
How to Encourage Networking

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Business incubators are well known for the networking opportunities they provide their clients informally in the hallways, during formal events, and everywhere in between. But these networking interactions don't just happen on their own. Unless the incubator manager does something to promote synergy, a significant degree of it will not arise. Here are some steps incubator managers can take to establish good networking and keep it alive.

Provide Opportunities for Interaction

It's important to provide a wide variety of avenues for interactions and the building of trust – for example, common entrances and eating areas, a coffee pot, bag lunches, seminars, parties, and so forth.

Lisa Ison, president of The New Century Venture Center in Roanoke, Virginia, facilitates so many different interactions among clients, graduates, staff, and the Roanoke community, it would keep many a manager's head spinning. "We work hard, but we play hard, too," explains Ison. She organizes quarterly potluck lunches and breakfasts and quarterly fund-raising efforts on behalf of public television. Incubator team members – board, staff, clients, and graduates – also work concessions at the Roanoke Civic Center several times each month, mount information booths at chamber of commerce and other area events, participate in bowling nights, and host chamber "Business After Hours."

"If you pay close attention to the personal end from the very start of the business, the business end will follow. [Clients will] feel comfortable talking about their business, and you can help them work through problems," Ison says.

Use Meeting Time Well

It may sound manipulative, but you have to anticipate what people will want to talk about before the meeting, what the hot buttons will be, and what will

get people talking. You have to create the first opportunity to interact – the first experience of value – and then you just help it along. The success of the interaction will depend on how thoroughly you prepare in advance and how closely connected the participants are: Do persons X and Y have any kind of relationship? You also have to manage meetings. If some people tend to talk too much, you might set certain rules – no one talks for more than five minutes, or everyone has to give an update of his business, for instance.

At the Center for Design and Business at the Rhode Island School of Design in Providence, Rhode Island, its design-based clients all meet twice a month on Fridays. The first meeting features a speaker or trainer, but the second focuses on the clients themselves. "They talk about what's happening in business, good and bad," says Program Manager Sheila Hooageboom. These meetings offer many opportunities for clients to provide each other business and to discover opportunities to share expertise or equipment. Even at such a seemingly free-form meeting, however, clients are generally restricted to no more than a three- to five- minute update. In that manner, everyone has the opportunity to share and learn, says Hooageboom.

Creating and adhering to an agenda keeps monthly networking luncheons at the Central Valley Business Incubator of Clovis, California, on schedule. "We host a luncheon at the end of each month and invite in-house and virtual client companies. We start with a roundtable introduction that includes the name of the business and something that happened in their business in the last month," explains Kelli Furtado, chief operating officer. "Then we get into client issues, suggestion box readings, building issues – anything that is on our agenda – and we go over the next month of networking events and workshops. We make it a point to introduce any of our new clients

and then wrap up with a speaker on a variety of business topics. This is held to about fifteen minutes, and then everybody goes on their way," she concludes. "The networking is usually great!"

At quarterly meetings of The Entrepreneurs Center in Dayton, Ohio, President Barbara Hayde says that there's always an agenda item for "challenges and opportunities." She explains: "For gritty items help is identified among the group but is discussed offline; opportunities are discussed in the meeting."

Take Advantage of Clustering

You can choose clients whose businesses relate in one way or another, or you can determine clusters after the clients have signed on. Anything that provides a basis for interaction can result in a cluster: common or complementary skills, ability to share equipment or employees, firms selling consumer products, and so forth.

Patti Breedlove, manager of the Sid Martin Biotechnology Development Institute in Alachua, Florida, notes that being "exclusively a biotech facility increases greatly the probability that one company can do something for another."

Even when clusters of three or more companies can't be created, such as in the Santa Fe Business Incubator in Santa Fe, New Mexico, proactive management can put clients together to co-bid or work on a project. The Santa Fe incubator is a "true mixed-use program with mom-and-pop start-up service businesses and firms founded on cutting-edge technology from nearby national labs," explains Marie Longserre, president and CEO. Still, she says, "We get them together on a one-on-one basis." And the incubator's staff also makes sure that clients network regionally via such organizations as Santa Fe Economic Development, "which has identified and facilitated several area industry clusters."

Select Clients Willing to Interact

To get a handle on a prospect's willingness to interact, you might test the water before accepting the client into the program. For instance, you could refer the prospect to a current client who is in a related business or has experience from which your client could benefit. Then get feedback to find out how well the exchange worked.

Asserts Ison: "One bad apple can spoil the whole group. Some people don't have any interest except

in going into an office somewhere and shutting the door." This type of company founder is screened out during The New Century Venture Center's client selection process.

Some clients lacking the interpersonal skills associated with networking may benefit from the manager's lead. For example, Ison helps shy clients to learn networking and conversational skills by modeling them at community events, to which she squires company founders – often the new ones in the incubator's brood. And she teaches networking by hosting a twice-yearly interactive training and networking program called, "Mixing and Mingling with a Plan." Facilitated by an incubator board member who is "dynamite at working a room," this event is open to clients and members of the public and draws at least thirty-five attendees at a time. "Some people have no clue how to go to events and interact with people; they just want to stand in a corner," Ison says. "But this is interactive. We get them practicing ice-breakers and tips and hints about how to carry on a conversation and how to get out of a conversation, if somebody is monopolizing their time."

Mix and Match Diverse Firms

Encourage both your very experienced and your less experienced entrepreneurs to meet or do business with one another. This may take extra effort on your part where your busy clients are concerned; when firms are small and have few resources, they are often unavailable to others as they struggle with their own growth.

Of course, sometimes relationships among companies at different levels of maturity occur serendipitously. For example, Central Valley Business Incubator graduate Gymnastics Beat linked up with current virtual client company SURVIVE! during a nine-week business plan writing course. The more established gymnastic company now has SURVIVE! (self-defense training) classes in its facility.

Intentional efforts to link mature and immature companies require greater intervention by management, however. At the Ohio University Innovation Center in Athens, Ohio, Director Linda Clark took care to introduce new client Media Brite, which offered e-commerce-capable Web design services, to anchor tenant and graduate biotechnology company Diagnostic Hybrids. This resulted in Media Brite's expanding its services by adding employees and

outsourcing in order to design and produce complete marketing materials for the biotech firm.

At Georgia Institute of Technology's Advanced Technology Development Center (ATDC) in Atlanta, Georgia, General Manager Tony Antoniadis says the incubator goes so far to connect mature and immature companies that it maintains a mix of repeat entrepreneurs and first-timers. "It's currently 30 percent serial entrepreneurs," says Antoniadis. "We also have an entrepreneur-in-residence program that brings back a successful entrepreneur to help current clients while he develops another company. This has been a great new program."

The incubator has developed guidelines for the program, including qualifications necessary to be an entrepreneur in residence (EIR), the commitments the EIR must make to the incubator, ATDC's responsibilities to the EIR, term of service (usually one year), circumstances in which an EIR must depart, and the process for selecting an EIR.

Seek Critical Mass

An incubator probably needs a minimum of nine companies to get much interaction going, and clusters within an incubator require a similar critical mass. A small incubator might consider taking on affiliates – clients who use the incubator's resources regularly but do not rent space.

With 72,000 square feet of incubator space, the Long Island High Technology Incubator (LIHTI) at Stony Brook University (formerly SUNY Stony Brook) in Stony Brook, New York, already has a sufficient number of companies to promote inter-client networking. But incubator Manager and Director Jim Finkle throws open networking to an even broader group of business service vendors and university-affiliated individuals at PLONKS, parties whose name reflects British slang for a bottle of wine and which provide alcohol and "great" food. These are held at least once a month, and in winter, when clients and community members aren't eager to get home or go outside, almost weekly. The business service vendors – such as insurance companies, banks, or financial services firms – always share the cost of the events, pitching in amounts of \$250, \$500, or more.

Some 300 individuals are on the PLONK mailing list, but staff manage the invite list and not everybody gets in. Topics range from golfing lessons, how to

dress for success, wine tastings, or St. Patrick's Day. "It's not just a drinking thing," says Finkle, although he notes that St. Patty's Day refreshments are "all Irish beer and Irish food. For Chinese New Year, we have only Chinese beer and food." The number of participants ranges from fifty to 150, but 90 percent of those attending are client companies and their employees, and many deals are cut, according to Finkle. "AT&T has offered my companies the same rate faculty get, which is a university negotiated rate. One client found an interim business manager willing to work for them after hours when not working a regular job for another client," Finkle says. Vendors now leave business cards even when Finkle isn't in his office with legends like, "Interested in a PLONK day."

Design Spaces for Networking

If you are renovating or acquiring a new building, look closely at the design of the space. You want people to interact in the course of doing business. Try for common entrances, common bathrooms, one coffee pot, and hallways arranged to make clients pass by others' offices. The more interaction that goes on during the regular work day, the less you will have to take clients out of the stream of what they're doing to encourage synergy.

"All our offices have a glass door and the conference and meeting rooms have glass walls, so you can see what is happening," Hoogetboom says. "Nobody hides in their offices. They'll comment, 'That looked like a long meeting yesterday,'" she notes. The incubator also was lucky in the choice of its first clients, Hoogetboom explains. "They'd come out of their offices to hug new company founders."

The Santa Fe Business Incubator was designed with networking in mind as well. "Wide hallways, several mini lobby areas with chairs and bulletin boards, and an open comfortable lobby near the front desk encourage companies to meet, visit with each other, and relax," Longserre explains.

At LIHTI, Finkle says the incubator invested \$85,000 in a Japanese-style central courtyard with tables and umbrellas, a waterfall, and fish; the area is used for PLONKS and for informal meetings and lunches. Another covered picnic area sits in the woods and draws groups on hot days. Since LIHTI is equipped for wireless access, clients can sit in the courtyard and still access the Internet, Finkle says.

Develop Your Own Facilitation Skills

It's very important to be the type of manager who is a good communicator and who can draw out other people. The manager must have sensitivity to the nuances of relationships. If you are too outcome oriented – always too busy to go to lunch – you won't be good at building incubator synergy.

Some kinds of professional training bring out facilitation and communication skills, says Longserre, who points to her background as a teacher and in sales and marketing. With training in negotiation under her belt, too, Longserre feels comfortable bringing people together. "We've also learned from NBIA how important networking clients and the community is."

Ison wasn't always a pro at networking, she admits. "I hated networking and facilitating at one time, but when you take a job like this, you just have to jump in there and figure it out." Having been shy herself may help Ison empathize with her clients. "Since I know how they feel, I take them under my wing," she says. She even extends this to working with the media. "I'll call two clients and say, 'Next Thursday at 3 o'clock, I want you to be there.' If they explain that maybe they're not ready for an interview, I respond by saying, 'It's time you learned.'"

Make Networking the Norm

One incubator manager tells prospective clients, "Look, you don't have to come to all our meetings, but this is part of the value added by our incubator. We expect you to come to most of them. If you're not interested, then this isn't the place for you."

Ison maintains an open door policy and she even encourages informal betting on "American Idol" and "Survivor" television programs in the reception area. "It may sound strange but we encourage it because it helps people feel comfortable," she explains.

Longserre reminds clients regularly of the value of networking. "We celebrate how networking has paid off for people at every meeting," says Longserre, who also has been known to alert clients to opportunities missed when they've stayed away.

"Feedback from our clients tells us that the networking is one of the most important aspects of

being in the incubator," she adds. "We have seen some noticeable personality changes over the years as shy people begin to speak in a safe public arena, and others who were virtual hermits when they arrived become the center of attention at our events."

Establish Trust With and Among Clients

It takes time to develop trust, and trust is the basis for valuable exchanges. The more you can be strategic about the process, the more you can collapse the length of time it takes to establish trust. That means planning things in advance. For instance, expect it to take six months before a client forum takes off – before it will have any stability of participation.

More time also means more opportunities to grow successful events and more benefits to clients, as well as more and better relationships – as evidenced by Finkle's PLONKS events. Longserre describes a holiday luncheon usually attended by the mayor, city council members and other community stakeholders, and business press. The luncheon honors incubator clients and has resulted in great media coverage as well as support from incubator stakeholders.

"The idea was to develop something really special, and now we're limited to 125 people or we'll have to move it across town," she says. "It's very personal for us. We talk about all the good things that happened and the people who've graduated, and we even have a sing along. Yet the press keep telling me that they're so impressed by the event that they not only do articles on it but follow up with stories and profiles on our client companies for three to four months afterward. People have been introduced to business partners, customers, and angels – all at this event," she says.

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