

## The Power of Networking in the New Economy

Sue Carrette

### Summary

- In the most difficult economic conditions for decades, attracting and retaining new business, or obtaining a new job is challenging. Those who succeed often demonstrate vital interpersonal skills – the skills of the successful networker.
- There are many activities in our daily lives through which we can develop networks, including; work roles, alumni groups and membership of professional bodies. Utilising just a few of these is likely to mean you will receive practical benefits from your networking. Examples include support in solving problems, enhanced opportunities and sourcing new business.
- As the world around us changes, so does networking. Gone are the days when relationships were made exclusively at conferences and golf clubs. Modern technology has had a huge impact on how we network and potentially has ushered in a new age of accessibility and inclusivity.
- A positive approach to networking consists of a number of different elements including: a proactive approach; an interest in others; a willingness to share and contribute; and above all be yourself. Trust is a fundamental element of networking and this facilitates confidence in our contacts and networks.

**The Chartered Insurance Institute is the world's largest professional body for insurance and financial services and is the leader in awarding qualifications to industry practitioners. Our Thinkpieces are a key part of our ongoing commitment to promoting innovative thinking and debate within the insurance and financial sectors. In 2012 we are celebrating our Centenary as a Chartered body.**

**The views expressed within the article are those of the author and should not be interpreted as those of the Chartered Insurance Institute or their members.** The author has asserted his right under the Copyright, Designs and Patents Act 1988 to be identified as the author and copyright owner of the text of this work, and has granted the CII worldwide perpetual licence to reproduce and distribute it in whole and in part. We welcome suggestions from potential contributors, but we are also seeking feedback from our readers. We urge you to get involved—especially as we intend some of our articles to be open to rebuttals for publication.

***CII Introduction: Getting a march on the competition is difficult during the best of times, let alone when conditions are as testing as they are now. Access to the right network of support and contacts can be the difference between success and failure. In our latest Thinkpiece, Sue Carrette examines how networking is changing with the advent of new technologies and how it can be of value to you professionally and personally.***

Several generations of established professionals and new graduates alike, are facing the most difficult economic environment in the post world-war-two era. Never has obtaining a new role, successfully retaining the current one, or attracting and retaining new business, been more important – or more competitive. This is a challenging environment in which to succeed, and increasingly those who do succeed demonstrate interpersonal skills which enable a collaborative approach to problem-solving, as well as access to a wide range of expertise and experience. Essentially the skills of successful networkers.

### **What is networking? Definitions and Activities**

So what is networking? How can it help us achieve our goals as professionals and individuals? The Oxford English Dictionary defines networking as; “interact(ion) with others to exchange information and develop professional or social contacts”<sup>1</sup>. It is also possible to define networking opportunities as ‘essentially any activity (online or face-to-face) within which we have the opportunity to meet, connect, and form relationships with others’.

Most of us, if asked may be surprised at the number of networks we can identify within our own personal and professional lives and the number of individuals to whom we can trace a direct or indirect connection. Activities which can develop these networks include:

- Current and previous work roles
- School/College/University Alumni associations and connections (often an untapped source within the networking context)

- Membership of professional bodies (and associated online forums and groups)
- Working on collaborative projects
- Attendance at conferences/seminars/presentations etc
- Work-related social functions
- Meeting the contacts of contacts
- Friends – and friends of friends
- Voluntary work and community activities
- Faith groups
- Sporting activities and clubs and other hobbies
- Family connections

This gives an idea of the range of opportunities for networking in our daily lives. Utilising a fraction of these opportunities is likely to ensure that we benefit from networking in practical terms.

### **What do we gain from Networking?**

Similarly a consideration of the benefits received as a direct or indirect result of networking activities is likely to include:

- Access to enhanced levels of information
- Help and assistance with problem-solving
- An alternative perspective and diversity of input into our professional lives
- Opportunities that we would not otherwise have
- Sourcing and attracting new business
- Assistance in obtaining a new role

A direct effect of the recession is that with reduced budgets in all/most areas managers are seeking to

---

<sup>1</sup> <http://oxforddictionaries.com/definition/network> (Accessed 9 August 2012)

source value for money as never before and this is increasingly demonstrated through recommendation (and by association trust) – a key aspect of networking. It has recently been suggested that since the onset of the recession up to 45% of new business is sourced and secured through personal recommendations<sup>2</sup>. Similarly in individual terms research in recent years has indicated that “90% of consumers trust peer recommendations; only 14% trust advertisements” and as with the sourcing of new business, the key issue here is trust<sup>3</sup>.

## Networking Myths

Networking has long attracted some negative connotations and so it is useful to consider what successful contemporary networking is *not*. Gone are the days when all networking was conducted in conference rooms, the pub or local golf club - activities which were often perceived as both a male and a managerial preserve, and generally were not known for inclusivity or equality.

However, common myths or misconceptions continue:

**Networking is manipulative** - largely consisting of individuals engaging in shallow relationships for short term personal gain. This is a misconception that can dissuade potential networkers from engaging in the process.

While there may be individuals approaching networking in this way, I would argue that not only is networking in its true sense the polar opposite of manipulative, but that individuals approaching the process in this way will ultimately be unsuccessful. Indeed, true networking tends to be characterized by long-term relationships built on reciprocity and trust – the very antithesis of a manipulative approach.

**‘Soft’ skills/interpersonal skills are less relevant** in challenging economic times.

---

<sup>2</sup> Business Networking International – BNI April 2012

<sup>3</sup> <http://blog.nielsen.com/nielsenwire/consumer/global-advertising-consumers-trust-real-friends-and-virtual-strangers-the-most> (Accessed 9 August 2012) and ‘Marketing and the Social Web’ Larry Weber, Wiley Publishing 2007

There is a perception that in recessionary times technical or specific knowledge skills are of most value while ‘soft’ or ‘interpersonal’ skills are ‘nice to have but not essential’. If anything potential employers and clients value interpersonal skills more than ever, because of their direct relationship to trust.

**Networking is hard work and time consuming** ‘I’m already so busy – I don’t know when I would fit it in’.

Networking *is* hard work – in particular in the earlier stages when we are new to it. But, if approached proactively it will more than ‘pay for itself’ in terms of the time allocated to it.

Many successful networkers would argue that their networks actually *save* them time, when seeking to solve a particular problem swiftly. Also experienced and successful networkers tend to be those for whom the process itself is integral to their professional life – and not a set of separate activities that they have to ‘remember’ to engage in. In addition networking can – and should be – fun! In many contexts you will find yourself spending time (either face-to-face or online) with others who share your passion for a particular product, industry or activity.

**I can be successful by working alone – hard work is all that is necessary.** The first part of this statement is true. We can all (potentially) be successful through our own hard work. However, it is highly likely that we will be more successful (and more efficiently successful) through our collaborations with others. Apart from anything else this will enable a diversity of input (and consequently experience and expertise) into our own work that would otherwise consist solely of our own experience.

## The rise and role of Social Media – a new equality?

In the business world the foremost Social Media tool is LinkedIn – although again this can be industry-specific and in some areas (in particular where direct interaction with customers is key) Facebook or Twitter may pre-dominate.

LinkedIn has in excess of 160 million users in 200 countries and its professional appearance and minimal

advertising have succeeded in easily establishing its popularity with the business community<sup>4</sup>. The role of LinkedIn in particular in the recruitment process is growing. It has been a key recruitment tool in the US for several years and is becoming a routine part of the process in the UK with research suggesting that 80% of companies use some form of social media for recruitment; 95% of these are using LinkedIn<sup>5</sup>.

The opportunities for individuals to be able to easily access networks that might otherwise appear closed or inaccessible, combined with tools built to support and enhance the networking and recruitment process, have assured the place of social media platforms within contemporary networking.

While successful networking approaches are now generally incomplete without the inclusion of at least some professional participation in social media as well as face-to-face activities – the balance between these approaches is likely to reflect a number of factors including; personal preference(s), industry-specific norms, (geographical and other) opportunity, age and experience. Professionals who are almost exclusively engaged in either face-to-face *or* online networking are unlikely to be as successful as they might be.

Recent years have also seen a demonstrable shift in the relationship between face-to-face and online networking. In the last decade it was the norm for individuals to use social media to keep in touch with contacts that they had already met face-to-face. This is reversing with networkers now using face-to-face to meet those they have already connected and shared ideas and information with, online.

The demise (or decrease) of some of the traditional methods may in itself have resulted in a networking context which is not only potentially more accessible and inclusive but is also inherently more meritocratic. In societies where some individuals will always have the opportunity to take advantage of family contacts or other social advantages to leverage professional and personal success, contemporary networking

approaches which actively encourage accessibility and participation using alternative networking groups and the power of e-networking and social media, may be a strategic way to go some way to facilitating a ‘level playing field’ and a new social mobility.

### Successful approaches to professional networking

A positive and successful approach to contemporary networking requires a number of key elements. The characteristics of successful networkers include: an outward-looking, externally aware approach which is positive and proactive; a strong interest in others and their experiences; and a willingness to share and contribute.

As with any professional activity – ensure that you prepare beforehand. If you are participating in a face-to-face event try to obtain a list of attendees beforehand and decide who you would like to meet. This enables you to research the individuals concerned and their organisations. Similarly do your research with respect to online forums and groups and join those that are likely to offer you the greatest opportunity to contribute.

When networking face-to-face it is useful to have a number of topics available for discussion with potential contacts – this is particularly easy at events where you may have both just attended the same lecture or presentation. However, do not make the mistake of pretending to have knowledge that you do not, because you feel that this will impress others. It is possible that you will encounter an individual who is an expert in the topic concerned (or at least has considerably more knowledge of it than you do) and discussion will therefore reveal you as false, and potentially untrustworthy. Above all – be yourself – be authentic.

Equally important is the positive impact of asking questions of your new acquaintances – successful networkers tend to be very enquiring of others and true networking is not a one-way opportunity to inform others of what you do/can offer etc. It also helps if you can approach such activities in a relaxed manner, with a smile and make eye contact and it is also positive to

---

<sup>4</sup> <http://press.linkedin.com/about> (Accessed 9 August 2012)

<sup>5</sup> Source: *Jobvite Social Recruitment Survey*

be inclusive towards others and draw them into conversations.

There are of course some pitfalls to be aware of when networking – and none of us tend to react well (either personally or professionally) to those who (persistently) let us down – or contact us only when *they* want something. If you promise to assist a contact with some information or a project – make sure you see it through – and if a genuine emergency or problem prevents you from doing so – ensure you explain why and offer to help again in the future. Ideally your offers of help or information to assist others should equal – if not exceed - the offers of help you receive.

Similarly, avoid gossip at all costs. Sharing information is one thing (and indeed is a key aspect of networking) but gossiping is entirely another and will above all cost you the key currency of networking - trust. Linked to this is the need to treat *everyone* you meet with respect. Expect to see *everyone* you meet again. The world of networking is peppered with stories of encounters that have gone disastrously wrong leaving the individual(s) involved to walk away philosophically with the thought that ‘Oh well X or Y doesn’t work in my company/industry/city – its not as if I’ll be seeing them again’ – only to find that a month later X or Y does now in fact work in their company – and in a position of considerable influence. One of the key positive aspects of networking – the power of serendipity also leads to one of its potential pitfalls – we literally never know when or where - we will encounter those we meet again.

Most suggestions for successful networking and caveats concerning potential pitfalls apply equally to the face-to-face and online processes. However there are one or two issues which apply disproportionately or exclusively to online activities. The chief of these is ‘do not make the mistake of treating the internet as a private space’. The world of networking now has almost weekly examples of individuals who have ignored this and aired on Facebook or Twitter, views about their employer/client(s)/co-workers (or other inappropriate material) only to find themselves very soon after involved in disciplinary procedures and/or

facing the termination of their contract of employment. As a general rule it is advisable not to commit any information or opinion (or photographs) that you would not be entirely happy for one of your co-workers to post on the wall in your (shared) office. Similarly, decide on the boundary between your personal and professional lives, where you are comfortable drawing the line, and what (personal) information you are comfortable sharing online and with professional contacts.

As well as the balance between face-to-face and online activities, integration between them is also key. It is essential that the ‘you’ that individuals encounter online, broadly reflects the ‘you’ they encounter when they meet you face-to-face – and vice versa. Consistency is a useful aspect in networking practice – not least because it develops and reinforces trust.

### The power of networking

A significant power of networking is the central place of ‘trust’ in the process. Successful networking is about trust above all else. We all want to work and collaborate with those we trust, and to buy from individuals and companies we trust.

A second powerful element in networking is ‘authenticity’ and this is directly linked to trust. In an often sceptical world where so much, from the claims of advertisers, government ministers or employers, is (or perceived) to be, potentially false, the value (and currency) of authenticity increases considerably. If we know our contacts to be ‘authentic’ individuals that we can trust - we have confidence in them. Authenticity breeds security in an uncertain world. The more uncertain the context the more we prize authenticity.

The third powerful element is longevity. As a key life skill networking is a lifelong activity. We are more likely to both recommend and trust those contacts we have known (and possibly worked with) over a number of years, rather than those we have met more recently, simply because we have more experience of them and therefore evidence that we can trust them.

In conclusion networking is a powerful activity. Powerful in its ability to leverage a positive outcome in situations where other methods and activities have 'not (yet)' succeeded. The 'not yet' is in itself of importance here as there are instances in which networking will achieve an outcome that could/would have been achieved by other methods – but will achieve it much more quickly. This power is increasing in value in the current economic recession where more and more individuals are chasing the same (or fewer)

opportunities. In this context any activity or process which provides an 'edge' or an advantage (either perceived or real) in such a competitive environment will inevitably be powerful.

Put simply "Technique and technology are important, but trust is the issue of the decade" Tom Peters<sup>6</sup>.

**If you have any questions or comments about this Thinkpiece, and/or would like to be added to a mailing list to receive new articles by email, please contact us: [thinkpiece@cii.co.uk](mailto:thinkpiece@cii.co.uk) or by telephone: +44 (0)20 7417 4783**



Sue is the Director of Sue Carrette Consultancy – which specialises in organisational and professional development services for the higher education sector, professional bodies and related industries. Sue has worked within the higher and professional education sector for over 20 years and has held roles for a wide range of organisations with a diversity of mission and culture. She has been a contributor to a number of national and international conferences and has a particular interest in networking practice. She holds a first degree in History from the University of Portsmouth and an MA in Higher & Professional Education from the Institute of Education, University of London.

The CII is the world's leading professional organisation for insurance and financial services, with 105,000 members in 150 countries. We are committed to maintaining the highest standards of technical expertise and ethical conduct in the profession through research, education and accreditation. In 2012 we are celebrating our Centenary as a Chartered body. For more information on the CII and its policy and public affairs function, including examples of the range of issues in financial services and insurance that we cover, please see: [www.cii.co.uk/policy](http://www.cii.co.uk/policy).

## The CII Thinkpiece Series

The CII Thinkpiece series consists of short 1,500–2,500-word articles on subjects of interest to the insurance and financial services profession and stakeholders, and are written by a range of contributors. If you wish to be added to a mailing list to receive new articles by email, please contact us at [thinkpiece@cii.co.uk](mailto:thinkpiece@cii.co.uk)

### Recent and relevant articles in the series:

**No.85: Road to the White House: what's at stake in the US election**, Ana Catalano Weeks (20 July 2012).

The world will be watching as Americans go to the polls on November 6<sup>th</sup>. The battle between present incumbent, Barack Obama and challenger, Mitt Romney promises to be close. Whatever the result, the consequences will be felt all over the world and not just in the US. In this Thinkpiece, Ana Catalano Weeks (Harvard University) considers some of the policy topics that will play an important role in deciding the winner and that will be of global significance to those in insurance and financial services.

**No.84: Perceived and Actual Risk in Financial Markets: Insights from Emotional Finance**, Nick Bullman and Richard Fairchild (13 July).

Traditional approaches explaining human choices in financial services have done little other than reveal our limited understanding of this subject. More recently, researchers have come to realise that emotions have a more powerful part to play in the decisions of casual consumers and professional investors alike. This article explore some of these new theories and their implications to understanding financial markets.

# Reflective Questions



Reading this Thinkpiece with respect to the learning outcomes below can count towards *Structured CPD* under the CII CPD Scheme. The questions are designed to help you reflect on the issues raised in the article in relation to these learning outcomes. Please note that the answers to the questions are not meant for CPD records purposes.

## Learning Outcomes

- To provide an understanding of what is meant by the term ‘networking’ in the modern world of work.
- To highlight best practices.
- To be able to consider the benefits of successful networking.

1. What is meant by the term networking and what are the popular myths that surround the practice?
2. How has social media changed the way we network? What benefits/impact has this had?
3. What approaches are necessary for successful networking?
4. What role does trust play in networking?



---

CII