



Recession-Proof Networking



My name is David Geldart and this discussion is about “Recession-Proof Networking”. By way of introduction, I’m the President of TISA, the Trade & Investment Services Alliance Network.

At TISA we don’t call ourselves an association; we call ourselves a “Network”, because networking has been called the single most effective way to build a successful business, and TISA is all about building and enabling business.

More specifically, international business. So we’re going to talk about the why, what, when, how and where of networking, and how networking can help turn the recession into a great opportunity for you.

Who is TISA?

TISA is a network of professional service providers doing business internationally. We have about 450 members, and we’ve just celebrated our first anniversary as an official organization. But TISA is becoming much more, it's becoming a *network of networks*, helping to connect networks together.

TISA is the brainchild of Mr. Alan Ballak, Senior Trade Commissioner with the Federal Government. Alan founded TISA about three years ago as a small core group of companies. He says he did it to help make his job easier, but I think we just created more work for him!

What is great about a network?

Networking produces information, and *applied information* is power.

It gives you leverage. It opens up new markets, new joint ventures, new clients, products, capabilities, and new strategic alliances. Networking helps you find what you are looking for.

Whatever you are looking for – that’s what you tend to find. Look for opportunity and that’s what you will find.

Networking is not about asking favors from people, or using people.

Networking works best when you *give* help, add value to other people, listen, connect with them. Successful networkers give as much as they receive, maybe more.

You've heard the saying – “it's not *what* you know, it's *who* you know...”

I don't entirely believe that, but it's true that - *who knows that you know* - is important - and *how* you know those people - is important too. It comes down to credibility.

Credibility

Sometimes, even if you know people, you may not have credibility with them. If you're the cleaning lady for the Prime Minister, you know him but he's probably not going to invite you to the Cabinet meeting. Having a network without having credibility is worse than having no network at all. Do you really need 50,000 people who think you're an idiot? It's better just to be an idiot in obscurity.

Of course, the people you work with know what you can do. But if people don't know you, then how do you establish credibility?

How to establish credibility

A big part of credibility is having integrity. It's usually pretty easy to spot people with integrity. That's what I call “internal or intrinsic credibility”.

Another way to get credibility is to *borrow* it. Have you ever heard the term OPM? That's Other People's Money. If you want to buy a house, chances are you are going to need a lot of OPM, in the form of a mortgage.

Well, there's also OPC - Other People's Credibility. People tend to judge you by the people you know and the company you keep. Right or wrong, that's how it is. When you join a network or association, part of the reason is OPC.

Global business, global connections

Business is global these days, isn't it? For global business we need global connections. Some say Toronto is the most multicultural city in the world. Walk down any street and you have instant global connections.

Our multi-cultural society is an untapped asset

Canada's multi-culturalism is a huge untapped asset, sitting right here under our noses. In Toronto we are connected to the world, and I think we need to start making better use of that. If you have even one friend who grew up in another country, you have a potential connection to millions of other people you could have never accessed before. Toronto is already a global network waiting to be tapped.

Six degrees of separation

Everybody's heard of six degrees of separation, right? The idea that a friend of a friend of a friend of a friend of a friend of a friend - is anybody you could possibly want to meet. It's called the *Small World Theory*.

Does it work?

Assume the average person knows about 100 people. And each of these people knows 50 different people - that you don't know. Then each of those 50 people know another 50 unique people, and so on up to six degrees. This multiplies out to be

$$100 \times 50 \times 50 \times 50 \times 50 \times 50 = 31.25 \text{ billion}$$

31 billion people. However, there are only about 6 billion on Earth.

If you only want to reach people on *Earth*, you can do it with only 5 degrees of separation, if your friends are a little better connected. Yes, you can cover 6 billion people in only 5 steps.

$$150 \times 80 \times 80 \times 80 \times 80 = 6.15 \text{ billion}$$

Connect with the connectors

Some people are better connected than others. In his book *The Tipping Point*, Malcolm Gladwell puts the Small World Theory to the test. He asks different people to try to connect to others. He discovered that some people act as hubs: to reach a certain person, a lot of connections were made through the same people. That means not everyone is connected to the same degree. If you can connect to one of these hyper-connected people, you've instantly taken a quantum leap in your network.

Gladwell has a simple test that he devised to test how connected they are.

He took 250 names at random from the Manhattan phone book and asked people to count how many people they know with the same last name. He found the average score out of 250 names, for established business people was about 39. But there was a huge range. Some people scored as low as 16, and a few scored over 100! Wouldn't you like to get to know *those* people?

Why do we talk about "recession proof" networking?

Why not just "networking"? The simple answer is that networking works no matter what the economy. But why do we focus on the Recession? Because a recession is generally considered to be problem, and where there are problems, people look for solutions.

What's the definition of a recession?

Some definitions of recession:

- Two consecutive quarters of declining GDP

- A phase of the business cycle extending from a peak to the next trough and characterized by a substantial decline in overall business activity--output, income, employment, and trade -- of at least several months' duration
- The ceremonial filing out of clergy or the choir at the end of a church service. That's a different kind of recession....

Economic Recession = doing less business than last year. Less income, less profit. It leads to losses, layoffs, bankruptcies. Losing your job is bad. Losing money in business is bad. It's all bad news.

Networking is important when things are good, but even more important when they are bad.

But networking is *not a quick fix*. You can't just go out and suddenly start meeting people to find a job, they will think you are just using them - and they are right.

The key to effective networking is to *give* more than you *get*.

You have to give everyone you meet some *benefit* from talking to you. One of the greatest gifts you can give someone is simply your full attention - the gift of listening.

If you need a job, you can find one through your network

If you go up to random people and start handing out resumes and asking for interviews, that's not likely to be very successful. You *can* ask colleagues or former co-workers to tell you which companies may be hiring, what is going on in the industry and so on.

Back to the recession -

Let's come back to this idea of the recession. Recessions are problems and problems need solutions. When there are problems things are open to change. In fact, things *must* change, to deal with the problem.

Crises bring changes

Consider the changes that took place as a result of 9/11: Fingerprinting at the border crossings, loss of privacy, increased surveillance, even wars. Look at the changes as a result of the economic meltdown... governments taking over banks, insurance companies, auto companies. New financial regulations, new global alliances, and shifting centers of power... it goes on and on.

Crisis and opportunity

The Chinese have a saying that where there is crisis there is opportunity. Some of the greatest fortunes were born out of the Great Depression in the 1930s. For example, John Maynard Keynes made a

fortune by buying distressed companies. If you are connected, and know how to recognize opportunity, you can profit greatly.

Problem is, most of us are too busy worrying about the recession to take advantage of these opportunities, or even to recognize them. Remember, if you are looking for opportunity, that's what you tend to find.

But instead, a lot of people are looking for something called "job security". I think that's kind of funny.

What is a job?

My definition of a job is - helping somebody who has a business. If your business is making something, say - umbrellas - and you need to make more, you hire somebody to help you. Presto, they have a job. I hear people asking the government to "create more jobs" as if you can just press a button and create jobs. A job is a by-product, it's a fruit. If you want an apple, there has to be an apple tree. Apples come from apple trees, jobs come from businesses. If you want more jobs you need more businesses, bigger businesses, better businesses.

Finding a job vs. making your own

I feel a little bit sorry for people who "can't find a job", because it means they are waiting for somebody else to create a business, somebody else to solve a problem, somebody else to seize an opportunity, somebody else to accept them... and they can't see the opportunities all around them. It's sad this happens so much in Canada.

Why? The World Bank has a website that ranks which countries are easiest and hardest to do business in. It's called the Ease of Doing Business Index and has about 50 different factors, such as getting credit, hiring staff, firing staff, corruption, starting a business, closing a business and so on.

Do you know which country is ranked #1 or 2 in the world for "ease of *starting* a business?" Believe it or not, one of the easiest places in the entire world to start a business is Canada. Actually the World Bank are talking about the ease of *incorporating* a business.

It gets better. In Ontario you don't even have to fill out a piece of paper or spend a penny to start a business. If you do business under your own name, that's a legally recognized business under Ontario law. Geldart Enterprises. That's a business. You don't have to register anything. Now I'm not saying that's the *best* way to run a company, but starting a business can't get any easier!

Snap your fingers, say the word, you've got a business. You're the President. You don't have a pay cheque yet though, that's a bit more work!

Recessions are the best times to start a business.

Maybe it's a harder to borrow money in a recession, but otherwise a recession is a great time to start a business. Things are cheap. If you are buying, it's a buyer's market. Want to rent a location? No problem. Looking for some staff? Say the word and you've got stacks of resumes on your desk. Salary expectations? No problem. Marketing? Your competitors are cutting back. Media rates are down, nobody's advertising.

Sure, fewer people may be buying, so you have to give them a more attractive alternative, they are open to new options. Need some machinery? Asset sales are everywhere. The best things are now for sale. Things you thought you could never buy, now they are for sale. Office towers, land, prized assets, distressed assets...

“PSST... Wanna buy a car company? Wanna buy two?”

Don't have a network? I don't believe you.

Pretty much everybody has some kind of network, a group of people they know. You just need to become *aware* of who you already know and what they do, so you can connect them others. Start with what you have and grow it.

Does networking work?

Sometimes when you network, nothing much seems to happen. You give some cards, you get some cards, it seems almost a waste of time. On the other hand, when I think about the people I know and work with now, people I didn't know 5 years ago, many came as a result of a single connection I made at a seminar a few years back. For example - how did I meet William? Through Alan. How did I meet Alan? Through Carlos. How did I meet Carlos? Through Gordon.

Where to network?

You can network anywhere you find other people. Don't be shy. Some people will talk to pretty much anybody and everybody, everywhere they go. I know a guy who is an “extreme networker” - he goes to a seminar of 300 people and by the end of the day, he's got about 300 new friends, he knows their names, what they do. He meets everybody, learns what they do and immediately starts hooking them up with each other.

Not everybody can do that, it takes a certain kind of personality - but we can learn from it.

Business and cultural associations are great networking venues. It can be church groups, school gatherings, planes, trains, buses, boats, anywhere there are people.

If you want to meet a *specific* person:

Do some research and find out where that person goes, what associations they are in, where they hang out, their favorite charity - maybe you can join it. Give yourself a reason to be where that person goes. Working together as a volunteer on projects with people you want to meet is a great way to establish relationships and demonstrate your value and abilities. People do business with their friends, don't they?

How to network

Introduce yourself or get your friends to introduce you. Networking is selling *you*, not your product or service. Start with a smile and a firm, but not too firm, handshake. Don't be a dead fish, and don't be a bone crusher.

When you meet new people, ask "what can I do to help you?" Don't try to sell things to people, at least not directly. Connect them with others, and they will connect you. Every time you call, they will take your call!

Mirroring

If you want to achieve instant rapport, "mirroring" is a great technique. In other words, if people talk fast to you, talk fast to them. If they talk slow, talk slow too. If people are short and abrupt to you, you can even mirror that! Mirror it back to them, and they think "*hey, this person is just like me*", then they loosen up a little and become nicer.

Business cards

When it comes to business cards, it's better to *receive* than to give.

Why? When you give someone a card, what do you have? The *hope* they may contact you if they need you someday. They might lose your card, their cat might pee on it, you have no control over what happens. But when you *get* somebody's card, what do you have? You have *permission* to contact them!

Take notes

Always carry a pen! Expect to find information and be prepared for it. Write information on their business cards if you like. Take notes so you can follow up.

Mingling

Some people say not to spend more than 10 minutes with any one person, you should make sure you circulate. I say that if you find somebody really interesting and you are making a strong connection, go with it. But be careful not to dominate them, give them a chance to circulate too, but make sure you close the opportunity to follow up. It's better to come away with one or two good contacts than 30

superficial ones.

How to remember people

When you meet them, look them in the eye. Repeat their name and try to remember it. If you hear their name and immediately forget, confess and ask them again.

Review the people you have met as you go through your day, make it conscious. In your mind, give them a number. The first person you meet, Larry – number one. Darlene, number two. Alberto, number three. As you go through your day, collect people.

Follow up: the most important part.

So you've met a bunch of people, you've collected all those business cards. The best thing is to follow up within a day or two as much as possible. A simple email will do, mention something specific you connected on. You have to nurture the relationship.

What about networking on the Internet?

Facebook, LinkedIn, Spoke, Twitter – these are great tools. They are a great way to keep track of your contacts and help you tell the world what you do and who you are. They can help you reach other people through your friends. You can publicize your events. You can Twitter and Tweet and get thousands of “followers”. You can vastly expand your network on the internet, there is no question - but it can be superficial.

The internet is not a substitute for a face to face meetings, it's a different kind of relationship. There are things you can achieve in a one on one meeting that you can't achieve on the internet.

Summary

Networking is the first step to building quality relationships. It's about achieving rapport and bonding. People like to do business with their friends. They buy from people they like or people who are like them.

Confidence and comfort zone

Build rapport and people become confident. When they are confident they buy, they hire, they joint venture, they do business.

In short - networking opens up new doors and helps you get where you want to go.

Here's to the *Power of The Network!*

David Geldart
TISA President