

*All great leaders have the same commonality – they are at the core of a lively and diverse personal network. And it is up to individual members to cultivate, maintain, and consolidate their network. How can this be done and what specific qualities does it require?*

# The Invaluable Benefits of Personal Networks

Focus based on How to Build Your Network, by **Brian UZZI** and **Shannon DUNLAP**, *Harvard Business Review*, December 2005, and on an interview with **Keri HATTICH**, manager and executive MBA student at the Kellogg School of Management (Chicago, United States).

**W**hen Bill Gates landed his first contract with IBM, it was largely thanks to his mother! She was doing volunteer work alongside John Ackers, IBM executive manager in charge of operating system development. Mary Gates often talked with Ackers about eventual collaboration between IBM and the new breed of small companies. Microsoft's founder thus benefited from strategic information about IBM's plans, without which his skill with computers may never have evolved into business genius. According to Brian Uzzi and Shannon Dunlap, the large majority of economic triumphs and fundamental scientific discoveries owe their success to effective personal networks that are successfully exploited by exceptional individuals.

## The Three Advantages of Networks

### 1. Access to private information

Managers find out a lot from publicly communicated news, but also thanks to private information known only to a "happy few" whose trust they have earned. There are now so many sources of information—the press, the Internet, television, and so on.—that they have become overabundant and even unmanageable. On the other hand, these oceans of facts and figures make private

information from personal contacts all the more rare and precious. Managers with access to such information become veritable insiders, and they gain a clear strategic advantage, just like Bill Gates when he carried off first prize with IBM.

### 2. Access to diverse skill sets

A well-developed network makes it easier for managers from various departments to meet and connect with people who have a wide range of backgrounds and skill sets. For example, a manager in charge of product or service conception might take an interest in the problems encountered by a sales manager. As a result, the manager might pick up information that inspires new ideas and/or enables them to better understand issues of departmental interdependence.

*"I believe my success comes from the diversity of my contacts rather than my own intellect,"* believes Linus Pauling, who has won the Nobel Prize in two different areas – chemistry (1954) and peace (1962).

### 3. Access to power

In organizations with flat hierarchies, the power core tends to be spread out, making it even more complicated to figure out who exactly exerts the most influence or has the greatest expertise. According to Uzzi and Shannon, brokers are nevertheless able to guide executives

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through the corporate labyrinth, as they are connected with numerous people in both their professional and private lives.

## Network Upkeep

It is important for managers to determine who among their personal and/or professional acquaintances are brokers. They can ascertain this by drawing a three-column "network map", as illustrated in the adjoining table. This diagram shows how author Brian Uzzi has built up one part of his network.

→ The left-hand column lists the people who have been the most important to Uzzi's career. They include university professors who have helped him to ...

••• develop new ideas, write papers, and so on. For managers, these people may be experts in a field, mentors who have kept track of and guided their professional choices, colleagues, or friends.

➔ The central and most important column shows the broker who has been indispensable in building the network. This person has introduced Uzzi to those people who are most likely to enable him to develop his skills and further his career in the right direction. In this case, the crucial person is Steve Alltop, who is mentioned two out of five times.

➔ The right-hand column indicates whether Uzzi has enabled his other acquaintances to benefit from his key contacts. In sum, it shows whether or not he too is a broker.

### Countering the Inherent Limits to Network Building

Two out of three times, managers list "Me" in the middle column. They suffer from the "self-similarity principle", which drives them to interact with people who share similar points of view. A second reason why it may be difficult to enlarge one's number of key brokers is interaction that is limited to people who are physically close. In this case, the person is a victim of the "proximity principle". This weakness is all the more difficult to overcome because organizations generally need to divide people up according to their field. Uzzi

## Brian Uzzi's Network Map

Name of Contact	Who introduced you to the contact?	To whom have you introduced the contact?
Mark Granovetter	Me	
Greg Duncan	Steve Alltop	
Deb Gruenfeld	Me	
Henry Bienen	Steve Alltop	
John Wolken	Mitch Peterson	

Source: *How to Build Your Network*.

and Dunlap have a practical suggestion for dealing with such obstacles. They suggest that people should get involved in group activities like sports, clubs, or charity organizations. At work, "interaction is primarily devoted to professional concerns. So-called "social" activities make it possible to engage discussion about shared interests and to naturally connect with an alter ego." Hence, network development. Todd Reding, an executive in charge of a non-profit organization won the confidence of a potential customer by accepting an invitation to participate in a waterskiing competition. "We were very different from one another personality- and education-wise, but it was important to convince him that it was worth "investing" in our organization," Reding explains. "By taking part in an unfamiliar sport, I was able to prove that I possessed a certain strength of character. He thus concluded

that I represented a worthy organization. In addition, this experience broke the ice. Our exchange was no longer limited to solely professional issues. We could talk about the competition, our respective impressions and feelings about it, etc. We now had something in common," Reding concludes. No matter how extensive skill or knowledge may be, they are not the only keys to professional success. You also have to "cultivate a network" to demonstrate your skills and expand your professional outlook and horizons. In the long run, managers who have successfully developed relationships will in turn become brokers, receiving attention and gaining influence among those they know. ■

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Based on "How to Build Your Network", by **Brian UZZI** and **Shannon DUNLAP**, Harvard Business Review, December 2005.

## Network Building via Executive Education

Interview with **Keri HATTICH**, manager and EMBA student at Kellogg School of Management (Chicago, United States)

### When did you first become aware of the importance of developing a strong personal network?

When I realized the extent to which it helps you to progress in your career. For instance, I got my first job through a member of my network. The person alerted me of a job opportunity and called my future boss to personally recommend me. Shortly afterwards, I, in turn, was able to help a college friend obtain a position.

It felt terrific to help someone else, and the person hiring thanked me for recommending such a good job candidate. Reciprocity is a fundamental principle in networking. You must not expect any sort of payment for what you do, and you should not feel guilty for what you receive.

### Who are the members of your network?

Before working at a global consulting firm and before joining the Kellogg executive

education program, my personal network clearly fell into the category of "self-similarity" described by the authors. However, I have since been fortunate to develop a powerful network. This is a major asset for me, given my position in a global organization. In general, my network includes contacts from undergraduate and graduate school, and colleagues from my current or previous jobs. However, there are people I have met in untraditional •••

... circumstances that have become some of the most valuable members of my network. For instance, I have made contacts through philanthropic work like volunteer tutoring of underprivileged children and participation in organizations to support the arts. I have also met people through sports, like marathon training. In sum, my network has been enlarged with some of my most solid contacts thanks to what Brian Uzzi calls the "shared activity" principle. In these circumstances, you build up trusting relationships both easily and quickly. In addition, my network now includes far more international contacts and people who work in a wider range of professions.

### **Is that a result of your participation in the Kellogg executive MBA program?**

Yes, it is. Kellogg's renowned strength in marketing and strategy had always attracted me to the program, and I was also interested in the prospect of building my skills in finance, accounting, and economics. But speaking to Kellogg alumni was a decisive factor in my decision. Alumni spoke to me about the incredible opportunity that Kellogg had given them to strengthen their networks. The school places a strong emphasis on building up personal networks, and it takes deliberate steps to limit the principle of similarity by structuring study groups composed of people with diverse social and professional backgrounds. There are five other managers in my study group, and they work in the pharmaceutical, software, semi-conductor, insurance and travel industries. Study groups are also well-balanced in terms of age, gender, skill set, and international experience. Moreover, I have the opportunity to meet the rest of the 75 students in my class as well as students from other executive MBA programs located in Asia, Europe, Canada, and Israel. We have just begun a course called "Global Initiatives in Management", and its purpose is to focus intensely on one area in the world. In our case, it is China, and at the end of the program, I will be going to Shanghai, Beijing, and Hong Kong with a group of 90 students. I will also be going to Germany in the spring, and at the end of the summer, we will go to India to visit businesses,



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students, and political leaders. These trips are powerful experiences for discovery and sharing, and they are unique opportunities to create exceptionally strong bonds with other people. In a word, our networks grow exponentially during the two years of the EMBA program.

### **In addition to these international experiences, how else is the EMBA program contributing to the development of your network?**

Studying and taking exams are also experiences that create quick and enduring bonds between people. Moreover, through executive MBA program professionals have a chance to meet and develop privileged relationships with members of the academic community. Some of my professors have become an integral part of my network, and we have already developed a reciprocal relationship. I directly apply what they have taught me in my work, during the week, and I supply them with feedback on how theory has translated in reality when I come to school at the weekend.

### **Do you try to "pro-actively" build your network, as the authors suggest?**

I have found that maintaining and growing your network takes a considerable effort, especially when it comes to staying in touch with people who are not within geographical proximity. But for everyone involved, it is worth making this effort. My goal is not just to fill my address book, but rather to build a network that is diverse enough to transcend the limits of my own skill sets. The quality of contacts is more

important than the quantity. A lot of people use online networking sites to broaden their personal networks, but I think that the best way to establish and maintain contact is to communicate continuously and spontaneously with people. It is especially important to keep in touch with network members who are "information brokers", meaning those who are able to connect disparate groups of people.

In Brian Uzzi's course, we had to map out our networks, and I realized that I am also an information broker between a number of unrelated groups of people: work colleagues, college school friends, sports teammates, and fellow non-profit organization members. I also have five information brokers in my network: a former boss, a co-board member of a non-profit organization, a running partner, a Kellogg professor, and a current co-worker. They do not know each other, but they have all introduced me to people who have been helpful in my career or non-professional activities.

### **What is a good information broker?**

A person who respects and upholds the principle of reciprocity. Someone who is outgoing, likes people, and likes helping and connecting them. And someone who is naturally curious about anything new. You have to be able to make a constant effort yet remain humble. Connecting with different kinds of people means making an effort to leave your "comfort zone"; you must go out and actively seek the advice and expertise that you need. Being an effective networker means being capable of recognizing and accepting your personal limits. ■