ELIE2.0
Innovation in Enterprise Education

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OUTPUT 10
THE ELIE 2.0 COMMUNITY NETWORK MAPPING TOOLKIT

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FOUNDATIONS

The overall importance and role of networks and networking in the success of any business is crucial. For those in the area of business start-ups and new ventures this is even more pronounced. The stronger and more diverse networks are the greater the chances for success. Interacting with networks of friends, suppliers, customers, business support organisations and formal networks such as LinkedIn or with local institutions such as a university or civic authority, depending on the type of business can help to define goals, clarify questions, and get answers. It is crucial to communicate knowledge about the new business, to ask for support, to widen the client base, to interact with a new 'audience'. Networking is also important for the germination, the emergence of the business idea itself and whether to start a business at all and if yes, in which area. Knowing the experiences and opinions of others in this field can help the potential entrepreneur to get acquainted with the daily life of an entrepreneur, its advantages and difficulties, and thus to take these decisions to choose this path.

Networking is a means of verifying the idea for the company through talks with industry institutions, business environment organisations, research units, potential customers, and potentially competitors. The potential entrepreneur learns about new trends in the industry, product, process, organisational and marketing innovations, sources of financing.

Starting a business is about being able to perceive and recognise what already exists so as to design an enterprise making the most of existing social and material resources, rather than working in a vacuum. From a regenerative enterprise point of view, it's about revealing whole new parameters of possibility by recognising non-financial forms of capital (e.g., the social, cultural, experiential, intellectual and material capital) that elements of a network can provide.

What Is a Network?

You may have heard the phrase "it is who you know, not what you know" – that is the power of a network. A network represents a pool of contacts that can provide you with information, market know-how and knowledge, advice, and potentially other contacts which can help to expand your network. Networking is the process of meeting with people who are directly related (or could be directly related) in some way to your business and business idea. A network can include, but is not limited to, other business owners, suppliers, and customers (potential customers) who can help to grow the business idea or the business itself. By regularly networking, and pushing yourself to talk to people you don't know, you will get increased confidence the more you do this. This is really important because your business growth depends on making connections.

Building contacts across sectors, building visibility, establishing consistency, are all key to success and longevity. Thematic and geographic networks often bleed into each other and putting the time and effort into any and all that are relevant at an early stage can accelerate success.

Networking should be thought about as a form of 'partnership' – it is not a one-way process. It is the development of, and communication with, like-minded people. When someone is a part of your network, you also become a part of his/her network. A strong business network can be seen as an important business asset. Many times when one company buys another it is buying its list of clients, or its network along with the physical assets of the business.

Be open! Define the time you are able to spend on networking, it is a working time and not a leisure activity. Making time to network is essential to developing your business.

The Toolkit

In this toolkit we seek to assist in:

- mapping out your networks;
- adding-on new contacts to your network; and,
- identifying ways your network can support your new venture

This toolkit will assist you in terms of:

1) Making networks explicit for those who are not accustomed to identifying networks;

2) Visualising the relationships between elements in a network to make best use of networks;

3 Providing a set of prompts to assist in understanding how best to work with networks to support future plans and goals; and,

4) Offering a system for capturing what is usually a concept that can be difficult to understand.

How Was the Toolkit Put Together?

We undertook a benchmarking study of best practices based on documents as well as interviews and focus groups, in four countries (United Kingdom, Bulgaria, Poland, and Greece), with individuals representing:

- National and city based Chambers of Commerce;
- Municipalities;
- Third sector organisations; and,

- Vocational Education Training (VET) providers.

We collected information related to networking based at two points in time which will be discussed in turn:

- Inception of the business idea
- Start-up of the business itself

NETWORKING AT THE INCEPTION OF THE BUSINESS IDEA

Building a network and networking needs to occur during the inception of the business idea. The knowledge gained at this stage will be used to find a market niche, develop a competitive product or service and prepare a business plan. Many new business owners do not effectively apply networking principles at this stage and often simply start their business based on their dreams and plans without going through an effective staging process.

The most important aspect of this is to form a network of 'supporters' of the business idea. This should include the formation of a network of 'like-minded' people or people who have an interest in your success. You can utilize this group of people for advice, opinion and information as to the potential of the business idea and start to better understand the business idea from the financial side. Seek as much information as possible, from as many sources as possible, about your business idea. The more information you collect, the greater your chances of understanding the potential and pitfalls of your business idea.

At inception stage there is generally a lot of passion, excitement, positivity. Getting out and talking about your new business idea whilst its fresh and exciting provides a tremendous source of energy that needs to be maintained and nurtured. There will be 'doubters' in the network so ensure that you take this information into account and not simply discard it because it does not meet your expectations or confirm your beliefs.

Key People in Networking at the Inception of the Business Idea:

Some of the key people and organizations identified during the inception stage for networking include:

1. successful entrepreneurs in the field
2. new entrepreneurs in your community (other self-employed people)
3. consultants, experts (lawyers, accountants, etc.)
4. local communities and municipalities – Chambers of Commerce
5. family members
6. social entrepreneurs
7. social networks
8. government departments (local / regional) and NGOs that support start-ups
9. friends
10. Universities, especially their business development teams
11. professional organizations (e.g., Chamber of Commerce)
12. funding institutions and / or business angels / investors / venture capital
13. clubs – business or social
14. representatives of potential customers of the product/service
15. potential subcontractors / suppliers
16. legal advisor / accountant

What areas of networking are entrepreneurs good at leveraging in the inception stage?

Training (formal or informal) is important and useful. In this context, a link with organisations or individuals from which entrepreneurs can draw knowledge is important. Training is very important to structure the knowledge and to help entrepreneurs set goals. NGOs, higher education institutions, guild alliances were among the opportunities mentioned for networking.

It was also mentioned that personal networks of friends, family and business associates as well as social media networks are being effectively used by new entrepreneurs, especially by younger people. It was suggested, however, that during this stage more direction to organize the information in relation to the direction of their potential business as well as funding programs would be appropriate

New business owners also need to develop skills in networking with other entrepreneurs who are willing to share their experiences. This is a great learning opportunity and can also 'save' a new business owner from making similar mistakes. Being associated with 'like-minded' individuals is crucial within this stage.

What areas of networking are entrepreneurs NOT good at leveraging in the inception stage?

It is suggested that during the idea generation phase understanding ones' business network and potential funding institutions (national, regional or local government and NGOs are often not being effectively utilised. Examples were given of situations where possible start-up funding was identified AFTER business start-up that was no longer available as the business had been established.

At business idea generation it is suggested to be more 'social', make new acquaintances, and participate more in events and presentations, to search at local or regional level for key persons and organizations. Also, try to create collaborations and partnerships – you shouldn't be an island. Potential new business owners need to go outside their comfort zone to meet people – they limit themselves by avoiding certain networking activities or only focusing on those they are familiar with. Mentoring is also another underutilised activity that can bring great benefits.

The final area that our experts indicated is important is that new entrepreneurs need to remember they need to form relationships during the networking process and not expect

everything to be given outright. Networking at the inception stage is about building and forming relationships.

Best Networking Advice During Inception Stage?

The best things for a new entrepreneur to include during business idea generation:

- find his / her supporters, like-minded people, to support the idea and to motivate and inspire its development – cheerleaders and coaches for the idea.

- use networking as a chance to start building up the brand and image of the company prior to start-up

- talk to a business counsellor / advisor

- build your network as wide and deep as possible

- be open to rethinking the business idea / flexibility and re-networking with the networking groups established

- try to be less formal, and more relaxed, and based on sharing business in an organic way rather than a forced way based on reciprocal referrals; network at the bus stop, in the school playground, in the pub (also via social media but nothing beats face to face)

- validate your business idea through your network BEFORE going forward; be open and listen to wisdom and encouragement

- build relationships for now and set the foundations for the future start-up

TASK 1: List out individuals or organizations that can aid in the development of your business idea. Categorise these into those who are linked to: creating the idea; possible customers; creating the business itself.

TASK 2: Based on the list created, what types of individuals or organizations are you 'missing' or lacking at this stage of business inception that are important to you?

TASK 3: Create a networking strategy to get to know these people and start to integrate them into your network

NETWORKING AT THE START-UP / OPENING OF THE BUSINESS

Sharing their own expertise, all seminar participants agreed that developing a network is key in the development of an enterprise, no matter its size or field of work. The importance of networking during the start-up phase was seen as crucial, even more so than during business idea generation.

At the start-up stage, networking can help to develop and expand one's client base and the market itself and to be informed about innovations and new trends as well as maintaining an advantage over competitors by implementing new and fresh ways of approaching things. It is important to drive traffic towards the business to get off to a strong start.

Networking during start-up allows the exchange of experiences related to the business start-up itself, including both formal and substantive elements. The substantive is related to activities such as: renting premises, its preparation, place and its characteristics, establishing cooperation with accountants and lawyers. It allows you to establish business relations. These are the first contacts which make it possible to win the first orders. Lastly is the psychological factor as network of contacts allows looking on the one hand at the entities that have managed to establish themselves on the market, and in the case of networking with other start-ups, it allows you to gain support from other people in the same situation and drive the first revenue into the company.

Who would you say are the key people a new entrepreneur needs to network with at the start-up/opening stage?

Although many of the same people / organizations for networking were mentioned from the business idea generation stage, emphasis was placed on the following as being even more critical during start-up:

- contacts with local authorities, especially for regulated businesses;

- working with like-minded people to help promote and grow the business

- banks and other funding authorities (including EU programs administered locally)

- accountants (tax advisors) and lawyers

- mentors

- customers of the business (current and potential)

- contacts with trade unions (depending on the situation, if applicable)

- similar businesses in the sector or the physical area of establishment

- Chambers of Commerce / municipalities / NGOs /

What areas of networking are entrepreneurs good at leveraging in the **start-up/opening stage**?

Very similar to the inception stage, training (formal or informal) is important and useful. In this context, a link with organisations or individuals from which entrepreneurs can draw knowledge. Training is very important to structure the knowledge and to help entrepreneurs set goals. NGOs, higher education institutions, guild alliances were among the opportunities mentioned for networking and learning.

Start-ups are generally good at attending business networking events, seminars and webinars. These are often available via business organisations, universities, local authorities, and VET colleges. New businesses see these as practical ways to help expand their knowledge and grow their business activities. These can help owners to come across new opportunities such as a business sale, an asset, possible partnerships or joint ventures, client leads, and presentation opportunities that help entrepreneur to address others and add value to their business. They are also good opportunities for networking with customers as this is truly the foundation for the business and its survival.

At start-up an owners' enthusiasm helps to keep them network building. The excitement and challenge of building the success of the business becomes contagious on others – but this needs to be maintained after the euphoria of start-up.

What areas of networking are entrepreneurs **NOT** good at leveraging in the **start-up/opening stage**?

According to our expert informants there are no contacts that would be negative for a business – any contact is a 'good' contact!

Having said this, participants stressed that at the start-up or opening stage better efforts need to be made towards networking with funding institutions (including banks) as well as with transnational business networks. As a business starts, having enough working capital to maintain its health is critical and having that network at hand can many times 'save' a business as it grows. As well, start-ups also need to realise that, in most cases, they need to integrate into a network outside their region or even their country! Building trans-national networks offers multiple increases in terms of business and growth opportunities.

Another area mentioned is that start-up owners need to be more effective in using social media and internet driven tools. It is not simply about having a LinkedIn, Facebook or Instagram account – it is about using them effectively, responding in a timely manner and using the tools itself. All of these tools need to be current, up to date and real-time oriented and they need to be engaged with to expand the network. This came through clearly during the pandemic when customers migrated onto these tools as the primary means of networking and communicating with companies.

What would you say is the best piece of advice you can give to an entrepreneur in terms of networking when they are **starting / opening** their business?

All experts have repeated at one stage or another in our workshops that training and access to organisations or professionals from which to gain knowledge is fundamental to business idea development. In this context, it can be concluded that preparatory work is most significant for the development of a business – get to know someone as best you can PRIOR to trying to network with them into your business.

You also need to maintain your network! It is all about scaling up networking activity and becoming more targeted towards customers, stakeholders and partners. Remember, your network was started during your business idea generation – others were there to support you, do not forget them! As well, start to help and network with other new business owners, new start-ups and help them to gain knowledge from what you have learned – give back! We are all dependent and inter-dependent on each other; the strength comes from working together, not working apart.

Another good piece of advice is to ensure you reflect on successes and risks during start-up. Do not get lost in the challenge of the business but maintain your network – it can be just as important as the business itself.

TASK 1: List out individuals or organizations that can aid in the strengthening of your start-up. Categorise these into those who are linked to: new customers, growing the business, potential parnterships.

TASK 2: Based on the list created, what types of individuals or organizations are you 'missing' or lacking now that you have started the business that are important to you as you grow the business?

TASK 3: Create a networking strategy to get to know these people or organizations and start to integrate them into your network.

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Networking at the inception of the business idea:

1) How important is network development during the **inception** of a start-up business?
2) Who would you say are the key people a new entrepreneur needs to network with at the **inception stage**?
   a. In terms of priority, who would be the top 3?
3) What areas of networking are entrepreneurs good at leveraging in the **inception stage**?
   a. Why do you think this is?
   b. What could they do to enhance this?
4) What areas of networking are entrepreneurs **NOT** good at leveraging in the **inception stage**?
   a. Why do you think this is?
   b. What can they do to overcome this?
5) What would you say is the best piece of advice you can give to an entrepreneur in terms of networking when they are **conceiving** their business idea?

Networking at start-up / opening of the business:

1) How important is network development during the actual **start-up / opening** of a business?

2) Who would you say are the key people a new entrepreneur needs to network with at the **start-up/opening stage**?
   a. In terms of priority, who would be the top 3?

3) What areas of networking are entrepreneurs good at leveraging in the **start-up/opening stage**?
   a. Why do you think this is?
   b. What could they do to enhance this?

4) What areas of networking are entrepreneurs **NOT** good at leveraging in the **start-up/opening stage**?
   a. Why do you think this is?
   b. What can they do to overcome this?

5) What would you say is the best piece of advice you can give to an entrepreneur in terms of networking when they are **starting / opening** their business?