultures, based on the common denominator that each implicitly trusts the party that introduced them to each other.

Of course, you need to understand the culture of the country that you want to do business with. Moreover, you will also need to build relationships or if possible, friendships with people in those countries to help you further. This is where the term "Think Global, Act Local" comes to

Networking the Old-Fashioned Way

mind.

Also bear in mind that there will be numerous soft rules depending on the culture. When you are visiting a country for a few days on a business trip, you will see the airport, various offices, taxis, and hotels. During these sorts of trips it is often impossible to really start to understand the underlying elements of the culture you are visiting. When I started to travel to the U.S. in the mid eighties I often had the habit of wanting to set meetings on exactly the wrong days. For instance, one time I flew to the U.S. when the Super Bowl was on and everyone—literally everyone—was in front of the television. Or I announced that I was coming over “next Thursday” only to encounter a baffled silence followed by “but don’t you know it’s Thanksgiving?” This is not a good way to start your business relationships. It is worthwhile investing time to learn about the unspoken rules, holidays, and national interests of the country you want to do business with. This will show that you have an understanding and respect for that specific country.

In the Netherlands you are not going to be popular if you want to come over on April 30th (Queen’s Day) or want to meet for dinner on the night the Dutch soccer team is playing against Germany. Or in the UK, on November 5th all families will be thinking about Guy Fawkes bonfires and there, children will be roaming the streets collecting a “penny for the Guy.”

In France you have “Quatorze Juillet” - Bastille. On

CHAPTER 1

“Quatorze Juillet” you will not find anyone in the office. The French spend time with their family and will find it disrespectful if you ask for a meeting on that day. If you are visiting these countries you should not only know to avoid these days for doing business, but you should also understand what these days mean to the nation.

Similarly, it is good to know that it is pointless wanting to make appointments in the month of August in France, Spain, and Italy. Everyone will be on holiday, visiting the seaside with their families. In the U.S., UK and even the Netherlands and Germany holidays are much more often spread so therefore you can continue to visit people in these areas over the summer period.

Another element that is of importance in this light is knowing the political systems of countries you work with. Most democratic countries have a dual party system, where you have left- and right-wing parties with one of these in parliament and the other as opposition. This often will have its influence on the business world. On the other hand, you have the Netherlands where consensus is very important (the so-called “polder model”) and where you always have a political coalition in power.

At the end of this book you will find numerous examples of each country’s approach to networks, provided by people from these regions.