

CULTART Training programme

Entrepreneurship for CCI freelancers and start-ups

Training Module 7

Networking, ecosystem and international market entry



<https://marketbusinessnews.com/financial-glossary/networking-definition/>



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Disclaimer

The CULTART training program has been developed as a blended training program, combining e-learning (independent study relying on online learning resources) and in- person classroom activities facilitated by a qualified trainer.

The units of this module are designed to provide learners with the most important insights regarding the subject matter of the module, in accordance with the findings of the analyses conducted in the framework of Intellectual Output 1 of the CULTART project.

The learning content provided here is intended to serve for independent learning and does not pretend to cover all possible aspects and related issues in terms of the subject matter covered.

Users are solely responsible for ensuring that they have sufficient and compatible hardware, software, telecommunications equipment, and Internet service necessary for the use of the online campus and modules.

Training description

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- Target groups

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- Training method

Training content

- Unit 1 – The Basics of Networking

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- Unit 3 – Sales Networks for International Expansion

Training description

In this module, you will learn what types of networks exist as well as necessary skills and useful methods for setting up and enhancing a network. The training module for Cultart networking is about different networks of local, regional and transnational partners, adding value to existing ecosystems, thus being practical in building resources for entering international markets.

Networking is a very important activity, which should not be underestimated, for partners and ecosystems stakeholders to learn from each other, to share experiences and to expand economic activities.

Objectives of this training module

This module aims helping start-up companies and entrepreneurs to understand which competences you should have (or have trained to have) to be a good networker on a personal level. This will give you valuable transferrable skills to be used as follows:

- To know which organisational skills you need to establish or participate in networks
- To understand the various types of networks
- To learn about networks and how they work with regional development concepts

Target groups

This training module is designed to fit the training needs of the following stakeholders:

- Stakeholders operating in the CCI sector and the fintech industry;
- CCI freelancers;
- Start-ups in the CCI sector;
- Entrepreneurs that want to use networks for value creation in their international expansion; and
- Regional multipliers.

Competencies and skills after finishing this module

After studying this module,

- You will have a better understanding, why networking is important for businesses and how to include in your business value-chains ecosystem partners;
- You will understand the various types of networks and their values to your organisation; and
- You will have learned why it is important to build an ecosystem of a sales network.

Training method

Cultart learning philosophy promotes a unique engaging training method, based on the following aspects:

- Short-burst learning sessions which feature very well-structured learning content.
- A deep sense of involvement and merging of action and awareness.
- A sense of control and dealing with the task that you will find at the end of the module.
- Enjoyment and provoking further interest.

Cultart focuses on an interactive training approach:

- The modules as a training material for self-learning.
- Using the interactive Cultart online training platform: <http://cultart.dyndns.org/login/index.php>

Unlike the lecturers into the face-to-face classroom, which provide their students with guidance and some additional directions, you have to take the responsibilities for the time management and for the control of your learning progress.

Training content

Unit 1 – The Basics of Networking

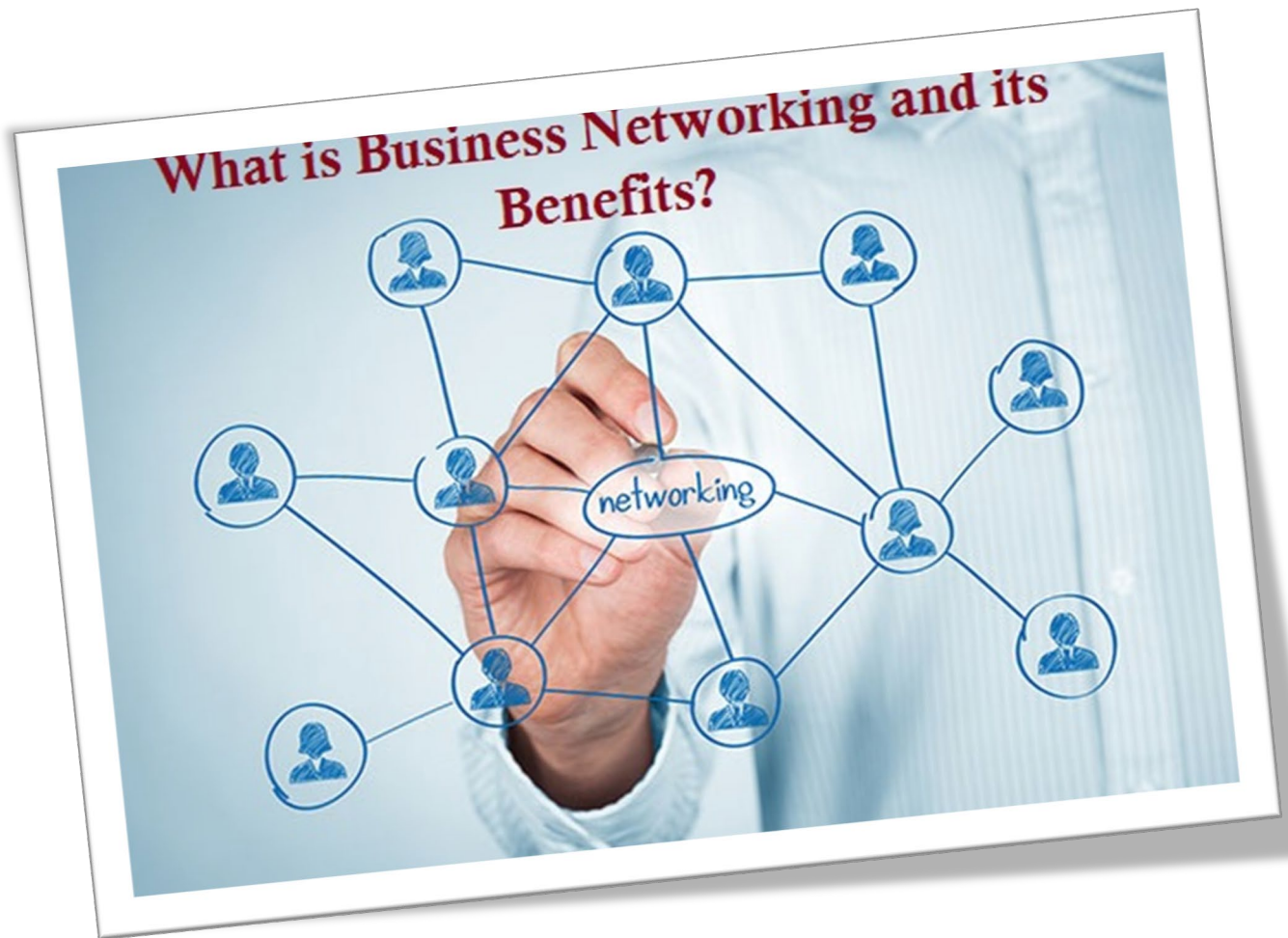


Image 1. Source: <https://www.linkedin.com/pulse/what-business-networking-its-benefits-sandeep-sagar>

Tags:

Networking, partnership, exchange of information, exchange of knowledge, types and categories of networks, practice of networking, networking strategies, network density

Unit 1 – Introduction

For start-ups and entrepreneurs, all kind of social contacts (networks) are critical: the more contacts you have, the more leads you will generate. Ultimately, the more sales you should make. While there is some truth behind that thinking, it is a vast oversimplification, because different configurations of networks exist and there are different rules for each network. We all network, whether making new friends or neighbours or new partners in the business environment. However, you will have to adopt to each network depending on your goals. Start by looking at yourself and your organisation. How does it help you in your job to meet and contact others? How does it help others to meet you and expand their knowledge and ways of working? How can these be used to start a network for information, for expansion of business activities, or for the marketing of products and services?

What is Networking?

Networking can be interpreted in different ways and comes in different shapes and forms. However, a common understanding is that it is about building relationships, exchanging information between members of networks and enjoying it on mutual sides. It builds on the notion of helping each other and sharing significant knowledge between parties.

Networking is not a simple task; however, it is of importance when positioning a product or organization within society and the market. Furthermore, it offers a unique opportunity for expansion, development and innovation, which cannot be reached solely.

Within a network, the individual partners work together on one goal, which results in mutual trust as a definitive

basis for success. Partnership in a network thus leads to a different understanding of competition and a feeling of belonging together. This promotes innovations and creates opportunities to strengthen your own organisation and/or products. Examples are such as the creation of new joint offers that would not be possible for isolated providers, or the creation of new value-chains, i.e. supply networks or sales networks.

However, being part of a network should not be done on the sole purpose of making business. The network itself has its own existence and its goals, and being part of it means for you to be there for the original goal of the network, not for doing business at first hand. For example, networking through golf competition is common, but you predominantly go there for sports and not for business purposes. Networks come forward in different forms:

Types of Networks:

Networks can be ranked in different ways and can be formed through different means.

1. Firstly, networks can be categorised by function:

Horizontal Networks – These are where organisations in the same field work together on a network. In the network common achievable goals and standards of e.g. production are agreed and all work to achieve these.

Vertical Networks – Putting together completely different organisations maybe a high- tech startup with a logistic company; a distributor and a marketing agency. These are very different organisations but there would be synergies that could be built on.

Lateral and cross-sectoral networks – Such as creativity and business management. These are used when a common topic is in focus, maybe innovation and how it features supporting management aspects. How can this topic be used to enhance the innovative product or service offer?

Economic networks – Aimed at generating income for the members and focus on business opportunities for the network on a wider scale than just local.

Networking in non-profit associations – aimed at networking with social impact.

2. Secondly, networks can be categorised by use of space. This focuses on a geographical area, for instance, it can be international, national, regional, local or even virtual.
3. Thirdly, networks can be formed according to a legal position. There are different sorts such as alliances, dynamic networks, heterogeneous networks where control is distributed, and sub-hierarchical networks, where there is one dominate actor.

The Practice of Networking

Networking can be done in multiple ways and in almost every occasion. For instance, when you go to a lunch meeting, a conference, or any other social event. It is of importance to always keep the question in mind of 'Who can I help today?'. Look for a Win-Win. When you help others, the offer is often returned. Long-term rewards in terms of relationships and information can come from networking. And keep in mind that you always have to give from one side and you will receive back from another side. It s not the one you give who will give you back but any other person from the network or even from another network

Networking is a task done individually at first hand; therefore, some personal skills need development when becoming a successful networker.

1. Be generous

When you are networking, it is important that you are willing to share your knowledge required on a certain topic in order to help others. You are now a resource of information for others. When you are sharing your knowledge, you will develop contacts, which in other cases can provide you with information on an underdeveloped topic on your side. Listening to others and establishing their needs can help in establishing lasting relationships.

2. Be interesting

Do not be shy and try to engage in a conversation by asking questions, offering comments, and sharing your observations. You will attract interesting people when you show how helpful you are and how relevant your own information is.

3. Be positive

Your attitude determines how you come across to potential partners. Therefore, it is of utmost importance that you, for instance, smile when you walk into the room and react with enthusiasm. Try to enjoy this process of relationship building.

4. Be regular and patient:

A contact can become an opportunity when you least expect it.

Besides the skills mentioned above networking also requires some organisational skills. In order to network in a successful and effective manner you need (1) a strategy to acquire plausible partners or people to network with, and (2) a follow up strategy to implement after you have met those plausible partners or persons.

In order to determine your strategy to network you could ask yourself several questions.

As an individual:

What do you think of as your key skills? Can they be useful in networking? Are you an active networker or a listener? Do you go out to meet people at events and meetings and immediately connect with people or are you a person who likes to listen and judge before you make connections? Are you happy to interact with all sorts of people or is this something you might need to learn?

As a member of your organisation:

What collective skills might be useful in starting to network and to build local connections? What knowledge have you of your locality that is useful for starting a network? Is your area already an established business focus area? If not, how would you start on bringing benefit in?

Basic Networking Strategies

Managers view sales networks often only in terms of direct contacts. Nevertheless, someone who knows many people does not necessarily have an effective network. Networking often also pays off through indirect contacts. The more network partners your direct network partner has, the more valuable he can be for you.

The density in a network is another important characteristic: Do salesperson's contacts know all the same people, or are their associates widely dispersed? Dense networks are suited to certain types of tasks, sparse network for others. Sparse networks are better for getting access to unique information. The more dense a network is, the greater the likelihood that the network members know the same people and get the same information.

There are some basic tips and tricks to consider while networking that are necessary to enhance the effectivity of your networking activities.

1. Make yourself known

It sounds obvious; however, it is very important to establish yourself among potential clients. When you are known people will more easily contact you or pay you a visit.

2. Never be shy

Ensure you are easily accessible as a person. A trick to establish this is to ask the other person to tell a little bit about themselves and their experiences on a certain topic of interest. Most people have a unique story to tell and it makes them open up to you even more. By establishing this personal connection, you can judge their needs and measure this to your own needs or your established network needs.

3. Come prepared

It is of the utmost importance to present the aims and values of yourself or your organisation within a three-minute timespan. When you can profile your case in such a short time the chance increases that the person you are talking to will remember the information you provided. If you can present your core business and the reason you are networking, you have made significant progress in getting your message across.

4. Do not be short sighted

When a person or party is not able to help you or provide you with information which is valuable to you today, does not mean that this cannot happen in the future. Try to think in a long-term perspective and determine whether certain parties can become of interest to you further along.

5. Ask others what you can do for them

Networking builds on social capital, it is a game of give and take.

1. Be a volunteer

Being a volunteer opens several doors for you to network as you enter society directly and you make yourself known.

2. Use active and passive networking

With passive networking, you research a party or person of interest on for instance the internet and gain information through certain media. Passive networking can be used as an established base for active networking and meeting someone in person or actively approaching an interesting party.

3. Follow up

Never forget to follow up after you met with someone. You can just send them a thank you email or move on certain things you have discussed. Make sure to maintain certain contacts in order to be able to ask for something in the future. Animate your network: it is both rewarding to animate your network and reconnect with people lost to sight and to collect new business cards.

Networking can be a challenging task, and for some people it comes more naturally than others. Networking must happen on a mutual basis, you cannot just press yourself onto someone. As mentioned above it is a game of give and take, when you take too much you will most likely lose your newly established network partner. And you will be known as an opportunist. Both parties must have the feeling the relationship can be beneficial to both.

Even though you might be more of a listener it is important while networking to put yourself out there. You also must profile yourself and establish yourself to be an interesting party to interact with.

Make sure you do not bomb the other party with all the information at once. You want to keep them curious and coming back asking for more. Furthermore, when you flood them with information it is more likely they will not remember your key message or main question.

Recommendations for Further Reading

We suggest to take also the Training programme “Creative thinking for innovation”, Training Module 9: Branding Identity, Good Practices 2 The Collaboration Between Non- Designer and Designers. You will get interesting insights in terms of the relationships between designers and non-designers. The whole module shed light on the “design brief” and its fundamental role in terms of creating a unique corporate identity. You will become familiar with the format of the design brief, its length and some valuable tips & tricks that you may want to take into account in order to work smoothly with your design team.

Further reading for Unit 1:

1. Ainscow M., Muijs D. & West M. (2010) ‘Why network? Theoretical perspectives on networking’, *School Effectiveness and School Improvement*, Vol. 21, No. 1, 5–26
2. Cameron A. F. & Street C. T. (2007) ‘External Relationships and the Small Business: A Review of Small Business Alliance and Network Research’, *Journal of Small Business Management* 2007 45(2), pp. 239–266
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6. Griffin K., Gorman C., O’Halloran. E., & Stacey J. (2008) *The Use of Networking in Developing and Marketing the Irish Ecclesiastical Product*. Failte Ireland & Dublin
7. Turak, A. (2015) *Business Secrets of the Trappist Monks*. Columbia Business School Publishing

Unit 2 - Creating your network and your ecosystem



Image 1. Source: <https://www.linkedin.com/pulse/three-essential-principles-building-successful-business-dries-faems>

Tags:

Network creation, ecosystems, sustainability, network management, network financing

Unit 2 - Introduction

Putting effort into networking always pays off. Setting up a proper partnering ecosystem around your business helps to establish sustainable business relations. Well-established business relations support any kind of business value generation, being it in purchasing, in production, in sales and distribution and in management and controlling. There are no set concepts for setting up networks. Before setting up networks, you really need to know your focus area and your regional area well.

How to build a Network

There is no specific blueprint on how to establish a network. However, there are certain measures and good practices, which give an insight on what to consider when building a network.

From existing examples of good practice, the following might be helpful:

- Successful networks – being they established formal or informal – are long-term initiatives based on solid financing models, which were developed cooperatively over the years.
- Networks need patience and a chance for growth and development in small steps.
- These networks are often led by strong networking personalities, people who understand that networks are sensitive bodies, which need strategy, rules and sustainable structures.
- Leading and organising a network is neither a voluntary job nor a hobby, but needs time and professional commitment.
- Successful networks are based on a common understanding of the needs of local representatives. Networks have to cope with individual ambitions. It is essential to be aware and sensitive that they can destroy a process of mutual trust and understanding.
- Networks are open to new partners and never organised as a “closed shop”. They encourage and welcome new members as friends and contributors, not as competitors.
- They could be strongly linked to public authorities and regional planning organisations.
- They encourage their members for further education or offer their own training programmes.
- They meet according to a clearly defined and reliable schedule without bigger gaps.
- Networks also have a social dimension and encourage friendships.

Turn your Network into a sustainable Ecosystem

Finally, it is important to keep your network partners being an attracted and attractive element of your business ecosystem, out of which all members gain some benefits.

Therefore, sustainable networks need:

1. A structure,
2. Formal commitments of its members,
3. A person responsible which can fulfil full-time/part-time work, and
4. A financing model.

The structure of your network is a variable factor and can differ per topic of interest or legal requirements. Every country has its own legal rules and guidelines, which are applicable to such formal networks. Such rules and regulations are crucial for the endurance of a network and the process of establishing it.

This is especially true, when you want to have legal commitment of members. It is therefore advised to proofread on any legal issues, most regional and national authorities in European member states offer free brochures and consultations.

As the commitment of members is one of the most important things in order to maintain a network, you as an organisation must invest together with the members. Commitment can be made in different manners, such as buying shares, a membership fee, or a donation.

When a network grows, it can be of value to establish a person who can be found responsible for the day-to-day tasks of the network. It helps preserve the network and enables it to keep growing.

Finally, when the network is becoming more professional a financial model is required in order to keep it running and be beneficial for its members. The most often acquired model is the membership fees or other financing opportunities via local or regional authorities.

Recommendations for Further Reading:

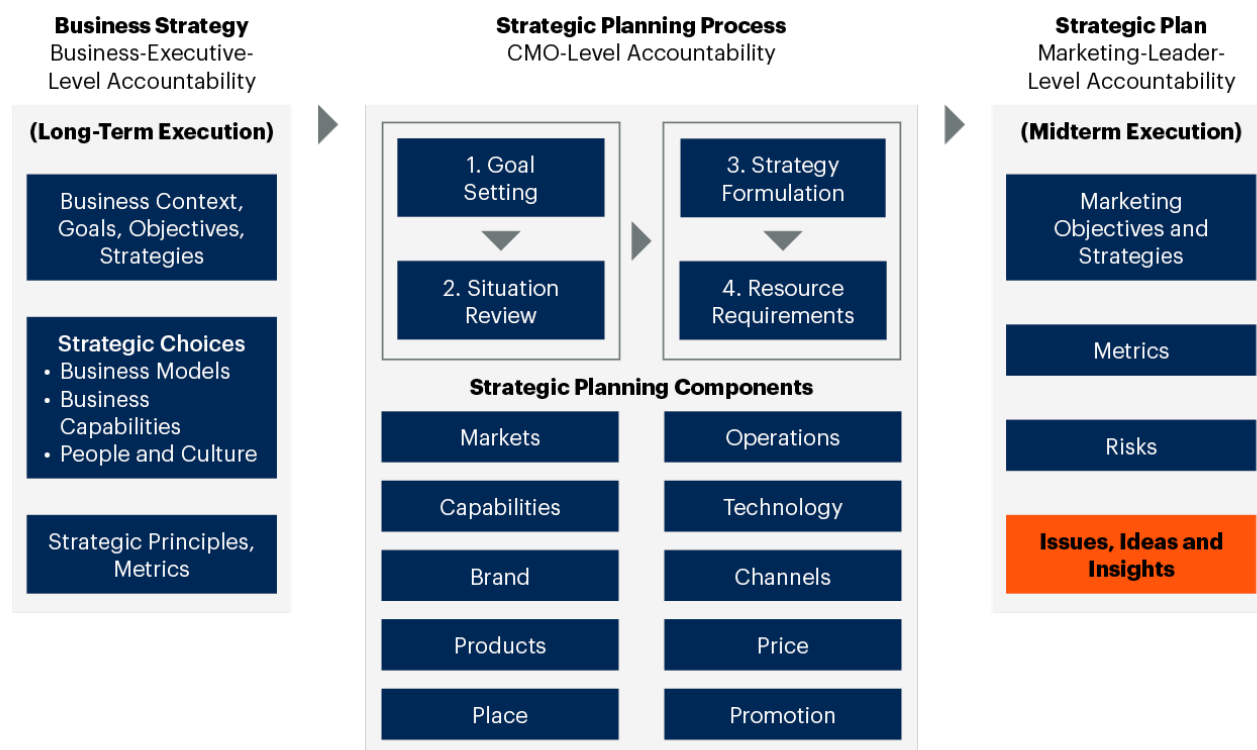
1. Networking for the networking averse, Lisa Green Chau, TedED, March 28, 2013, <https://ed.ted.com/lessons/networking-for-the-networking-averse-lisa-green-chau>

References:

1. Büchel B. & Raub S. (2002) 'Building Knowledge-creating Value Networks', European Management Journal Vol. 20, No. 6, pp. 587–596
2. Ferrazzi K. & Raz T. (2014) 'Never Eat Alone, Expanded and Updated: And Other Secrets to Success, One Relationship at a Time', Hardcover
3. Carnegie D. & MacMillan A. (1988), 'How to win friends & influence people', New York, Simon and Schuster Audio
4. Gerber S. & Paugh R. (2018) 'Superconnector', Hachette Audio

Unit 3 - Sales Networks for International Expansion

Marketing Strategy Framework



Source: Gartner
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Gartner.

Image 1 Source: <https://www.gartner.com/en/digital-markets/insights/international-expansion-strategy>

Tags:

Prospect networks, identifying customers, customer networks, upselling, marketplaces, create solutions, intra-organisational networks, deal closing;

Unit 3 - Introduction

Most salespeople cultivate ties within four social networks:

- Prospect networks include the key decision makers in the prospect firm as well as people in its purchasing and engineering groups; these webs also include other influencers inside and outside the prospect firm.
- Customer networks consist of individuals from current clients.
- Marketplace networks comprise former colleagues, members of trade associations, and other actors in the marketplace with whom salespeople maintain relationships. Contacts with representatives at other firms selling into the same customer base are particularly interesting components of this network, because those reps may have similar motivations but are not competitors.
- Finally, salespeople cultivate ties to individuals within their own organizations. These engineers, managers, marketers, manufacturing experts, and sales reps make up a salesperson's intra-organizational networks.

If you want to understand how networks function, you should look at the most effective network configuration for each stage of a sales process and take the actions necessary to create it:

1. Using marketplace networks for identifying customers:

The success in this first stage depends on the salesperson's acquiring precise and timely information about opportunities from contacts outside the seller's organization and in the marketplace at large. Ideally, you gather information that competitors don't know about.

2. Acting in customer networks for gaining buy-in and identifying upselling opportunities:

In this stage, the salesperson needs to map the prospect organization and secure meetings with key decision makers so

that the selling firm gets the serious consideration it deserves. That involves knowing who in the prospect company makes the decisions, who has influence, and what the potential customer's underlying problem is. Because answers must come from within the prospect, the salesperson needs people inside that organization to help him achieve his goals.

3. Using intra-organisation network contacts for creating solutions:

In the third stage, the salesperson comes up with a solution for the prospect, but rarely on his own. Success here depends on the seller's ability to identify where the components of the solution reside in his own organization—and on his skill at mobilizing and coordinating these resources.

4. Using customer networks to close deals:

At the final stage, closing the deal, the salesperson's job is to remove as many of the customer's uncertainties as possible. The prospect wonders: Is this truly the best solution? Can this company deliver it? Will the company be around in two years? Will the salesperson answer the phone when things aren't working out? The prospect will want to speak with other customers who can shed light on the risks, so the salesperson needs to mobilize contacts in prior sales to complete the deal.



Image 2. Source: <https://www.linkedin.com/pulse/mba-crash-course-part-2-networking-basics-shane-singh-bsc-mba-rpht>

In each stage, the salesperson's efforts should focus on two essential and complementary types of network-management actions:

- Managing the information flow and
- Coordinating the efforts of contacts.

Some stages require more of one type than the other. In fact, the more information managing that's required, the less coordinating, and vice versa. (see units 1 and 2 of this module).

Another useful approach, common in professional services but applicable in many product domains, is to create groups that cut across functional areas. Members of our ecosystem became part of an informal network, so that if e.g. a corporate lawyer from the group needed help on a litigation issue, he already had a relationship with a litigator through the group. Essentially, this approach established relatively sparse networks for members of each practice area.

Senior managers must ensure that the network-based view of sales becomes the norm throughout the organization so that salespeople can readily learn network skills. Managers should thus promote an organizational culture that supports network-friendly activities.

Training is critical to transforming a startup into a network-aware organization. CEOs and sales managers need to

understand network concepts and be able to evaluate salespeople's efforts to implement network strategies. Moreover, the company's hiring and promotion decisions should be based on individuals' understanding of how to use networks effectively.

Recommendations for Further Reading

1. Üstüner, T. & Godes, D. (2006) 'Better Sales Networks', Harvard Business Review
2. Stabell, Charles, Fjeldstadt (1998) 'Configuring value for competitive advantage on chains, shops, and networks', Strategic Management Journal 19
3. Allee, V. (2003) 'The Future of Knowledge: Increasing Prosperity through Value Networks', Butterworth-Heinemann

Study Materials

1. Allee, V. (2003) 'The Future of Knowledge: Increasing Prosperity through Value Networks', Butterworth-Heinemann
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15. Üstüner, T. & Godes, D. (2006) 'Better Sales Networks', Harvard Business Review