



NATIONAL WOMEN'S
BUSINESS COUNCIL



ADVISORS TO THE PRESIDENT,
CONGRESS, AND THE SBA

TOOLKIT

How to Build an Effective Social Network

Research has found that an entrepreneur's social network has a positive impact on the success and viability of their business. Business owners are always told to "expand your network!" but it can be hard to find the time.

The Noun ----- WHAT IS A "NETWORK"? ----- The Verb

Often, when we hear "social network," we think Facebook, Twitter or LinkedIn. But it is more than that. Your social network is your **web of relationships**, both online and offline. For entrepreneurs, social networks serve two purposes:

- **To access information and resources.** You might use your social network to access ideas, capital, emotional support, advice, mentorship, talent, customers and markets, inspiration...the sky's the limit!
- **To influence your outlook.** Your network also influences your ambitions and expectations of success.

"Networking" refers to the process of **building and sustaining mutually beneficial relationships**. There are two types of networking relationships that are important for business interests:

- **Close Advisors:** These are strong relationships wherein you may share many of the same relationships and have access to the same information, knowledge and resources.
- **Secondary Contacts:** These are more distant relationships with acquaintances that you talk to less often, but have the potential to introduce you to new and unique ideas, people and opportunities.

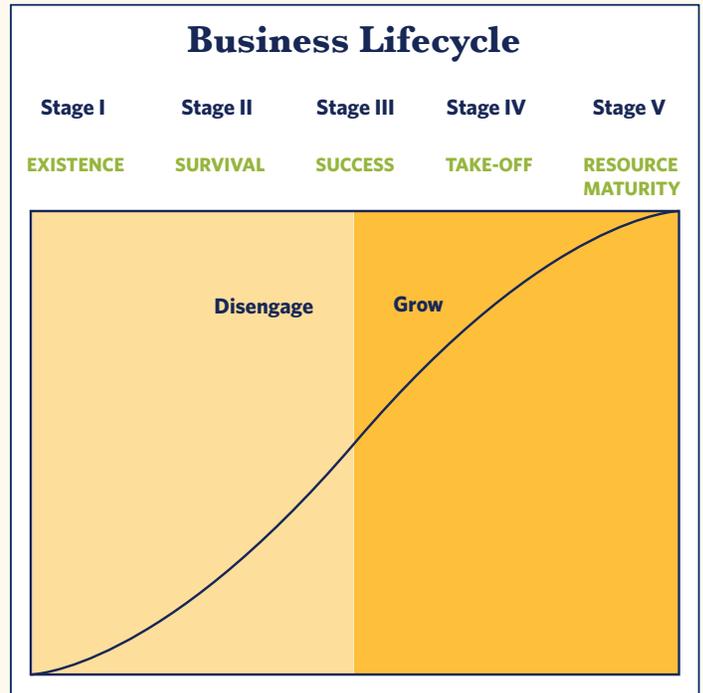
Building and maintaining effective social networks leads to better products, services or business models. We've put together some exercises and advice on how to build a strategic and impactful social network to help you meet your business goals.

1 ACTIVITY | What are your business goals?

What stage is your business in? Are you just starting; is your business in seed stage? Are you in survival mode, and just establishing your business? Or is your business established, and now you're deciding whether to grow or keep the business engine humming at its current size? Are you taking off and channeling your resources towards high growth?

Where do you see your business in five years? **Be bold!**

Now that you've defined your business goals, list 2-3 things that you would need to achieve your business goals. Financing? Talent? Systems? Customers? Technology? Branding?



* Churchill, Neil, and Virginia Lewis. "The Five Stages of Small Business Growth." *Harvard Business Review*. May 1983. <https://hbr.org/1983/05/the-five-stages-of-small-business-growth>

3 ACTIVITY | Assess your network using the concepts of Breadth, Connectivity and Dynamism.

BREADTH



Breadth is that your relationships are with a range of contacts with diverse perspectives which may come from school, company or industry experience, culture or other influences. The people in an optimally diverse network will have common ground with you *and* provide new ideas and other key assets that someone too similar to you will not be able to provide.

Are the majority of your “Board of Advisors” from the same place? Do your board members reflect a diversity of knowledge, experience and resources?

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Breadth Recommendations

- Attend a new conference. Meet at least three new people and follow up with them.
- Go to lunch with a peer from an adjacent company. Learn more about their business and how you could partner.
- Get involved with your local Chamber of Commerce.
- Be a guest speaker at a local or national event. Use it to build or strengthen your brand around a particular area of expertise.

CONNECTIVITY



Connectivity is the capacity to link people and groups that wouldn't otherwise connect. For example, you could be a connector between your university alumni community and your peer network. If the people in your network all know each other, your network is “dense” and new ideas and assets are less likely to flow through to you.

Do the advisors on your board know each other? Or is your board comprised of people from different networks?

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Connectivity Recommendations

- Join a peer network or connect with a business development organization.
- Take advantage of your next business trip to connect with someone you've lost track of. Have this person help you connect with someone new.
- Go through your connections on LinkedIn. Pick 10 second connections that you would like to develop relationships with and connect with them.

DYNAMISM



Dynamism is how fast-moving your network is. Another way to think about this: how does your network connect to your five or 10-year goals? A dynamic set of extended ties that evolves as you evolve. Your network should be continuously managed and updated to represent your present and future goals as a business owner.

How are your advisors poised to contribute to your future goals by using their own knowledge, skillsets and networks?

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Dynamism Recommendations

- Think about your five-year business goals. Find three businesses in your community that resemble this vision. Reach out to the owners.
- Ask your network to introduce you to thought leaders and innovators in your industry that could help you achieve your 10-year goals.
- Get in touch with a venture capitalist. Find out how she thinks about leadership and innovation.



Carla Harris, *Chair of the NWBC*

“The relationships within [your] networks are important because they can provide three things for you: 1) access to people you need to know; 2) information you need in order to successfully execute... and 3) the assurance that you need when you are not sure how to read a particular situation.”



Laura Yamanaka, *Council Member*

“You are more likely to develop relationships with people like you, so minorities and majorities and professional men and women are less likely to have highly overlapping networks; this is why savvy businesswomen assess their networks, identify diversity gaps and build relationships with specific people to fill those gaps.”

★ Is Your Network Meeting Your Needs?

How do members of your board support you? Do you need a mentor that has successfully scaled their company? Or a peer who has relationships in a new market? When evaluating your network you need to look through the following lenses:

Operational: These individuals help you work *in* your business; they help you develop your aptitude for functions, such as marketing, inventing, producing and managing distribution.

Strategic: These individuals help you work *on* your business; they help you develop your capacity to look to the future and match the strengths and weaknesses of the company with your goals.

Managerial/Personal: These individuals help you with your ability to delegate and manage the activities of others.

4 ACTIVITY | Plot out the names of your board members according to their role and how you seek their input. Names may appear in multiple cells.

Roles	Operational	Strategic	Managerial/ Personal
The ideal Mentor is an industry expert that offers guidance on development and key business decisions.			
Your Peers , people with generally the same amount of experience as you, ideally reflect a diversity of experiences and backgrounds.			
Influencers are widely known, respected and followed within an industry and community.			
Cheerleaders will help you when you need support or experience a rough patch.			
Realists keep you grounded and challenge your thinking and actions.			
Prospects are people who will be in leadership or decision-making positions five to 10 years from now.			
Connectors are people with a large network of their own who like to make introductions. They have access to people, resources and information.			

* Activity 4: Hollinden, Christine. "The 7 Types of People You Need in Your Network." *American Institute of CPAs*. Nov. 2014. <http://www.aicpa.org/InterestAreas/YoungCPANetwork/Resources/Networking/Pages//people-you-need-in-your-network.aspx>.

* Definitions: Ibarra, Herminia, and Mark Lee Hunter. "How Leaders Create and Use Networks." *Harvard Business Review*, Jan. 2007. <https://hbr.org/2007/01/how-leaders-create-and-use-networks>.

5 ACTIVITY | Assess your network and make a plan.

How do your board members help you achieve your business goals?

What roles are missing from your current network? Do you have too many relationships in one column but not enough in another? You may need to build relationships specifically to access one type of expertise. Does one person appear frequently? You may be too reliant on him or her.

Can you identify current members of your network — or new people — to play these roles?

Now make a plan for how you will engage them in your new, optimized social network! List three ideas for strategically optimizing your network.

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