

Networking: What It Is and What It Does for You!

The late Og Mandino was an extremely successful man. A renowned speaker and storyteller, he is probably best known as author of the classic best-seller, *The Greatest Salesman in the World*, a book that has sold more than 30 million copies. Yes, that's 30 *million* copies! And that was only one book. His others—many of them classics in their own right and all with powerful, life-changing lessons—also continue to sell extremely well.

Earlier in my career, and just a few years before Og passed away, I had the honor on several occasions of presenting just before he did at large public events. At one of these events, I told him it was one of my biggest thrills to be his “opening act”; he just laughed and said the honor was his. He was a very kind and humble man.

A year or two earlier, in July 1992, Og was the keynote speaker at the annual National Speakers Association convention. For about 45 minutes he talked about the fact that nobody who is truly successful ever does it alone. He talked about his wife, his family, his associates and friends—all the people who had helped him through the rough times and over the hurdles. And, if you're familiar with Og's story and personal transformation, you know those rough times and hurdles were many.

But What Does That Have to Do with Networking?

Let's go back to the definition of networking from the Preface: the cultivating of mutually beneficial, give-and-take, win-win relationships.

Now let's take a look at how Webster's dictionary defines the term *network*: 1. Any arrangement of fabric or parallel wires, threads, etc., crossed at

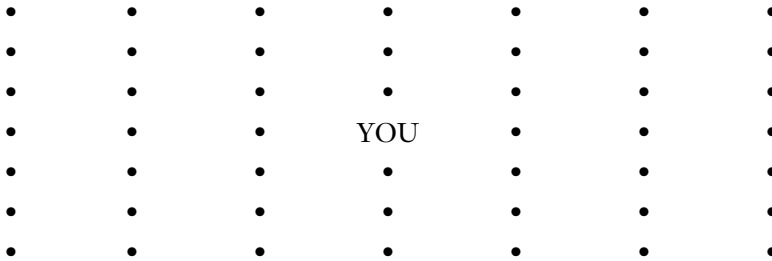
regular intervals by others fastened to them so as to leave open space; netting; mesh. 2. A thing resembling this in some way.

Now, for the purpose of this book, let's leave out the words and thoughts in both definitions (mine and Webster's) that don't apply and keep those that do. Oh, and let's substitute the word *people* for the words *fabric*, *parallel wires*, and *threads* in Webster's. Here is what we get:

Network: An arrangement of people crossed at regular intervals by other people, all of whom are cultivating mutually beneficial, give-and-take, win-win relationships with each other.

The Basic Setup

Let's look at the first part of what we have.



Just as we are each positioned at the center of our own particular universe, each of us is also positioned at the center of our network. We realize, of course, that all the other people are positioned at the centers of their networks, and that is as it should be.

Each of the people in any given network serves as a source of support (referrals, help, information, etc.) for everyone else in that network.

Those who know how to use the tremendous strength of a network realize this very important fact:

We are not dependent *on* each other; nor are we independent *of* each other; we are all interdependent *with* each other.

The true strength really comes through realizing that all the people in our network are also part of other people's networks that we ourselves don't

personally know. And that, indirectly, makes each of *those* people part of our network, too.

Sphere of Influence

Are you familiar with the term *sphere of influence*? Sphere of influence simply refers to the people you know—people who are somehow, in some way a part of your life, directly or indirectly (and sometimes even *very* indirectly).

Your sphere of influence includes everyone from immediate family members to distant relatives, close friends to casual acquaintances, the person who delivers the mail, the plumber, the tailor, the person who cuts your hair—practically anybody who in some way touches your life and whose life you touch.

Have you ever heard of Joe Girard? Based out of a Chevrolet dealership in Detroit, Michigan, Joe Girard was one of the world's most successful car salespeople. Actually, he was officially the *most* successful car salesperson in the world—for 14 consecutive years! That's how long he was listed in the *Guinness Book of World Records* for selling the most cars in a year's time. And not fleet sales either, but individual new car sales. Joe Girard sold oodles and oodles of cars. My feeling, and I hope it's yours too, is that anyone with that kind of record has wisdom we should be willing to listen to, if he's willing to share it.

Happily, he is. In his book, *How to Sell Anything to Anybody*, Girard explains what he calls Girard's Law of 250, which states that each of us has a personal sphere of influence of about 250 people. According to Girard, about 250 people will attend your wedding and your funeral. Here's how he arrived at that number. He once asked the funeral director at a funeral he was attending, "About how many people usually come to pay their respects?" "On average? About 250," was the response. Soon after this, Joe attended a wedding where he and asked the caterer the same question, only this time, about wedding receptions. The answer? About 250 from the bride's side and another 250 from the groom's side.

In other words, according to Girard's Law of 250, everyone knows about 250 people in his or her life important enough to invite to their wedding and have show up at their funeral. Now, even if that figure seems high (and given that not everyone in our sphere of influence will necessarily be invited to our wedding or attend our funeral), the numbers do work out, and quite well.

Here's an exercise you can do to prove this to yourself. As you're doing this, don't prejudge, prequalify or for any other reason leave someone off the list. We're doing this only to make a point. You'll understand in a moment

how it ties in. By the way, the following is not meant to limit you in any way; it's just a suggestion to help get you started.

First, take a pencil and paper and write down the names of those people you know who immediately come to mind. Everybody! Don't worry about whether they qualify to purchase your product or service; that's not important for right now. Write down as many of these names as you can think of. If you're like most of us, you'll find that not many people readily come to mind. You'll learn why that is in the segment, "How to Ask for Referrals (So That You Actually Get Them)" in Chapter 6.

After you've exhausted this list, then turn to your local Yellow Pages telephone directory. Go to the letter "A" and notice all the job classifications that begin with A. Go through these one by one and write down the names of anyone and everyone you know who works in those industries or professions. Now do the same with B, then C, D, E and all the way through to Z. Examples from each would be, "Who do you know who is an A—Actuary, B—Banker, C—Chiropractor, D—Dentist...?" and so on. Write them all down. Again, no qualifying. Just write them down.

Now go to the White Pages directory to look at people's last names, beginning again with A. Who do you know with the last name, Aaron? How about Abbot, Acheson, Adair, Atkinson? And then B: Baluk, Bass, Brenner, Burns, Byers and so on. And yes, do the same with C, D, E and so on, all the way through Z.

Next go through first names. There are just over 50 male and female first names; actually there are probably many more, depending on how fancy you want to get, but even going just with the most common names: Who do you know by the name of George, Debra, Tom, Tammi, Steve, Barbara and so forth?

Now think about associations and religious, political, and business organizations in which you might be involved and write down the names of those within that framework who come to mind. If you actually have a directory, use that.

Keep writing down the names of *everyone* you can think of. Yes, your list is now growing and growing. When finished, you'll discover that the number of people you know will at least come close to 250, and that's before knowing how to effectively network. Without even trying, most of us have a sphere of influence of about 250 people.

And more importantly, so do most *other people*.

Why is that "more important"? Because, although not everyone on your initial list is a qualified prospect for whatever it is you sell, there's a good

chance that those on your list know of other people who are. And those people will know of still others who are, too. Sure, there will be some crossover, that is, people whom both of you know, but that's not a problem.

And this is only the beginning. Again, this is without doing any sort of proactive networking wherein you'll meet new people and form new relationships. And many of those people, people you've never met before, know 250 or more other people you'd have no other way of ever knowing, or who would have no other way of knowing of you.

Hang on: this is about to get truly exciting.

You see, this is where, for most of us, our most lucrative sphere of influence comes into play—the one developed via the Endless Referrals System®.

Why? Because even if the new people you meet are themselves only “average” (meaning, of only mild potential value to your business), they each probably know at least 250 other people well enough that those people will attend *their* wedding and funeral, 250 people they know in some way or other. And by utilizing the Endless Referrals System®, you'll learn how to successfully meet the “above-average” contacts—those people who themselves have *very* valuable spheres of influence to which they can eventually introduce you.

Now let's tie this all together. Keeping in mind that every time you successfully go through the process of making a new person a part of your network—just one new person—you actually increase your personal sphere of influence by a potential 250 people. And since each of those 250 people also has a sphere of influence of another 250 people, adding this one new person to your network has indirectly put you into potential contact with 62,500 people! It's not hard to see how you can quickly amass an enormous sphere of influence that can soar to incredible heights.

(Of course, again, there will be some crossover and overlap, so cut that number in half, and just to be safe, cut it in half again. Come to think of it, let's cut it in half one more time. At more than 7800 people, the numbers still look pretty good, don't they? And again, that's just from one person!)

This Network Will Increase Our Sales

These days, buyers are different than they used to be. They are educated, trained, and skeptical. They are backed by consumer protection laws, as it should be. The adage *caveat emptor*, “let the buyer beware,” is no longer apropos.

Probably the biggest change of all is that today's buyers are much more relationship-oriented. People want to buy from people they know, like, and trust.

That's where our network comes into play, but in a different way than you might imagine. You might be thinking, "Those people in our network already know us, like us, and trust us. They are our buyers."

No! You'll recall that not everyone on that list is a potential buyer. However, they may well be *potential referral sources*. And they are only the tip of the iceberg. All things being equal, the people who know us, like us, and trust us will tend to buy from us or refer us. But if we stop there, we are walking away from a lot of potential business.

Remember, those people are at the center of their own individual networks. They themselves can connect you to a potential 250 or more other people. Keep in mind, those 250 have their own 250. Knowing that, and knowing how to work the situation, will result in a ton of new business.

The Golden Rule

The following statement is the central premise, the foundation, of the entire Endless Referrals System®. I certainly didn't make this saying up; it's as old as the hills. And for good reason: it's an immutable law. Here it is:

All things being equal, people will do business with, and refer business to, those people they know, like, and trust.

This is the bronze, silver, golden, and even platinum rule of networking. In other words, if two people both have similar or equal products, price, know-how, or any other determining factor that could possibly come into play, *it's the man or woman who has personally won over the prospect or referral source who will earn that sale or referral.*

The intent and theme of this entire book is to show you how to get people to know, like, and trust you.

Let's take this one step further. We also want these people to *want* to see you succeed and *want* to help you find new business. You might say, we want these people to be your Personal Walking Ambassadors. And that goal isn't particularly difficult to accomplish.

In today's high-tech world, successful, long-term selling is relationship-oriented; the more high-tech our world continues to become, the more

important the relationship will grow. People want and choose to do business that way. You might say, the more high-tech, the more soft-touch, that is, the more *personal* touch matters. Relationships now rule the selling process.

Yes, now more than ever: all things being equal, people will do business with, *and refer business to*, those people they know, like, and trust.

Things Aren't Always Equal

By the same token, if all things are *not* equal, and a person cannot provide the quality, price, or whatever else is necessary, it doesn't matter how the other person feels about them, they won't get the business or referrals.

No matter how well people know us, like us, and trust us as a person, we have to be able to come through for them when they give us their business or referrals. If we can't or don't, we'll be in danger of losing not only their direct business but that of their 250-person sphere of influence as well. As Tim Sanders points out in his terrific book, *Love is the Killer App*, "Once you earn their business your performance still must be able to scale." In other words, the relationship might get you in, but then it's up to you to deliver the goods.

For instance, there is a dry cleaning company in my town. The owners and employees are lovely people who I believe *try* to do a good job. However, it just doesn't seem to work. Personally, I can honestly say I know them, like them and trust them. Trust them, that is, to do practically anything in the world for me—except clean my suits.

Now, the fact that they happen to be dry cleaners doesn't work out particularly well for them. They nearly ruined three of my best suits. They seemed to have trouble following instructions, as well. I would tell them I wanted very light starch on my shirts, but when I'd arrive to pick up my clothes, my shirts would be practically standing at attention waiting for me. (In fact, I thought I saw one of them actually walking toward the door to greet me.)

Despite my positive personal feelings about these people, it just didn't work out. After a while, I could no longer justify doing business with them directly—or giving them any referrals, either. Now, if they were delivering service at a level anywhere close to their competition, they would to this day continue to have my direct business and quite a bit of my referral business as well—and who knows how many of my referrals would in turn refer others? But they are not, so they don't.

Again, *all things being equal*, people will do business with, and refer business to, those people they know, like, and trust.

It Isn't Just What or Who You Know

Sure, we've all heard the axiom, "It isn't what you know, it's who you know." Chances are you had that saying related to you by a crusty old macho businessman type, as he sagely nodded, pleased and proud to share his eternal wisdom.

Of course, what you know is also important. Let's face it: if we want to be successful in business, we have to know what we're doing and what we're talking about. We must be able to provide proper guidance to our prospects, customers, and clients. And if we can't provide excellent (or at least adequate) service after the sale, we can rest assured we won't be doing business with that person ever again.

We will also lose out on the business of those in their 250-person sphere of influence. Why? Because nothing gets around faster than negative comments. You can also bet those comments will somehow make their way back to the original person who used his or her influence with that other person to get you the referral in the first place. That original person will then, of course, have to be removed from your "who you know" list.

But back to the "sage advice": it's true—to an extent. Certainly, in today's world of sales and business, to get the opportunity to do business with someone in the first place, who you know is often vitally important. But that's not all there is to it.

It isn't just what you know, and it isn't just who you know. It's also who knows you and what you do for a living...

That is, when that person, or someone that person knows, needs your products, goods, or services. And:

...providing that first person knows you, likes you, and trusts you.

Again, your goal is to have as many new people as possible feel that they *know you, like you, and trust you*; to feel that they *want* to see you succeed and

want to help you find new business. Do you remember I said that goal isn't particularly difficult to accomplish? Well, it isn't. How do we accomplish it? By networking.

What Networking Isn't

Since we've been discussing the basics of what networking is, let's talk a bit about what it isn't. Networking really became quite the buzzword in the late 1980s and early 1990s, and continues to be today. Everyone seems to use the word, yet many people don't really know what it is and isn't.

The term *networking* is most often thought of as what happens when someone hands his business card to everyone with whom he comes into contact. The often aggressive shoving of said business card in said contact's face is many times followed by, "Gimme a call—I'll cut you a deal," or "If you ever need to buy a whichamahoozee, I'm the one to call."

That is not networking. That is hard-selling, which is the antithesis of networking. For now, I want you to forget about business cards. Well, don't forget about them altogether—they do serve a purpose, albeit a minor one. As far as I'm concerned, business cards have three main benefits.

1. You Could Win Something

The first benefit is quite tangible, though not to be taken too seriously: you might win a free lunch at a local restaurant by dropping your business card into a fish bowl. Have you ever done that? Won a free lunch? Paid for your business cards, right? (Maybe there is such a thing as a free lunch after all.)

You can also win a door prize at an association meeting, again, by dropping your business card into a fish bowl. You could even win a free book or CD program at a seminar via the same means.

2. You Could Get a Lead

This second benefit is a more significant one, depending on your profession (although it is absolutely *not* networking): you can include your business card with your bill payments or with a tip after your meal.

We all have bills that go out each and every month—electric bill, cable TV, water, telephone, mortgage payment, and more. Doesn't it make sense that there must be someone at the other end opening the envelope?

Depending on the type of product or service you represent, if it can potentially fit anybody's needs and you will probably never get to meet that person anyway, you might as well include your business card with your bill payment. You never know what might happen. That person, or someone in her 250-person sphere of influence, might need to buy what you have to sell.

Tom Hopkins, an internationally known speaker and author of the book, *How to Master the Art of Selling*, talks about this method. When he was getting his start in real estate, he used to include his business cards with his bill payments. One day Tom got a call from a woman who said, "Mr. Hopkins, you don't know me, but my husband and I want to buy a bigger home and would like to talk to you about it." After agreeing that he'd be delighted to do just that, he asked her how she got his name. She replied, "I handle your account at the Gas Company, and I've got about two dozen of your cards in the top drawer of my desk." Apparently, she didn't know who else to call. I'm sure the fee Mr. Hopkins earned by helping that woman and her husband acquire their new home more than paid for his business cards for the rest of his life.

Granted, that's probably not going to happen very often. But if it happens even once in your selling career, that's great—you made out on it. The fact is, business cards are so inexpensive that you might as well include them any time you have the chance; you have nothing to lose.

Another thought along the same line: you can also leave your business card with your tip at the end of a restaurant meal. You never know. Your waiter or waitress, or someone in his or her 250-person sphere of influence, might need to buy what you have to sell. But when you do that, you need to make sure you leave a big enough tip; otherwise you will be remembered, but it will be for something else.

3. You Can Get Others' Cards

The third benefit is the one that matters: you can use your business card to get the other person's business card. As far as I'm concerned, this is the one truly valuable benefit of business cards, and it's so important, we'll look at in some detail in the next chapter.

Although I make light of business cards, and generally find they are not worth much more than the paper stock on which they are printed, they can

have some genuine value when used correctly. Obviously, successful salespeople such as Tom Hopkins, Joe Girard, and many others who believe in them are living proof of their use as an effective business tool.

What I'm trying to point out here is that business cards *by themselves* are not about to make you, me, or anyone else successful. They are simply an extension of ourselves and what we are doing right.

What you'll find throughout this book is that networking involves giving to others and helping them succeed in their lives and careers. It's caring about the other person and his wants, needs, and desires. When going about this in a pragmatic and organized fashion—in other words, when following a specific road map or *system*—you'll find that you get back tenfold what you put out, both personally and professionally.

And that's exactly what we'll look at in the next chapter.

The System Is the Solution

Since we've seen the word, "system" several times now, this is a good time to ask the question, "What is a system, anyway, and how will it benefit you?"

One definition of a system (Webster's again) is "a set or arrangement of things so related or connected as to form a unity or organic whole." Here is another: "a set of facts, principles, rules, etc. classified or arranged in a regular, orderly form so as to show a *logical plan* linking the various parts." And yet another, which takes the concept to the next step and ties it together very nicely: "a regular, orderly way of doing something, that results in a *predictable outcome*." That word "predictable" is the crucial element: a solid, proven system takes you out of the realm of chance and random trial-and-error, and puts you on a path to reliable results.

In any area in which one might desire to succeed, whether it's building a business, losing weight, improving a relationship, or lowering a golf score, the key to success is to find a system that has been proven to work in that particular area, and then simply applying that system to your own efforts.

In fact, this idea is so crucial to our success in any endeavor, I've written a short booklet focusing purely on this idea, called *The Success Formula*. You can read it for free at www.TheSuccessFormula.com.

For our purposes, let's define a system this way:

A system is the process of predictably achieving a goal, based on a logical and specific set of how-to principles.

What a system can do *for you* is incredibly exciting. Here's how Michael Gerber, noted business consultant and author of *The E-Myth* and *The E-Myth Revisited*, explains the benefits of using a system (I'm paraphrasing here):

Systems permit ordinary people to achieve extraordinary results, predictably.

Without a system, however, even extraordinary people find it difficult to predictably achieve even ordinary results.

None of this, of course, is meant to imply that you or anyone else are "ordinary." What it does say is that if we should happen to be ordinary in terms of our ability to network, prospect, or obtain referrals, a system can help us achieve extraordinary results.

And that's what the Endless Referrals System® can do for *you*, if you simply learn it and follow it.

Key Points

- Networking is the cultivating of mutually beneficial, give-and-take, win-win relationships.
- We are not dependent *on* each other; nor are we independent *of* each other; we are all interdependent *with* each other.
- Each of us has a personal sphere of influence of about 250 people. And so does every person we meet.
- All things being equal, people will do business with, *and refer business to*, those people they know, like, and trust.
- It isn't just what you know, and it isn't just who you know. It's also *who knows you* and what you do for a living—when that person, or someone that person knows, needs your products, goods, or services. Providing that first person knows you, likes you, and trusts you.
- Business cards are not a big deal. We need them mainly to get the other person's card.
- A system is the process of predictably achieving a goal, based on a logical and specific set of how-to principles.
- A system permits ordinary people to achieve extraordinary results, predictably.