



Excerpted from
FastTrac® TechVenture™



TAKE CHARGE OF YOUR BUSINESS®

A program of the Kauffman Foundation

Building Your Entrepreneurial Network

Fair or not, businesses often succeed or fail based on the contacts the entrepreneur has, not on the business concept, the entrepreneur's technical expertise, or even the drive of the entrepreneur. The right person appears at the right time to provide a valuable resource to the business. Rarely, though, does this happen without effort. If you stay within the confines of your current relationships, the probability of meeting the right person is lessened. Those odds can be dramatically increased by a concerted effort to get to know and become known by others. Networking is a progression, because every new contact has a different network to which you gain access. By adding one new acquaintance, you may gain another dozen or so contacts.

Leveraging the Board of Directors and Advisory Board – By the time an entrepreneur begins raising equity capital, one or both boards should be in place. You can start networking with and through your mentors and advisers rather than just at formal meetings of the full boards. Invite individual board members to breakfast or lunch. Tell them your needs and follow their suggestions. Talk about what they are doing and find out whom they can introduce you to. Use their experience and knowledge as well as position in the business world to the advantage of your business.

Building a Network – Have a plan to constantly increase your network. Attend meetings of entrepreneurial groups, venture conferences, chambers of commerce, and industry associations. Broaden your network to include competing and complementary industries.

Be prepared to introduce yourself in a way that leaves a favorable, lasting impression. The person you just met may be the person who will become an important source for your venture's success.

Managing the Investor Pipeline – Potential investors may not match your immediate needs at the time you make initial contact with them. Stay in touch with them; let them know how your business is doing. Discuss milestones achieved and setbacks suffered. Perhaps they may be right for your business in the future. They may know someone with whom you will fit. When they cash out of existing deals they may have the funds to invest in your venture. If you have been in touch with them, you can reach them with ease when the time is right. Just knowing investors can be of benefit. They are in the business of financing companies; their knowledge and possible introductions to others can be of great benefit.

Reality
Check ✓

Do not be drawn into criticism of others. Such statements have no positive effect and can come back to haunt you.