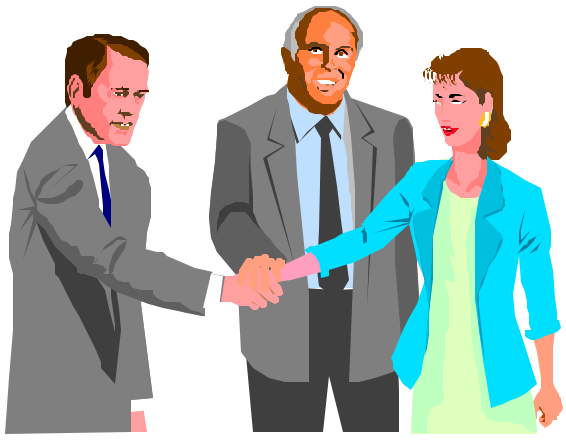
THE THREE STEPS

TO SOCIAL NETWORKING:

DEVELOPING, MANAGING & EXECUTING



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There are two key components to success in the business world, technical competencies and interpersonal skills. Interpersonal skills are more than just the ability to get along with other people. Among its many attributes, interpersonal skills include the ability to develop strong social networks. A social network is a web of interpersonal relationships that a person develops through the course of his life. These contacts can be clients, bosses, colleagues, friends, subordinates or any other person. The effectiveness of one's social network can be thought of in terms of its ability to provide access to influential people and privileged information, its ability to provide key pieces of information in a timely manner (prior to its widespread dissemination), and its ability to earn the person positive referrals to decision makers. Through an expansive and effective social network, a person's social capital is augmented, special abilities to complete the tasks at hand are provided and new opportunities are presented that may not have otherwise been available.

This was the case for Tom, Kevin, Sally, Denis and John. All five managers, who came from different industries and functions, provided unique insights as to how they ***develop***, ***manage***, and ***execute*** their social networks to be successful in their current position and to advance their career.

THE MANAGERS (Sociograms are located in Appendix I)

***Tom*–** Tom is a senior manager for a large high-tech manufacturer. In his current position, he is responsible for managing large projects with outside customers. His major objective is to find new ways to add value to customer relationships in order to bring in new customers and contracts.

***Kevin*–** Kevin is the VP of Internal Audits at a major national retailer. He has sixty people under him although only a few of these are direct reports. His responsibilities include ensuring the internal operations of the company are running properly and investigating any suspected issues.

***Sally*–** Sally is the VP of Training and Development at a major national retailer. She has spent most of her career in human resources for retailers in the UK, Canada and the US. In her current position, she has six direct reports but her entire division numbers close to 1500. Her primary task is to centralize the training and development function from across the five separate divisions of the company.

***Denis*–** Denis is an Assistant VP in a headquarters staff function for a large US insurance company. After rising through the ranks of the field sales organization, he is now in a liaison position between the home office and field organizations. His responsibilities include to develop and implement a new organization and compensation structure for the entire field organization (approximately 16,000 personnel) in the wake of a recently announced corporate restructuring.

***John*–** John is a Founder and Principal at a small Chicago-based management consulting firm of eight people. He has six people that report directly to him. His primary responsibilities include generating business for his firm and coordinating the efforts of his direct staff with the many other consultants that contribute to his projects.

DEVELOPING THE NETWORK

When developing social networks, there are two basic steps that must be taken. The manager must identify the people that are to be added to the network and then establish trust between themselves and the members of the network.

In identifying the people to be added, a manager needs to identify the objective of their network and what roles need to be filled. In many cases, the managers indicated that they observed who the different players were in their organization and what type of value-added benefit they would bring to their own networks. For example, when Sally took her new position as VP of Training and Development, a criterion that she initially used when developing her social network was to determine who had access to important information, who had access to

influential people and who were the real decision makers. After an initial reconnaissance, Sally strategically selected and developed her network to include the people who would help her in her new job function and who would champion her ideas and initiatives.

In some cases, however, having a goal prior to establishing a relationship was not the case. Denis and Kevin both developed the majority of their relationships through routine contact over a large number of years at their company (18 and 17 years respectively). Initially, both were clients in their network of contacts, which could be described as clique networks. However, these networks of contacts grew within the organization over the years as both Denis and Kevin moved to different corporate positions. This process transformed their clique networks into extensive entrepreneurial ones similar to Sally's.

A second trait that is important for developing an effective network is to establish trust within the relationship. If there is no trust, it is like building a house without a foundation— it will fail and collapse. Trust was established in many different ways for each manager. For example, Tom established trust through a series of information exchanges where each exchange added value to his contact and each piece of information he received from his contact added value to him. The exchange value for the data transferred was always worth more to the receiving party. Thus through this "value-adding reciprocity", a social roadway was built which was the beginnings for the relationship. John used a different method for building trust. As a founder/principal of his own consulting firm, he built trust by asking for help from his employees and co-workers. Although this tactic exposed John as having a vulnerability, it established a rapport with his contacts.

Common social activities also serve as a mechanism for building trust and developing rapport. For the managers that we interviewed, common activities included such events as going out to lunch, playing golf at a company tournament, having a drink during a social hour at a

business convention or simply being in the same carpool. As Tom indicated, common social activities also "help to figure out" how the other person thinks and reacts. Such an inherent understanding of the other person's personality is important when it comes time to ask for a favor because it helps one approach the person in an appropriate manner. In Sally's experience, going out to lunch was her most effective method of meeting new people and developing contacts. It was also a great way of keeping abreast of news and development in different areas within the company. Sally felt that staying at one's desk to get work done over the lunch hour could be detrimental in the long-run to one's career. Sally would often convert her work networks into social networks thus solidifying the trust within the relationships and being able to get more benefits than would normally might have been achieved. Through a combination of network selection and building trust, all five managers were able develop extensive and effective networks that helped them in their jobs (see Appendix II).

MANAGING THE NETWORK

The next step for a network connection beyond development is a stage where the connection needs to be managed, and then eventually executed. Management of networks is the way business is done through information exchange, promotion, trust and cultural understandings. The manager's ability to perform these tasks in this "gray" area determines his professional success. Managing network can be thought of as the middle circle, with the developing and executing circles encroaching from either side (see Appendix III). Opportunity and proximity play a large role in the speed of progression of relationships.

At this point, initial ties are reinforced through commonalties, shared interests, or whatever brought the two people together. For example, Tom developed an extensive network of customers outside his company who he doesn't get to see very often. This is a difficult network to manage, simply because of the sheer volume of clients that all connect through him, the

broker. Tom has succeeded because he recognizes that these contacts rely on him for informed opinions and technical knowledge of a fast moving industry. Tom understands that in order to manage his contacts toward a leverage point, he needs to hold up his end of the deal. This means to respond quickly, thoroughly, and decisively to their requests.

The management of relationships does not have to involve business exchanges at all. Sally created common ground with a senior manager, Bill, by picking up on the fact that he would be vacationing near her hometown in the UK. By presenting information and offering on the ground assistance, Sally found herself as the broker of information for an issue important to Bill. In another example, Kevin quickly found himself in managing a relationship simply because he carpooled to work with an influential manager from another part of the same company. This extended time with the full attention of a peer was a perfect setting to quickly get beyond office introductions and small talk and onto personal goals and sharing of experiences.

Tom best described maintaining this sensitive part of the relationship as using a lot of "common sense", more dependant on interpersonal relations than on business mandates. Simply put, "Give the customer what he wants, when he wants it." Maintaining a high level of trust for an extended period of time allows for much easier transition into the leveraging stage of the relationship.

EXECUTING THE NETWORK

Networks are becoming more and more important as the structure of business changes. The ability to make decisions and to advance in one's career is increasingly dependent on one's network and the ability to extract value from one's contacts. Although there are definitive steps that must be taken in order to build a network as previously discussed, there is no set structure for a successful network. How it will develop and be executed is dependent on the job function

of the executive as well as their own, personal style and personality. During our interviews, three network structures were identified and expanded upon below.

The Bow-Tie Network (see Figure 1 in Appendix I)

We described Tom's structure as a bow-tie because he is the center component with two distinct network groups fanning out on either side (external contacts and internal contacts). This is a particularly suitable network for his job as he gathers information from the clients and passes it along to the appropriate person within his company and vice versa. This clearly shows Tom as a broker in the network structure whereby he fills the structural holes between the isolated participants in the network and makes himself an extremely valuable player to many groups. Since he is recognized as being a 'reliable guy', more people go to him for help and advice which increases the amount of information he has to share. And, since he has so many contacts, he can double-check most of his data to ensure that it is accurate. For example, when Tom was approached by a leading telephone company, he was able to secure a lucrative business contract from them by analyzing the client's future expansion strategy into telecommunications. How was Tom able to do this? He leveraged his internal company contacts that were the specialists in various functional areas. By piecing together the internal inputs, Tom provided a value-adding product to the client. Realizing the benefits of a long-term relationship, the client contracted Tom's company for other successive future projects, thus making Tom the rainmaker for his firm.

The Octopus Network (see Figure 2 in Appendix I)

Sally's network has earned the title of the octopus because of its far reaching 'tentacles'. Her career began at a retailer in the U.K. where a contact that she had made recommended that she be promoted to a position in the company's Canadian division. While in Canada, she expanded her network in North America through her position as well as through conferences and conventions

in the retail industry. It was this contact that expanded her network in the US and ultimately led to her current position of vice-president. She also took advantage of the foreign assignment to make contacts with the upper levels of management of her company in England. Sally's actions to build her network were influenced by her position in the human resources field. This type of job promotes the sharing of ideas and issues amongst people in different companies, within the same industry and even beyond. Her network is also dependent on her personality. Sally is an extremely outgoing person who is very open to meeting new people. She is ambitious and seeks out the people who are the best at what they do. By pulling these achievers into her network, she can learn, gain information and advance her career.

Viewed within the context of a single company, Denis' network also developed into an "octopus" structure over time as he eventually gained familiarity with people in every area of the company. During his tenure, Denis has held several key broker positions in the organization which have increased his exposure beyond the performance-based clique network developed by attending corporate sales functions early in his career. The broker positions put Denis in contact with greater and greater numbers of individuals throughout the company, but in contrast to Sally's network management techniques, Denis' contacts were maintained largely through working relationships and not on a social basis outside of company social events. Through the years Denis' network has expanded beyond the company to include individuals met through professional conferences, people who have left his company, Kellogg classmates, and consultants.

The PlanetaryNetwork (see Figure 3 in Appendix I)

Throughout his career, Kevin has developed and maintained contacts in a planetary network, marked by its separate and distinct areas that orbit around him. Because his job responsibilities (internal audit) transcend into other department's internal affairs, Ken needs to leverage his

contacts to combat the territoriality he can encounter when investigating these sensitive issues. One of these brokers is Jack, a senior VP of communications, who by the nature of his job is well in tuned with what is going on in all parts of the company. Through Jack, Kevin is one degree away from the rest of the company's senior management, including the chief executive officer. Kevin generated other connections to other departments when he "cultivated and farmed out" some of his talented workers to other divisions (i.e. Finance, accounting). Even though these people are now in a new department, they still have an informal link back to audit that can be leveraged for future communication and insight.

Outside his company, Kevin maintains a couple of different networks that all give him an enlightened third party opinion for issues he may have in his day to day job. Kevin often draws upon the collective experience of his former coworkers at his previous employer, a big four accounting firm. Since Kevin has left, some of these former coworkers have risen to senior partner levels and have a valuable perspective on the industry that spans many clients.

Kevin can also seek advice through his membership to two distinctly different trade organizations, using each structure depending on the issue at hand. The first organization was described as an old boy's club because the group was small, met regularly, was social in nature, and its members were all senior level managers with large, national, consumer products retailers. Assistance gained from this association tended to be of general management issues, for instance company responses to major changes to the industry. The other trade association was not a web of informal contacts, but of silos of specific skills. This structure lent itself well when Kevin could focus his problem so that all he needed was the advice of a few specialists.

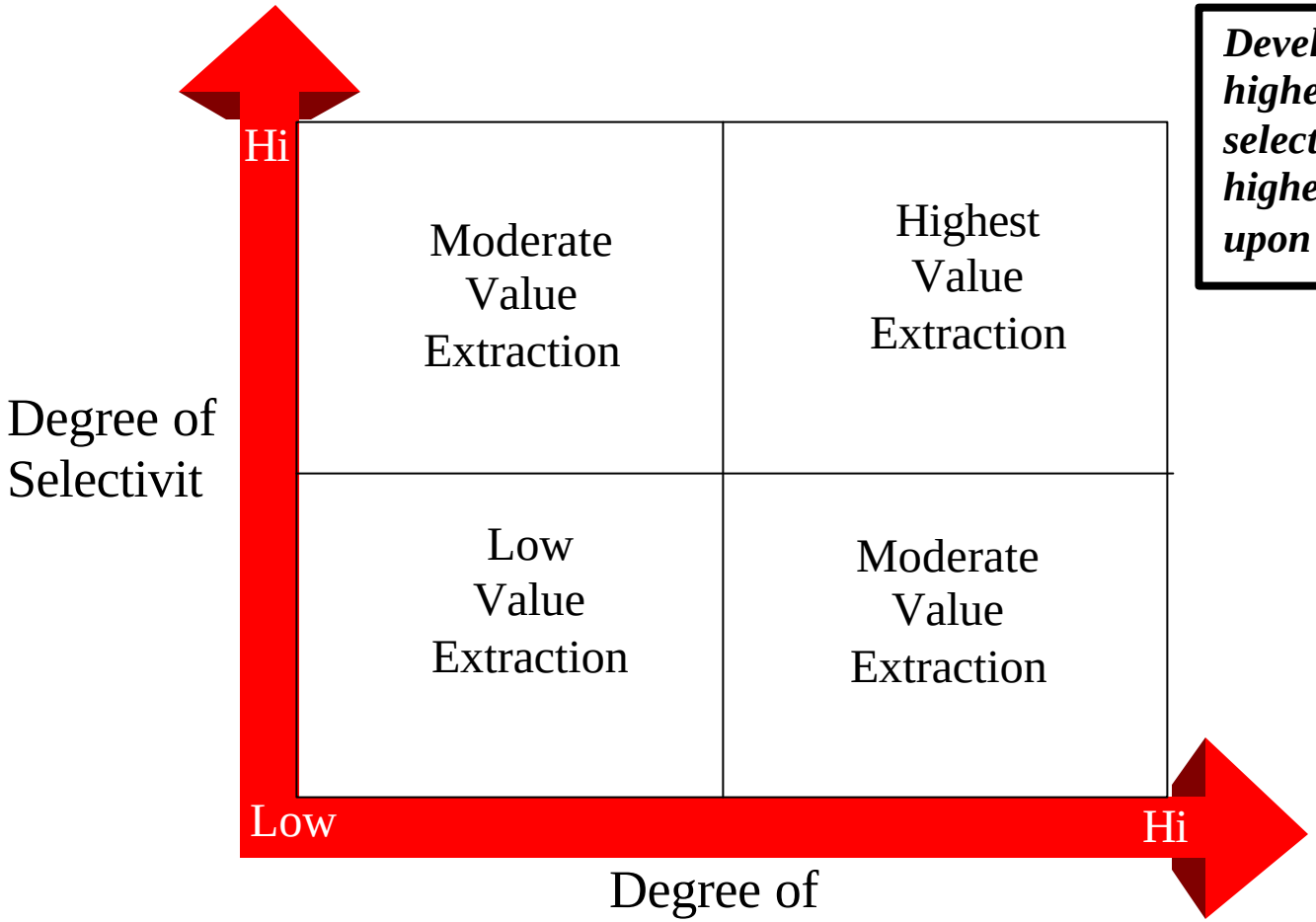
CONCLUSION

All five of our interviewees have developed, managed, and leveraged effective networks over time. However the structures of the networks differ significantly, dependent upon the

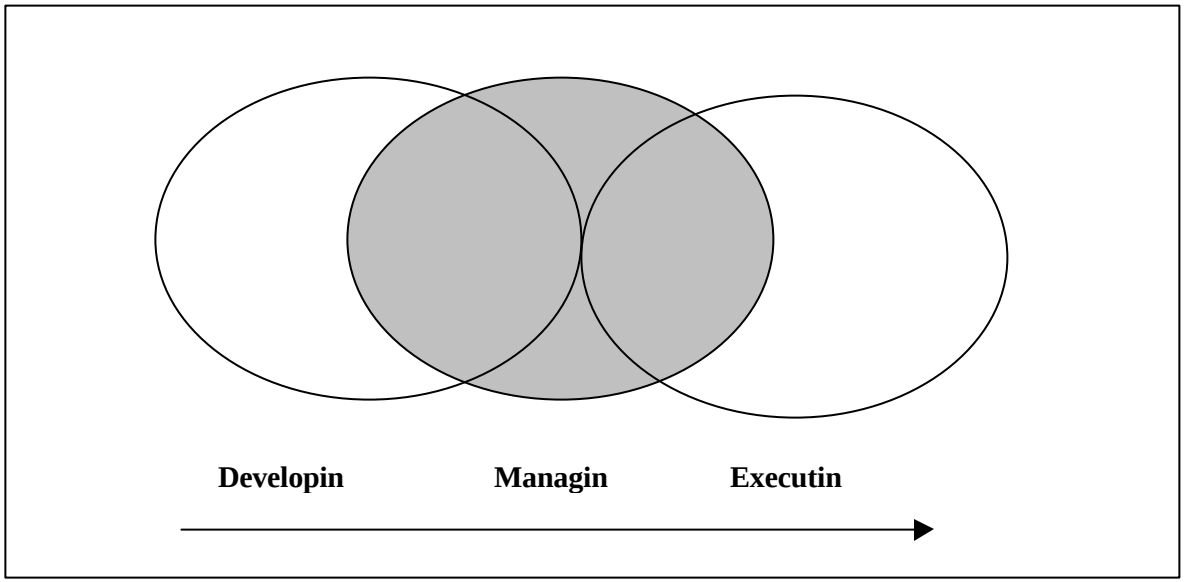
nature of the individual's organization, their goals, and their personality and social habits. In some cases the structure of the network evolves over time, such as clique networks gradually evolving into entrepreneurial networks. Factors of individuality are also reflected in the way the networks are developed, managed, and executed.

Network development can happen through working relationships within an organization, or it can be premeditated. Through our research, we find that trust must be built and maintained, either through social activity or responsiveness and quality of professional exchanges on the job. Although not clearly distinguishable from either developing or executing the network (overlap exists), managing the network is accomplished by maintaining and reinforcing the ties that brought the individual together with his or her contacts in the first place. Executing the network, the act of extracting value, can be accomplished by active maintenance of the network ties.

Appendix II:
Benefits of Network Selection & Trust



Developing Networks: A higher degree of trust and selectivity can lead to a higher value extraction upon network execution

Appendix III:

Progression of Networks