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Business networking can be defined as the process by which business owners and/or managers leverage both their personal and business connections for the purpose of bringing their enterprises a regular supply of business. As a result of this process, mutually beneficial relationships are proactively or otherwise created not only with other like-minded and willing-to-cooperate businesses, but with existing as well as potential customers. In essence, the socioeconomic activity that is business networking aims at searching, creating, or recognizing business opportunities and subsequently acting upon such for the benefit of the networked parties. Creating networks in the business sphere is actually harder than it may appear. This is for the simple reason that at the core of networking are human relationships, which are quite complicated and therefore challenging to manage.

Nonetheless, strong business networks can bring a business a host of benefits. To start with, it is well established that up to three quarters of new business gained by a majority of business enterprises comes from networking or what is commonly referred to as relationship marketing/business referrals. In addition, this method of winning business is by far cost effective as compared to other marketing techniques such as public relations, sales promotion, and advertising. This is so because as opposed to other techniques of marketing whose success depends to a large extent on the amount of financial resources committed, a successful business network only requires personal commitment of the business owners/managers in addition to their relationship building skills. Another benefit that can accrue to an enterprise from establishment of strong business networks is elevation of its business profile. Under this, network members get to know an

enterprise even deeper in terms of its products and services, which in turn significantly expands the base of its existing as well as potential clientele.

Moreover, an enterprise stands to benefit from significantly cheap or even free consultancy services as well as advice from more knowledgeable or more experienced members in the network. Also, an enterprise in business network can quite easily get help from fellow members during hard times. This could be through such actions as lending it cheap loans, bailing it out of the threat of financial collapse, and helping it repel off harsh takeover bids from rivals.

Additionally, because each business network tends to have its own culture and set of values, a business enterprise can emulate the positive work values from the network and integrate them in its operations for its own advantage. A business network can either be formal or informal. Up until recently, informal business networks were the norm. The trend is however changing rapidly with formal business networking companies cropping up especially on the internet. In this regard, business networking is becoming highly organized, and it is no longer strange to hear of formal weekly or monthly networking meetings organized by groups of business owners or managers in the network. In sum, business networking is a cheap way to win new business at quick of a business, and the amount of benefits an enterprise can derive from networking highly depends on the interpersonal skills of the business owner or manager.

As such, business networking must not only be focused but strategic. Moreover, business owners and/or managers must be proactive in forging

business relations with like-minded firms. This way, many invaluable opportunities would open up for such managers/owners and their firms.