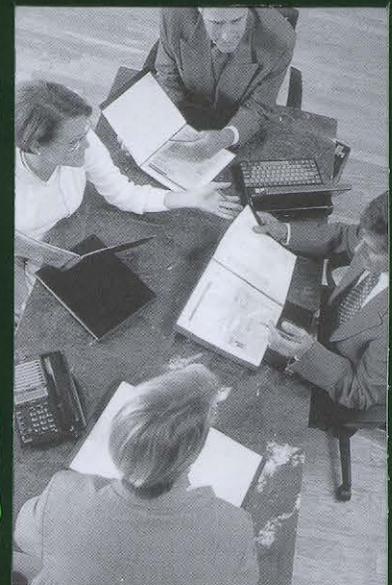




Lloyds TSB  
**Business**

LLOYDS TSB  
SMALL BUSINESS RESEARCH TRUST



**NETWORKING  
IN BUSINESS**

SMALL BUSINESS  
MANAGEMENT REPORT



**SMALL  
BUSINESS  
RESEARCH  
TRUST**

**Issue number 1 • Volume 10 2002**

**LLOYDS TSB**

**SMALL BUSINESS RESEARCH TRUST**

*Networking in Business*



**NETWORKING  
IN BUSINESS**

**SMALL BUSINESS  
MANAGEMENT REPORT**

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## WEB VERSION: INTRODUCTION

The Lloyds Bank/TSB-sponsored series of small business management reports commenced in 1992, and concluded in 2009. In total, 53 reports were published over a period of 17 years.

Our target audience comprised the owner-managers of independent small businesses, typically employing fewer than 50, and based in mainland UK.

The series originated from a longitudinal study of small business management, undertaken by the Polytechnic of Central London (now University of Westminster), and culminating in: *The Management of Success in 'Growth Corridor' Small Firms*, (Stanworth, Purdy & Kirby, Small Business Research Trust, 1992).

## THEMES

The themes were wide-ranging – including such as entrepreneurship, work & stress, employment strategies, and the environment – a full list is shown overleaf.

## INSIGHT

In addition to asking questions and supplying the respondents with a range of answer options, the corresponding questionnaire was included as an appendix to each report so that readers would know exactly what questions had been put to respondents.

We also sought qualitative information – in the form of verbatim comments about the key theme – to help elaborate on whatever related challenges respondents felt they were facing at the time.

Finally, the findings are primarily intended to be indicative rather than definitive – partly due to the sample size, which is, on average, 111 for the 2003-09 reports.

## PUBLISHING FORMAT

The reports were published in hard copy form, obtainable via subscription. Initially

by the Small Business Research Trust, and from 2003, by the Small Enterprise Research Team (SERTeam), both research charities based at the Open University.

Regrettably, SERTeam ceased operating in 2009, and so in 2010 the authors felt that the more recent reports would find wider interest if they were made freely available in Acrobat format via the Internet – especially with the UK economy set for a protracted journey out of recession, and with the government in turn refocusing on smaller businesses to aid the recovery.

It is worth mentioning that the series commenced as the UK economy emerged from the early 1990s recession.

In 2015, the earlier reports were also converted (1993 to 2003), with the full series made available at Kingston University: <http://business.kingston.ac.uk/sbrc>

## SUPPORTING INFORMATION (WWW)

In later years – as the world-wide-web developed and an increasing number of sources of information became more readily available – suggestions for online sources of related material were included.

N.B. For reports 2003 onwards - where successfully validated, the web links (URLs) were enabled in 2009. And in the case of many invalid web links, an alternative was offered, but not where the organisation appeared defunct and an obvious replacement was not traced.

**John Stanworth, Emeritus Professor,  
University of Westminster**  
<http://www.westminster.ac.uk/schools/business>

**David Purdy, Visiting Fellow,  
Kingston University**  
<http://business.kingston.ac.uk/sbrc>

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ISSN 0968-6444

1993 (Vol.1)

- 1 Surviving The Recession .....February 1993
- 2 Using Your Time .....June 1993
- 3 Management Style ..... September 1993
- 4 Financial Management .....December 1993

1994 (Vol.2)

- 1 Purchasing ..... March 1994
- 2 Quality Standards & BS 5750 .....June 1994
- 3 Management Succession.....August 1994
- 4 Customers & Competitors . November 1994

1995 (Vol.3)

- 1 Information Technology..... March 1995
- 2 Holidays.....June 1995
- 3 Company Vehicles.....August 1995
- 4 Pricing Policies..... November 1995

1996 (Vol.4)

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- 3 Financial Management ..... September 1996
- 4 Tax Compliance .....December 1996

1997/8 (Vol.5)

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1999/2000 (Vol.7)

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- 3 Management Development .December 1999
- 4 Exit Routes..... March 2000

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- 2 Sources of Finance ..... September 2000
- 3 Transport & Government ....December 2000
- 4 Government & Regulations .....April 2001

2001/02 (Vol.9)

- 1 Marketing & Sales.....July 2001
- 2 The Human Side of Enterprise ..... Oct 2001
- 3 Health Issues ..... January 2002
- 4 Premises.....April 2002

2002 (Vol.10)

- 1 Networking in Business .....August 2002
- 2 The Euro .....December 2002

Lloyds TSB & Research Team  
Small Business Management Report  
ISSN 1478-7679

- 3 Crime Against Small Firms ..... June 2003

Lloyds TSB & SERTeam  
Small Enterprise Research Report  
ISSN 1742-9773 No.2 (Vol.1) onwards

2003-04 (Vol.1)

- 1 Small Firms And Politics .....October 2003
- 2 Pensions ..... February 2004
- 3 Work-Life Balance..... July 2004

2004-05 (Vol.2)

- 1 Education & Enterprise .....October 2004
- 2 Made in Britain ..... February 2005
- 3 Management & Gender Differences..... July 2005

2006 (Vol.3)

- 1 Local or Global ?.....January 2006
- 2 Managing IT ..... May 2006
- 3 Networking in Business .... September 2006

2006-07 (Vol.4)

- 1 Owner-Manager Flexible Working..... December 2006
- 2 The Ageing Workforce..... April 2007
- 3 Travel & Transportation..... August 2007

2008-09 (Vol.5)

- 1 The London 2012 Olympic And Paralympic Games..... April 2008
- 2 Competition: Small Firms Under Pressure.....January 2009

## WEB VERSION PUBLISHING

<http://business.kingston.ac.uk/sbrc>

Certain content needed to be re-set, e.g., the figures in the earlier editions, but the report body content is intended to be identical to that in the printed original. This web version - an Acrobat document - is derived from the original DTP text and will permit searching.

## LIABILITY DISCLAIMER

The information and analysis in each report is offered in good faith. However, neither the publishers, the project sponsors, nor the authors, accept any liability for losses or damages which could arise for those who choose to act upon the information or analysis contained herein. Readers tracing web references are advised to ensure they are adequately protected against virus threats.

## HIGHLIGHTS

This is the thirty-seventh in a series of small business management reports based on surveys of a panel of small firms, mainly in manufacturing, retail/distribution and business services. The focus of this survey was on **Networking in Business**. The principal findings were as follows:

- **Sources of business advice and information** – Two of the long-standing professions fared well: **accountants** were most frequently mentioned (85% of respondents), followed by **bank managers** (48%). Thereafter, six sources were grouped fairly closely together: suppliers, friends, customers, solicitors, Business Links and family members (between 28%-39%).
- **Female small business owners rely upon less extensive networks** – **Female** respondents were more likely to rely upon more formal elements of their networks such as **accountants** and **bank managers**. Whereas their **male** counterparts were better connected and used **suppliers, friends, customers** and even **competitors** more frequently. Males appear to have stronger roots in the business world.
- **Lateral thinking** – **Business services** respondents were most notably active in canvassing advice and information from **less obvious sources** such as **friends, customers, solicitors** and (along with manufacturing respondents) **Business Links** and even **competitors**. Manufacturers (94%) seemed particularly reliant upon their accountants.
- **Government sources of business advice and information** – **One-in-three respondents** (33%) reported that they would readily turn to their local **Business Link**. The Business Link agencies are arguably becoming a useful part of the business support scene rather than simply a last port of call if all else fails.
- **'Growth corridor' firms and Business Links** – Only very limited numbers of the smallest businesses succeed in growing, by passing through a 'growth corridor', but the **10-19 employee firms** were those most likely to readily turn to their local Business Link for business advice and information (45% said they would). These support agencies appear well-placed to help growing SMEs.
- **Main function of networking** – The predominant function was that of **problem-solving** (63% of respondents), followed by **seeking new sales opportunities** (47%), and **seeking new suppliers** (41%). More lowly ranked were the seeking of new products/services, new investment opportunities and new investors.
- **Main function of networking and gender differences** – In most functional areas, **female respondents appeared to achieve less from networking activities** than their male counterparts.

continued ...

- **Main function of networking and sector variations – Business services** respondents were the most active in using networking channels to generate **new sales opportunities**. Whereas **retail/distribution** firms featured more frequently in **seeking new suppliers**.
- **Organisational memberships were not common** – Such memberships as there were tended to be scattered different between sectors. Membership of **trade associations** registered **low in business services** (17% of sector respondents) but **high in retail/distribution** (50%). Membership of **professional bodies** was **high in business services** (34%) but **low in manufacturing** (9%). Membership of **chambers of commerce/trade** was noticeably **higher in manufacturing** than in the other two sectors.
- **Strategies used to extend business networks** – Over half of the respondents (53%) had **attended one or more exhibitions as visitors** during the previous year, followed by attendance at **conferences/seminars** (45%), **dinners** (30%), **business interest group meetings** (27%), **training courses** (26%), **social group memberships** such as golf clubs or Rotary clubs (22%). 12% had attended a conference/seminar as a presenter whilst an identical number had used Internet message boards for business issues.
- **Strategies used to extend business networks and sector variations – Business services** respondents were **typically more active** in many of the specified activities than those in **manufacturing** or **retail/distribution**.
- **Strategies used to extend business networks and gender differences – Women respondents** were generally under-represented, except for participation in **training courses** (45%) compared to the male owner-managers (24%).
- **Preferred modes of networking – Face-to-face and telephone contact** (70% of respondents in both cases) were much preferred to less personal alternatives such as e-mail, letter, and fax. E-mail was favoured by 40% of respondents, ahead of the other modes, and this means of communication in business seems to be well-established. Simple face-to-face contact declined in the **larger firms**, but there was some evidence that this was compensated by wider use of **business meals** for networking.
- **Strong preference for face-to-face contact amongst the older age groups** – But the **older respondents** revealed a **less widespread interest in entertainment/sports-linked** networking.
- **Key elements of a sound networking relationship – quality** (67% of respondents), **informality** (57%) and **confidentiality** (52%) emerged most strongly when respondents were asked to identify their three most important facets. Other factors such as **availability at short notice** and **low cost** were rated as being less important.
- **Impact of networking on annual sales turnover – One in 6 respondents attributed over 20% of their sales to successful networking.**

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## ACKNOWLEDGEMENTS

The Small Business Research Trust wishes to thank all responding firms for their time and effort involved in participation in the production of this Management Report. The Trust acknowledges the help provided by David Purdy, The Open University, and The University of Westminster, in designing the survey, processing data and analysing the results.

The Small Business Research Trust is particularly pleased to acknowledge the generous support provided by Lloyds TSB in sponsoring the research, analysis and presentation of this report. However, it is important to note that any opinions expressed in this publication are not necessarily those of Lloyds TSB.

**Report Author – Professor John Stanworth (University of Westminster)**

**Series Editor – David Purdy**

Lloyds TSB

The Small Business Research Trust

## MANAGEMENT ISSUES

The emphasis of our management reports is on monitoring the key management problems and practices of smaller business, with an emphasis on survival and success. Accordingly, each issue of the Lloyds TSB/Small Business Research Trust Management Report addresses one or more highly topical small business management issues. In this survey we focus on **Networking in Business**. The report is produced three times a year.

## THE SAMPLE

This report is based on responses received from a panel of over 350 small businesses situated in the northern, midland and southern regions of Britain. Respondents are predominantly small firms with fewer than 50 employees, drawn mainly from the manufacturing, business services, and retail/distribution sectors of the economy. The precise distribution of firms varies from survey to survey, but typically over half of the participants employ fewer than 10 people.

## RESULTS

The questionnaire completed by sample firms appears at the end of this report as an appendix. This survey was carried out during May-June 2002.

## SMALL BUSINESS RESEARCH TRUST

The Small Business Research Trust (SBRT), founded in 1983, is an educational research charity, aiming to advance the education of the public in relation to small and medium-sized enterprises in the United Kingdom and Europe. Further details may be found at [www.sbrt.co.uk](http://www.sbrt.co.uk)

## PAST SURVEYS

### 1993 (Vol.1)

- No.1 Surviving The Recession*
- 2 Using Your Time*
- 3 Management Style*
- 4 Financial Management*

### 1994 (Vol.2)

- 1 Purchasing*
- 2 Quality Standards & BS 5750*
- 3 Management Succession*
- 4 Customers & Competitors*

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- 1 Information Technology*
- 2 Holidays*
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- 4 Pricing Policies*

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- 1 The Impact of Holidays*
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- 3 Management Development*
- 4 Exit Routes*

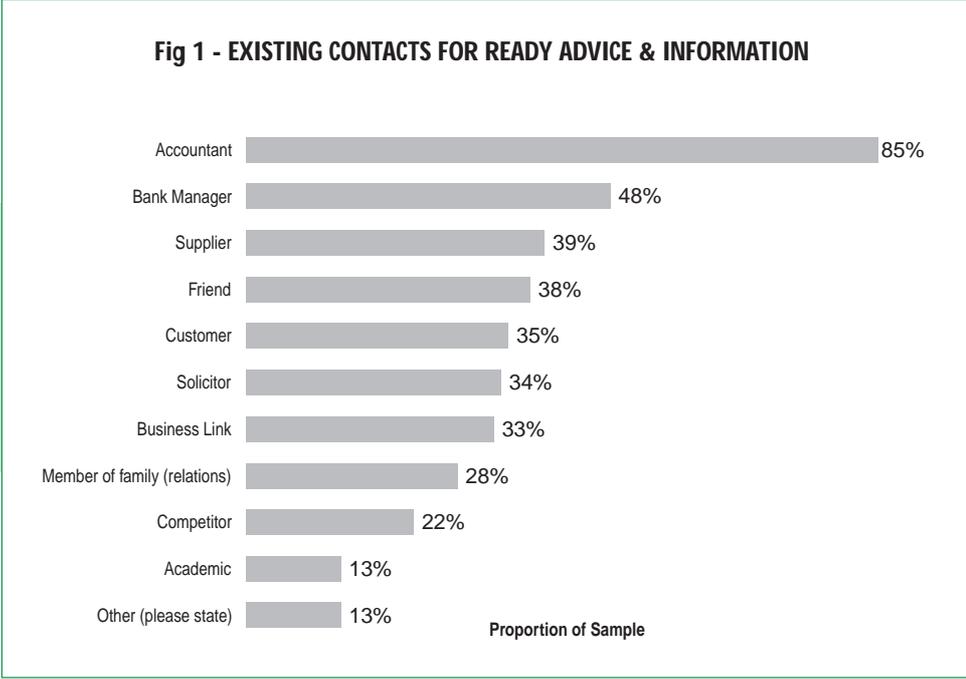
### 2000/01 (Vol.8)

- 1 E-commerce*
- 2 Sources of Finance*
- 3 Transport & Government*
- 4 Government & Regulations*

### 2001/02 (Vol.9)

- 1 Marketing & Sales*
- 2 The Human Side of Enterprise*
- 3 Health Issues*
- 4 Premises*

**Two of the longer-standing professions find wide acceptance**



**SMES AND NETWORKING**

Where does the geography of a business begin and where does it end ? A business's boundaries are certainly not totally defined simply by its physical premises. After all, customers and suppliers, bankers and accountants all exist outside a firm's premises, whereas much that resides inside those premises can be hired, loaned or simply the property of employees. Cars in the car park may belong to employees whereas a firm may have its own transport fleet spending its time located in customers' car parks or loading bays.

Perhaps what we can be said is that a firm's physical resources are more easily to identify and locate than its less tangible knowledge-based resources. The terms 'network' and 'networking' have entered the business language in recent years and refer generally to the externality of contact networks engaged by members of a given firm.

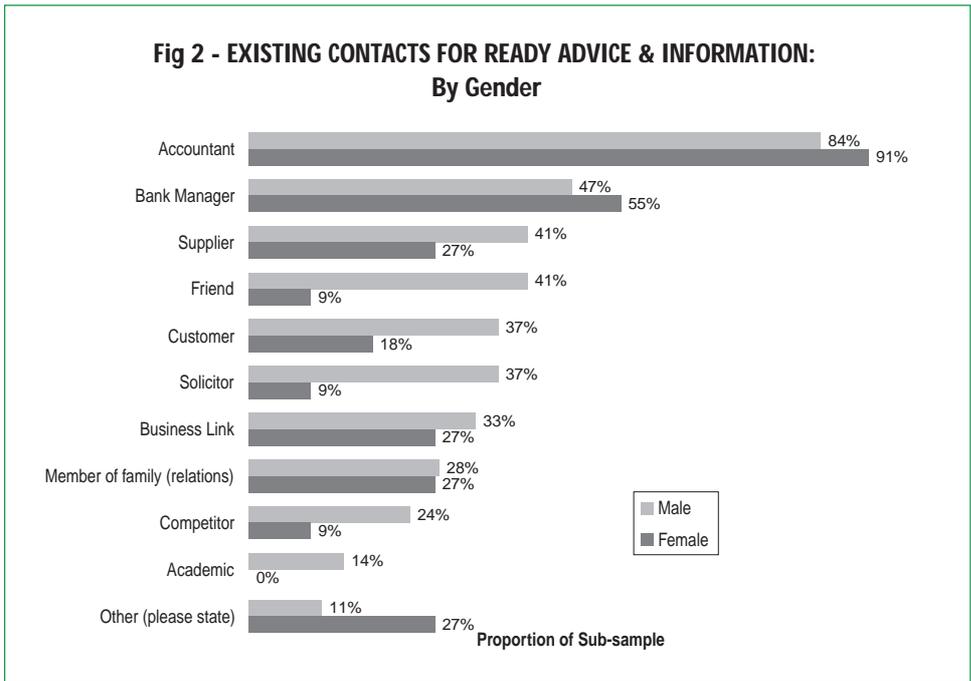
The term 'networking' is still a somewhat vague one but implicitly seems to involve the notion of detective work. For instance, we may feel more comfortable about business lunches and going to conferences or exhibitions if we can redefine them as

'networking' but the term usually hints at the notion of 'digging', 'exploring', 'intelligence gathering', 'peering behind the obvious', 'picking up contacts' names and addresses', 'getting leads', and so on. It can be the chance meeting at an event, the 'picking' of someone's brain or memory, or that which makes an otherwise boring and mundane event worthwhile. In a nutshell, it is 'who you know', and the benefits that may stem from that knowledge, that can ultimately prove so vital to the success of a business.

**Existing Contact Networks**

The panel of respondents were asked to consider their existing contact networks and to identify those contacts to whom they most frequently turn for business advice and information (see **Figure 1**). Accountants were most frequently mentioned, followed by bank managers. Thereafter, six sources were bunched fairly closely together – suppliers, friends, customers, solicitors, Business Links and family members.

The above will be received as good news by the government's 'Business Links' network since it indicates that they are



becoming a vital part of the business contact network rather than simply a last port of call if all else fails. To restate the point here, one-in-three of the respondents were claiming that they already had 'good contacts' with their local Business Link to whom they felt they could readily turn for business advice and information.

'Other' options identified by the respondents included:

- Business club
- Business coach
- Buying group
- Franchisor
- IFA [Independent Financial Adviser]
- Local business association
- P.R. firm
- Partner
- Recruitment industry federation
- Trade organisations
- Welsh Development Agency

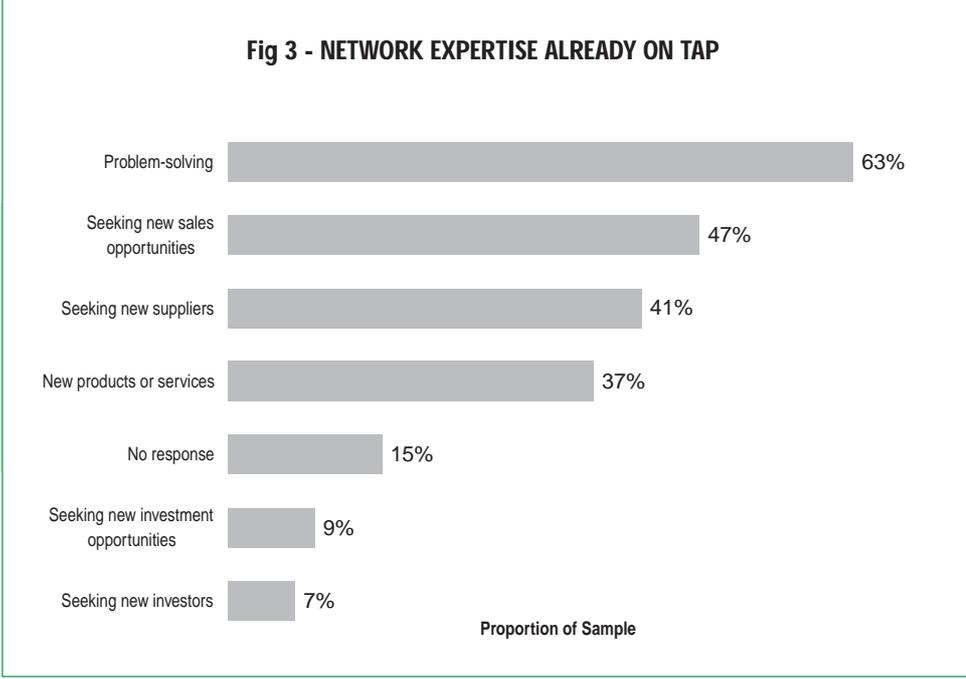
**Figure 2** suggests that there are interesting differences between the character of contact networks of male and female small business owners. For instance, female respondents were more likely than their male counterparts to rely upon more formal elements of their networks such as accountants and bank managers whereas

their male counterparts used suppliers, friends, customers and even competitors more frequently. The suggestion is that the male owner-managers appeared to have stronger roots in the business world, per se.

When the data was broken down by sector, respondents from the business services sector were most notably active in canvassing advice and information from less obvious sources such as friends, customers, solicitors and (along with manufacturing respondents) 'Business Links' and even competitors. This group (business services firms) were also the least likely of the 3 different sector groupings to rely on their accountant for advice and information (though this still came out top at 74%) and were the least likely to include family members amongst their business networks. However, they headed the ratings on most of the other sources, including Business Links. Thus, it was the business services sector respondents who emerged as the most dynamic networkers.

Looking at size of firm as an influence on sources of advice and information used, it was firms in the 10-19 FTE (full-time equivalent employees) size category that

**Nearly 1 in 6 respondents had no network expertise on tap**

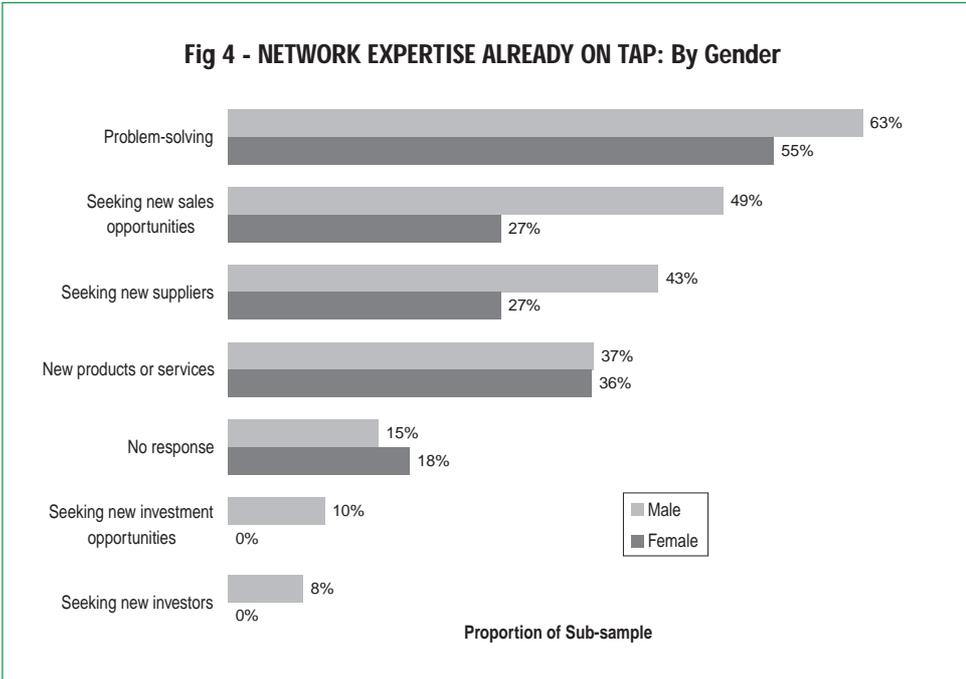


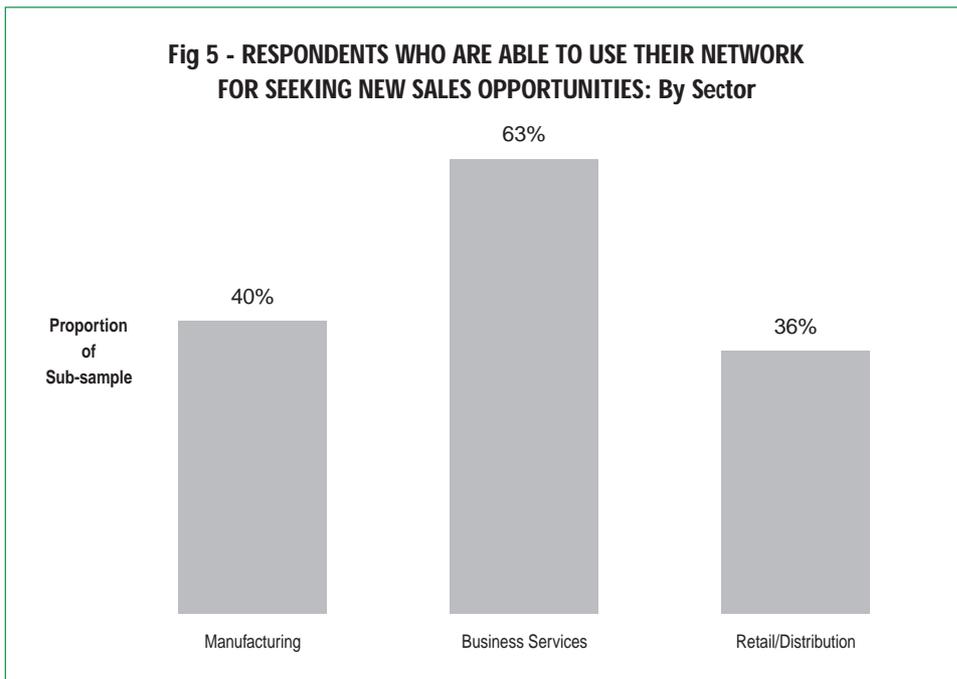
were most likely to use 'Business Links' or, at least, to include them amongst their well-rated network sources (mentioned by 45% of this category, followed by the 20-49 FTE size category (37%), and then the 0-4 FTE group (33%).

**Uses of Business Networking**

Respondents were asked to what use they put their networking contacts – in what areas were they most helpful ? The

responses (see **Figure 3**) show that the main function of networking was that of problem-solving, followed by seeking new sales opportunities, seeking new suppliers and then, in order, finding new products/ services, new investment opportunities and new investors. **Figure 4** gives a gender breakdown and shows the female respondents getting less from their networking activities than their male counterparts on just about every score.

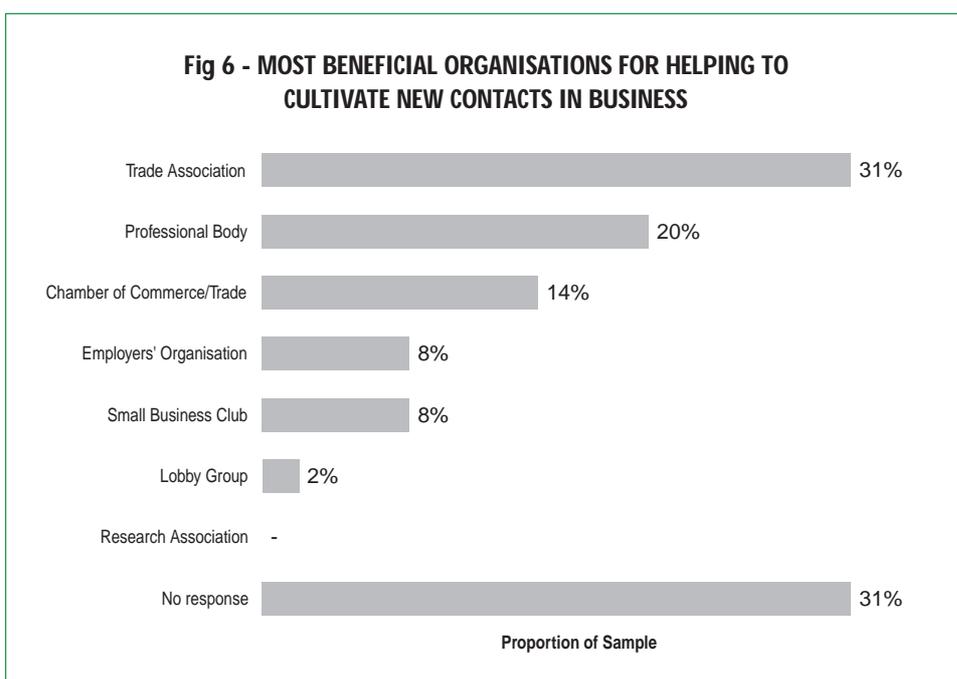




A sector breakdown reveals the extent that the business services sector used networking channels to generate new sales opportunities (**Figure 5**). Obviously, word-of-mouth and personal recommendation counts for a great deal in this sector which comes as no great surprise to those who have studied previous research in the industry.

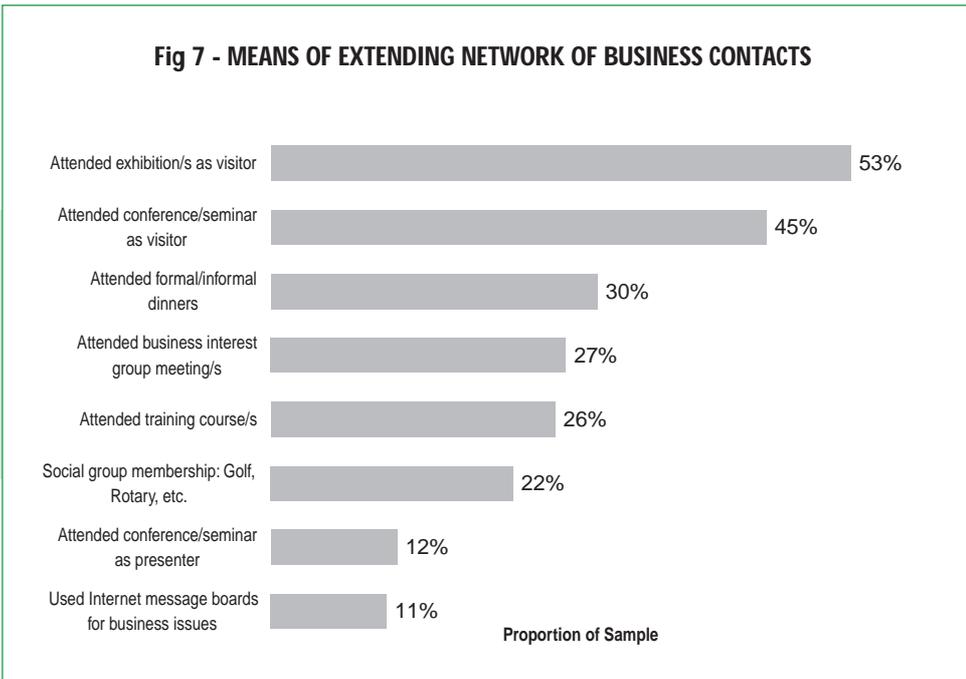
### Membership of Organisations

Organisational memberships were not especially common, indeed, nearly a third of respondents did not respond (**Figure 6**). However, such memberships as there were tended to be scattered different between sectors. For instance, membership of trade associations was low in business services but high in retail/distribution. Membership of professional bodies was high in business services but low in manufacturing.



**Professional bodies were also especially favoured by business services respondents (34%)**

**29% of business service respondents attended conferences/seminars as presenters**



Membership of chambers of commerce/ trade was noticeably higher in manufacturing than the other two sectors.

‘Other’ options identified by respondents included (using ‘organisation membership’ in the broadest sense):

- Banks
- Business Link
- Buying group
- Exhibitions
- Forum of Private Business
- Franchisor
- Industrial consultants
- Local authority
- Meet-the-buyer exhibitions
- Supplier (Peugeot)

**Methods of Extending Business Networks**

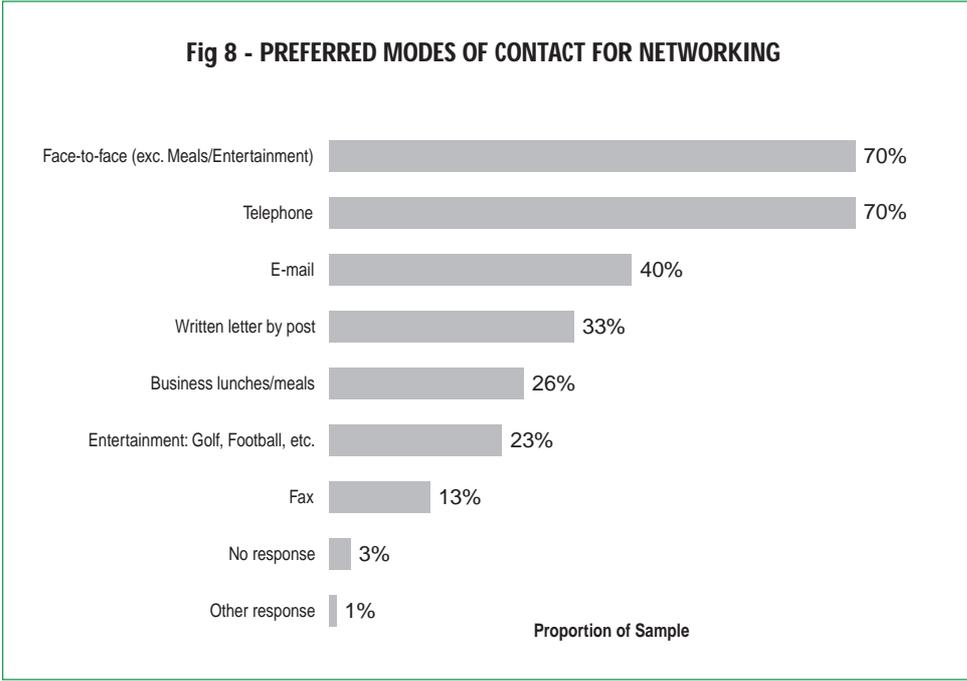
Respondents were asked to identify strategies used to extend their business networks during the previous 12 months. Data in **Figure 7** points to some quite interesting uses of networking media. For instance, over half (53%) had attended one or more exhibitions. This was followed by attendance at conferences/seminars (45%), dinners (30%), business interest group

meetings (27%), training courses (26%), social group memberships (22%). Of particular interest was the fact that 12% had actually attended a conference/ seminar as a presenter, whilst an identical proportion had used Internet message boards/forums for business issues. Business service respondents were particularly active as presenters at conferences/seminars, with 29% doing so.

Again, respondents from the business services sector were particularly strongly represented amongst the above activities whilst women respondents were generally under-represented – except for the 45% indicating a participation on training courses compared to 24% to the males.

Some of the ‘Other’ options identified by respondents involved a number of more conventional techniques, including:

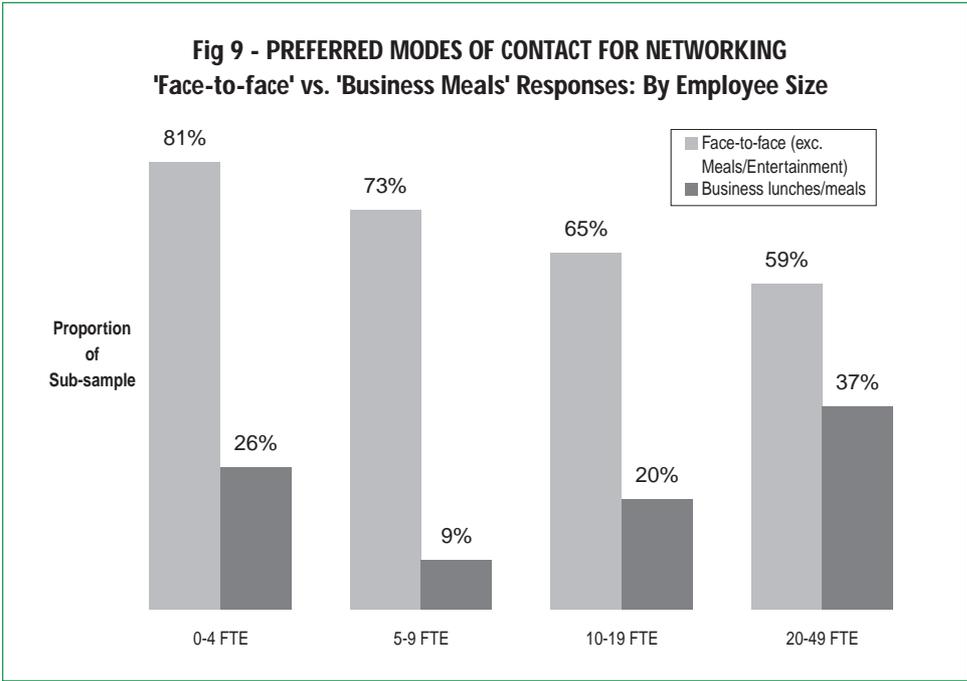
- Attending exhibitions as an exhibitor
- Company ‘open day’
- Customer presentations
- District councillor
- E-mail local business organisations
- Mail shots
- Taken customers out for drink (name later passed on to others)
- Trafford Park Business Forum



**Personal Contact Preferred**

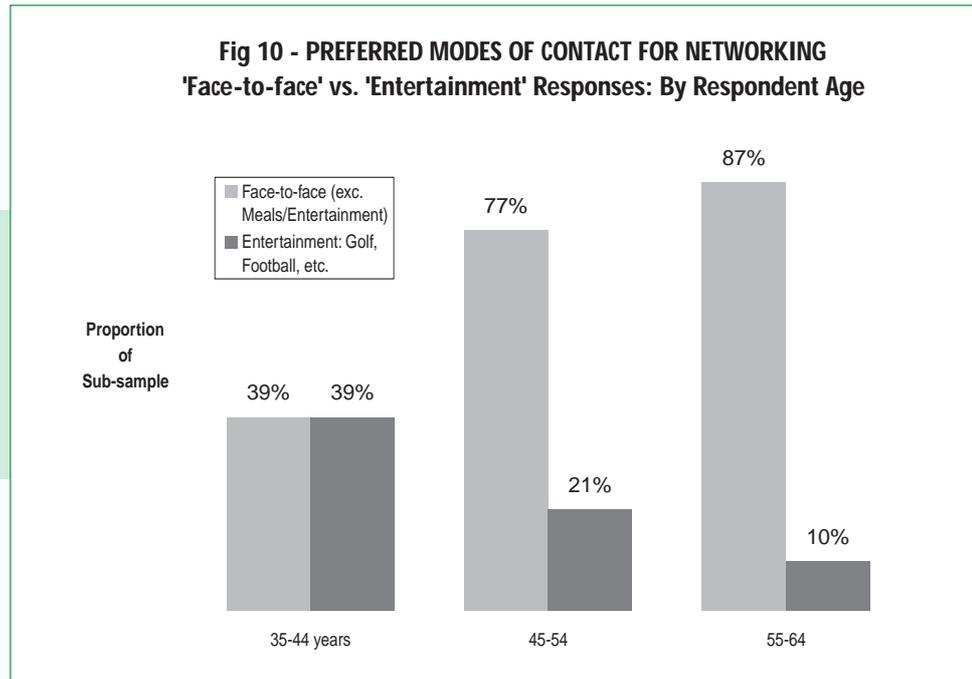
**Figure 8** shows that face-to-face and telephone contact were much preferred as modes of contact to less personal alternatives such as e-mail, letter, fax, etc. However, there were some fascinating variations for preferences when the data were broken down to gauge size and age differences. For instance, **Figure 9** shows that preferences for face-to-face networking relationships became weaker as size of

business grew, although there is some evidence to suggest that business meals were being used as an alternative amongst the larger firms.



*Respondents in larger firms increasingly favour business lunches for networking*

**'Entertainment' more prevalent amongst the younger owner-managers**

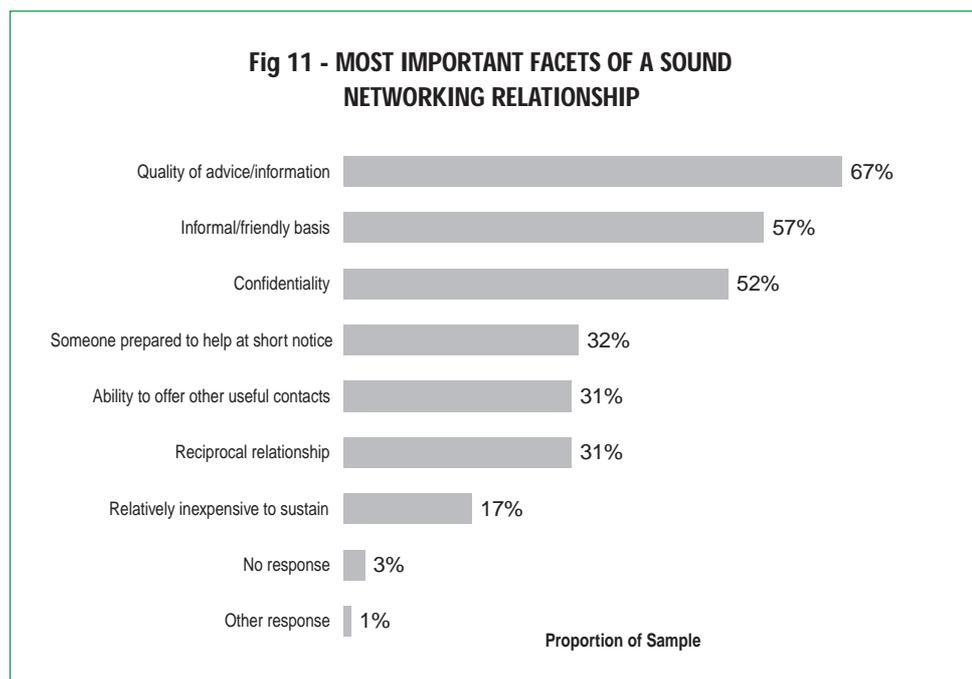


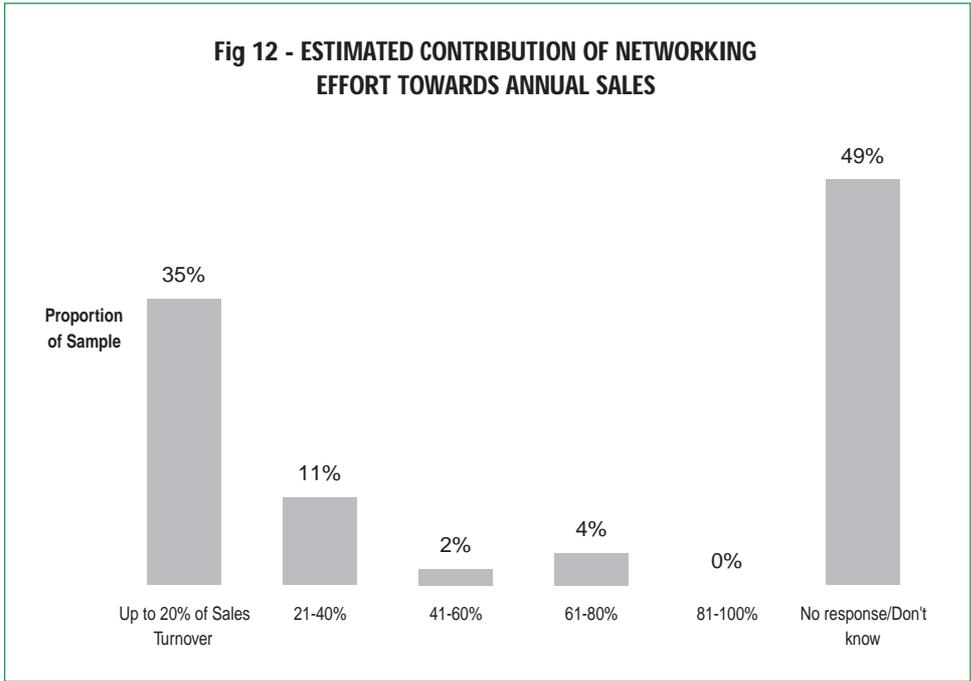
**Figure 10** shows strong preferences for face-to-face contacts amongst older age groups along with a declining interest in entertainment/sports-linked networking. It can only be assumed that differences here are explained essentially by changing emphases in the wider society over time. For instance, younger age groups are more likely to have become familiar with sports sponsorship and its commercial links at a formative age whereas, for older age tranches, it is a more recent, and not

necessarily approved of, innovation.

### Elements of Sound Relationships

When asked to identify the three most important elements of a 'sound' networking relationship, quality, informality and confidentiality emerged most strongly (**Figure 11**). Other factors such as availability at short notice and low cost were rated as being considerably less important.

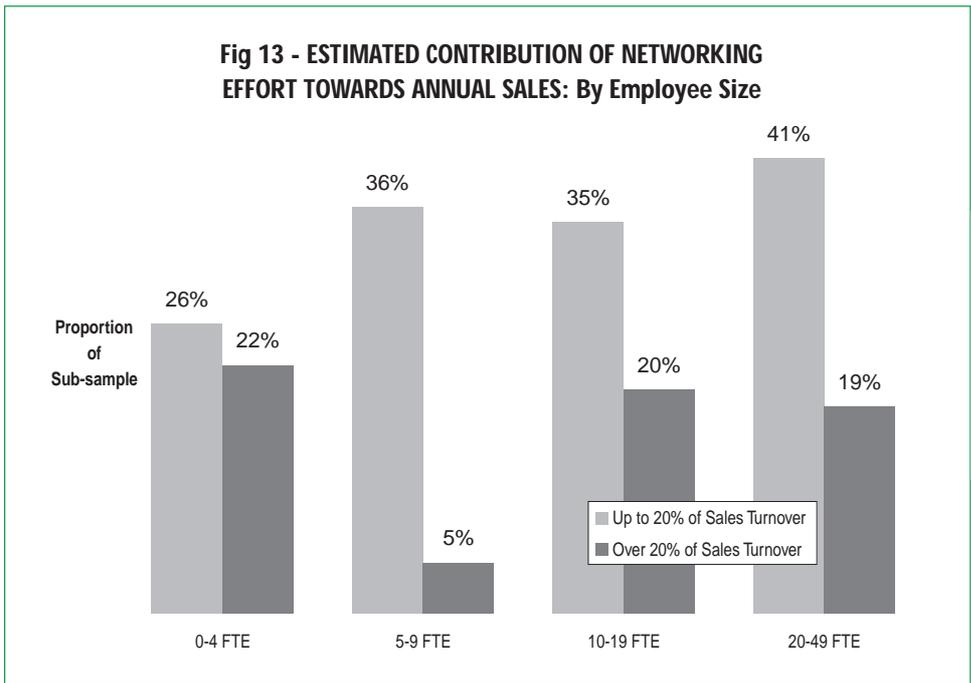




**Value of Networking**

Obviously, it is not easy to actually put a value on the dividends yielded by networking. However, we asked respondents to try. Only 52% felt able to even attempt to answer this question (Figure 12). Of those, however, around one-third attributed up to 20% of their sales volume to successful networking, increasing from 26% for firms in the 0-4

FTE size band to 41% for those in the 20-49 band. Around a further 20% claimed to be able to attribute even higher proportions of their turnover to networking (Figure 13).



*More of the larger firms attach value to 'networking'*

## REFERENCES: NETWORKING IN BUSINESS

The following references are offered as an aid to readers interested in seeking further information via the world-wide-web. The coverage is not intended to be definitive, and inclusion here should not imply either agreement or disagreement with the views expressed via these sources. Some web sites have appeared before, but there is usually a section noted with interests relevant to the theme of this report.

Special care should also be taken with material obtained from **outside** the UK, for example, the USA, where different legal issues may apply. N.B. Some pages may contain links to other WWW pages offering related material. Tip: The WWW links were functional at the time of going to print, but the world wide web is in a state of constant change. So if later problems arise with a link, edit the link back to the 'home page' – e.g., reduce <http://www.bized.ac.uk/fme/xyz.htm> to <http://www.bized.ac.uk/> – and look for a similar topic heading there.

- **Business Clubs UK**  
“Business Clubs UK is the national federation of business clubs, groups and associations, dedicated to assisting existing clubs to thrive and establishing new business clubs where none exist.” Comprehensive range of resources for small businesses, including a guide to networking at their meetings and a small business chat/conference room. <http://bcuk.smallbiz.uk.com>
- **Businessseurope.com**  
“Business Europe addresses the issues and needs of European small and medium-sized enterprise (SMEs). We provide a comprehensive service of original focused news analysis, expert advice, online forums, a business directory and a marketplace.” Registration needed (free), and offers a number of articles, e.g., *Businesses benefit from networking*, *Understand the*

*basics of networking*, *Network effectively for your business*.  
[www.businessseurope.com](http://www.businessseurope.com)

- **Business Link**  
UK Government business support agency. The web site offers several articles on the topic, e.g., *Factsheet: Women in Business - Networking and Support* (“Networking is a crucial part of business but if you don’t have the time to get out and about ‘Virtual Networking’ is the next best thing! Here you will find plenty of business organisations who can offer you help and advice and the opportunity to mix with other women in business both on and off line.” Search for ‘networking’).  
[www.businesslink.org](http://www.businesslink.org)
- **Business Network International (USA)**  
Commercial operation: “BNI provides a structured, supportive, business environment in which local business people can get together to network, learn valuable new marketing skills and develop the strong personal relationships that lead to trust and the consequent generation of significant business for each other.”  
[www.bni-europe.com/uk](http://www.bni-europe.com/uk)
- **First Tuesday (USA)**  
“First Tuesday is the world’s leading network for innovation and technology ...With over 50,000 active members worldwide, the First Tuesday network includes 43 cities in 25 countries across five continents and brings together the leading players in the technologies sector: entrepreneurs and managers of new ventures; venture capitalists and investors; service providers; and ‘intrapreneurs’ and technology managers in corporate entities.” Has a small number of local operations (via ‘licensees’) in the UK.  
[www.firsttuesday.com](http://www.firsttuesday.com)

- **The Leadership Network (Canada)**  
Government of Canada Treasury Board Secretariat. This site is geared towards networking in the public sector (in Canada), but also has links to information about networking in business, including books on the topic, and an annotated bibliography.  
[http://leadership.gc.ca/static/people\\_networks/menu\\_e.shtml](http://leadership.gc.ca/static/people_networks/menu_e.shtml)

- **Inc. Magazine (USA)**  
This has a section on networking, containing over 100 articles online at the time of writing, e.g., *A Social Life Can Increase Business Success* ("For one entrepreneur, networking isn't an isolated event, it is a way of life"). Located under: Home | Articles by Topic | Personal and Professional Growth | Entrepreneurial Skills | Networking.  
[www.inc.com/articles/growth/entrep\\_skills/networking](http://www.inc.com/articles/growth/entrep_skills/networking)

- **National Speakers Association (USA)**  
"The National Speakers Association (NSA) is the leading organization for experts who speak professionally. NSA's 4,000 members include experts in a variety of industries and disciplines, who reach audiences as trainers, educators, humorists, motivators, consultants, authors and more." The site offers a 'Knowledge Bank'.  
[www.nsaspeaker.org](http://www.nsaspeaker.org)

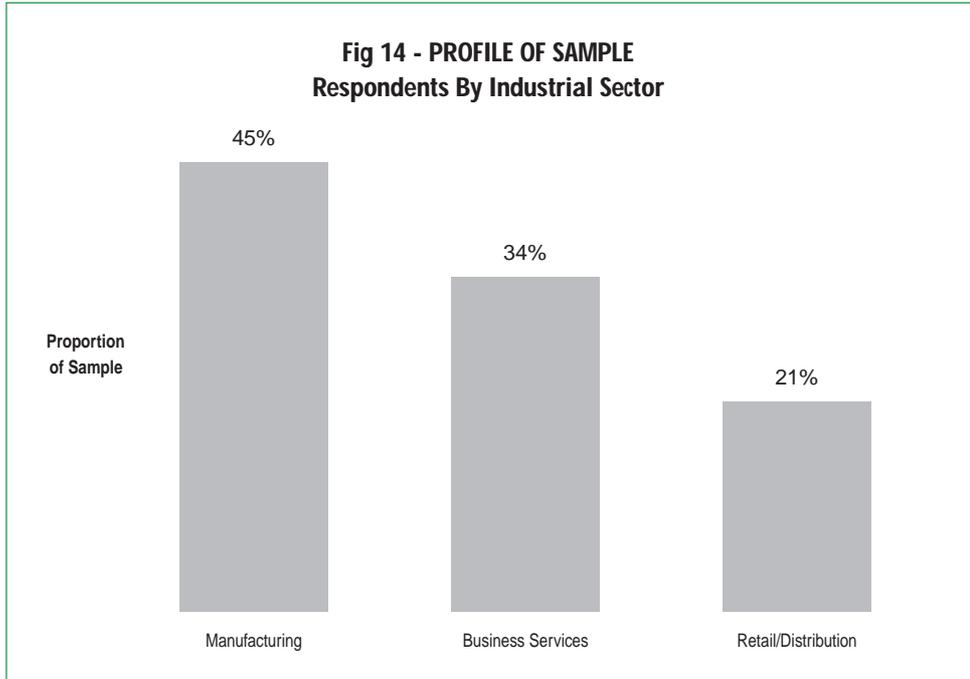
- **Networking on the Network**  
An online article, described elsewhere as: "A detailed and somewhat technical but very helpful article on using electronic communication to enlarge your network."  
<http://dlis.gseis.ucla.edu/people/pagre/network.html>

- **The Association of Speakers Clubs**  
"We develop our members into better speakers, not just for formal events like dinners, but for any occasion where someone is called upon to say a few words. Club meetings are organised to

guide the prospective speaker through a series of logical set assignments. Some preparation is needed. The Speakers Guide, a trusted, well-designed handbook which is given to all new members, is there to assist!" Also offers a list of links to other related sites.  
[www.the-asc.org.uk](http://www.the-asc.org.uk)

- **Toastmasters International (USA)**  
"... members learn by speaking to groups and working with others in a supportive environment. A typical Toastmasters club is made up of 20 to 30 people who meet once a week for about an hour." Over 40 UK clubs listed at the time of going to print.  
[www.toastmasters.org/indexbk.htm](http://www.toastmasters.org/indexbk.htm)

- **WISE Women Networks (New Zealand)**  
"WISE Women Networks exist throughout New Zealand. They are groups of women who are seriously interested in self employment. The Networks provide opportunities for like-minded women to get together and to encourage and learn from one another through regular meetings." Has *Handy Networking Hints*, citing examples from *How to Master Networking* by Robyn Henderson.  
[www.wisewomen.org.nz/words/networking](http://www.wisewomen.org.nz/words/networking)



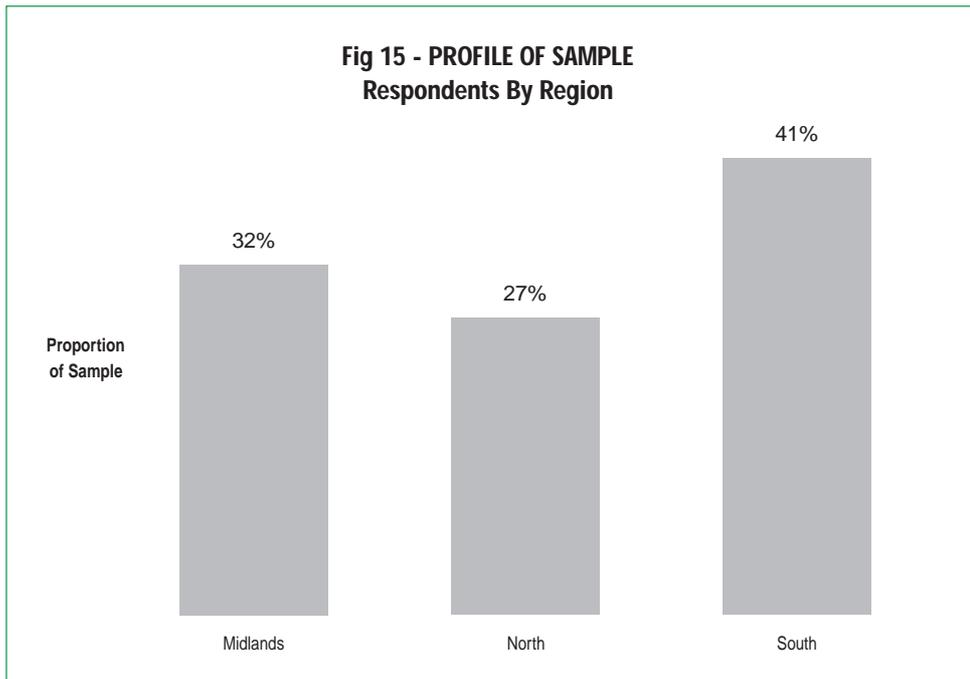
**APPENDIX 1 - ADDITIONAL INFORMATION**

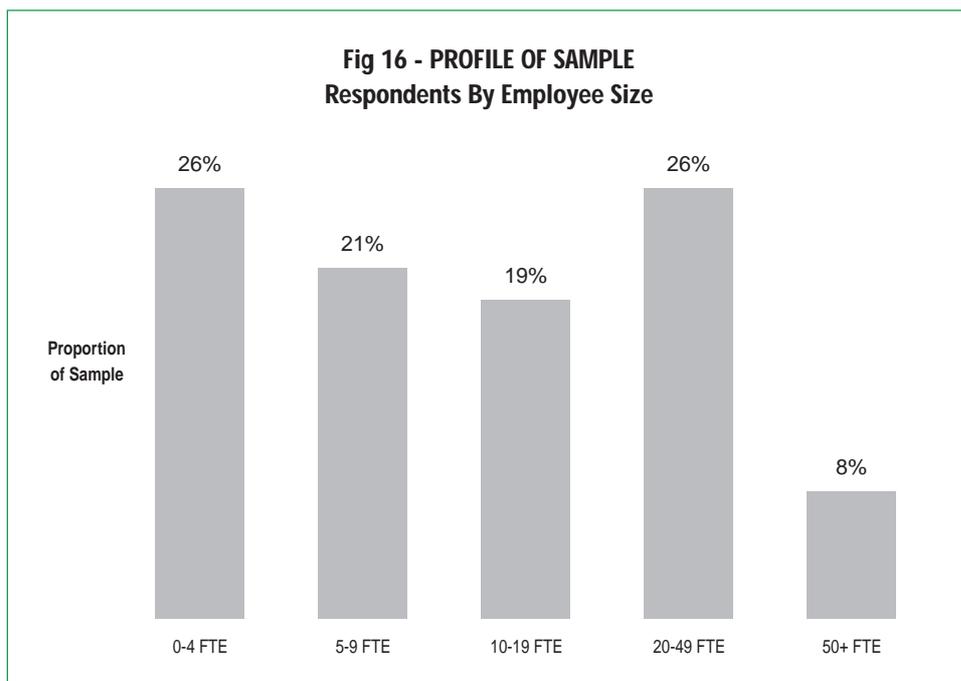
As an aid to the interpretation of the various figures (histograms), we have included some further information about the firms responding to this survey.

The analyses involve key variables, and **industry sector** and **employee size** are those most frequently used as they are reasonably reliable indicators and less

prone to misinterpretation. Other variables have also included **region**, **sales growth**, **respondent age** and **sex**.

**Industrial sectors** – based on the descriptions supplied by respondents, each firm is coded according to the Standard Industrial Classification (SIC 1980). Firms are then grouped into manufacturing, business services, retail/distribution. From 1996 onwards, firms falling outside these 3 bands – previously classified as ‘other’ –





are now allocated to the foregoing sector which offers the closest match.

**Regions** - firms are also classified according to their physical location, namely, North, Midlands and the South.

**Employee size** - finally, firms are placed in bands according to the number of employees. Each part-time employee is assumed to be equivalent to 40 per cent of a full-time employee ('FTE' = full-time equivalent). All of the surveys to date have received only a small number of responses from firms with 50 or more FTE employees. These responses have been **included** in the breakdowns for the **sectoral** and **regional** analyses, but have been **excluded** as a '50+FTE' band in the **employee-size** analyses (the 'All' band in each histogram includes all usable responses regardless). This is because a percentage breakdown band based on just two or three firms may not be representative of this size of business.

**Figure axes/scales** (histograms) - each figure uses a linear scale, with reference to a common zero axis, e.g. running horizontally across the bottom of each column, as in the figure above.

### Distribution of firms

The highest proportion of respondents is in manufacturing (45%, as with the previous survey, see **Figure 14**). Previously, the samples have contained the largest proportion of firms in business services, but the composition has shifted slightly due to the introduction of additional respondents to the sample late 1998, and again, mid-1999.

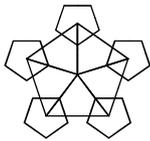
In this survey, the Southern region has the largest representation, with 41% of the sample's respondents (previously it was 38%, see also **Figure 15**).

Historically, the manufacturing and business services firms in the samples have tended to be larger, in terms of employees, whereas the firms in retailing/distribution have had fewer full-time equivalent employees. Likewise, the sample has been biased towards the smaller businesses, but since 1999 there has been an increase in the 20-49 FTE firms (**Figure 16**).

As on previous occasions, the sample is predominantly male (89%).

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The Small Business Research Trust



This questionnaire will take approximately 5-10 minutes to complete – most answers require only a single tick. All information received will be treated in complete confidence. PLEASE DESPATCH AS SOON AS POSSIBLE.

MANAGEMENT ISSUE: 'Networking' In Business

1 a) Please indicate the number of people working in your business (including yourself):

Full-time ..... : \_\_\_\_\_ A
Part-time (16 hours/wk or less)..... : \_\_\_\_\_ B

b) Your age last birthday:

16-24 years.....  A
25-34.....  B
35-44.....  C
45-54.....  D
55-64.....  E
65 or over.....  F

c) Your gender:

Male.....  M
Female.....  F

2 Existing contact network – Please indicate where you already have a good contact/s to whom you would readily turn for business advice or information:

✓ Against all which apply

Academic.....  A
Accountant.....  B
Bank Manager .....  C
Business Link.....  D
Competitor .....  E
Customer .....  F
Friend.....  G
Member of family (relations) .....  H
Solicitor .....  I
Supplier.....  J
Other (please state): \_\_\_\_\_  K

3 Network expertise already on tap – Please indicate where you feel that you have useful business contacts which can help you with ideas for:

✓ Against all which apply

New products or services .....  A
Problem-solving .....  B
Seeking new investors.....  C
Seeking new investment opportunities .....  D
Seeking new sales opportunities .....  E
Seeking new suppliers.....  F

**4** Sources of new contacts – Which of the following organisations do you find are the most beneficial in helping to cultivate new contacts in business ?

**✓ Against all which apply**

Chamber of Commerce/Trade .....  A

Employers' Organisation.....  B

Lobby Group.....  C

Professional Body.....  D

Research Association.....  E

Small Business Club.....  F

Trade Association.....  G

Other (please state): \_\_\_\_\_  H

**5** Means of extending your network of business contacts – Which of the following methods have you used for this purpose over the past 12 months ?

**✓ Against all which apply**

Attended conference/seminar as presenter.....  A

Attended conference/seminar as visitor.....  B

Attended exhibition/s as visitor.....  C

Attended formal/informal dinners.....  D

Attended training course/s.....  E

Attended business interest group meeting/s.....  F

Used Internet bulletin boards/forums for business-related issues.....  G

Membership of social groups: Golf, Rotary, etc.....  H

Other (please state): \_\_\_\_\_  I

**6** Preferred mode of contact for networking and relationship building – Which three of the following methods of communication do you favour most ?

**✓ Against 3 options**

Via Business lunches/meals.....  A

Via Entertainment (Golf, Football, Night Club, etc.).....  B

Face-to-face other than meals/entertainment above.....  C

E-mail.....  D

Fax.....  E

Telephone.....  F

Written letter by post.....  G

**7** A sound 'networking' relationship – Please indicate which of the following you feel are the three most important facets of a sound relationship:

**✓ Against 3 options**

An ability to offer referrals to other useful contacts.  A

Confidentiality.....  B

Informal/friendly basis.....  C

Quality of advice/information.....  D

Reciprocal relationship ("One good turn ...").....  E

Relatively inexpensive to sustain.....  F

Someone who is prepared to help at short notice ..  G

**8** Value of networking – Please estimate the financial benefit of networking to your business, as a proportion of annual sales turnover:

**Just ONE ✓ only**

Up to 20% of Sales T/O.....  A

Between 21-40%.....  B

Between 41-60%.....  C

Between 61-80%.....  D

Between 81-100%.....  E

Don't know - it's difficult to gauge.....  F



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