

7 Bonus Tips on Building a \$1 Million Relational Capital Network

By Tony Hartman

Relationship capital—your network of friends, family and business contacts—can be worth millions of dollars to your business if you know how to nurture, expand and capitalize on that infinite resource. Relationship capital may be the most important element in building a successful and growing business—whether in commercial real estate or nearly any other entrepreneurial venture.

Here are 7 great ways you can broaden and strengthen your network of contacts and enrich your *relationship capital*.

1. Nurture your network

There are many ways to nurture your network—to stay current with your existing contacts and to expand your circle of influence by meeting new contacts who may be helpful to the success of your business.

You may already have a solid network of valuable connections that you've developed over the years, including current and former co-workers, friends and family, and former professors, instructors and classmates, as well as the professional contacts you've made in your business.

But in order to cash in on that relationship capital, you need to nurture the network. You need to try to stay current with your existing contacts so that you remain fresh in their minds when an appropriate opportunity arises. You've heard the expression, "out of sight, out of mind." That's why you need to take the necessary steps to keep yourself in front of your network contacts.

Nurturing the network can also mean cultivating your network of contacts to reach out to a larger and more diverse network of professionals who could ultimately serve as a valuable resource for your business.

How do you nurture your network? It takes time, resources and persistence, but there are some effective ways to stay in touch—including a few ideas that will combine business with pleasure:

Invite your contacts out for coffee, lunch or happy hour. Make a habit of inviting your local contacts out for a beverage or a meal from time to time just to stay in touch and exchange news and ideas. While one-on-one meetings can be a great way to catch up, in some cases you might also invite more than one contact and ask your contacts to do the same. Everyone in business welcomes the opportunity to meet more like-minded people who might fit well into their own networks.

Drop your contacts a line when you have something to share. Stay on the lookout for reasons to send an email to individuals in your network. It might be a matter of sharing a recent

article with them, or letting them know about any changes in your business, giving them an update on an item of mutual interest, or just dropping them a friendly note to see what they're up to or how their golf game is going. Don't overdo it, but everyone appreciates a friendly *personal* note every now and then amidst all the spam that fills their inbox.

Send out an e-newsletter every month (or two). Some business owners put a great deal of time and effort into producing an informative and well-polished e-newsletter for their clients and contacts. And while that is certainly an excellent medium to stay in touch with your network, the truth is, your e-newsletter doesn't have to be all that polished to serve its purpose. It can be a simple email with both a personal message—if you're comfortable with that (something like, "I hope your summer is going well. My family and I just returned from Wyoming where we had a chance to ride horses into the foothills and camp by the moonlight..."), and a business message ("The housing market has been heating up lately, with home prices in many areas rising 10 to 15 percent over a year ago... We just completed the acquisition of a 50-unit apartment complex in Scranton, PA... I hope you have a great August... signed"). It's not what you say that matters. What matters is simply that you are keeping your name in front of your network to nurture those relationships.

Host an event. If you have a lot of clients and contacts, it might be fun to put together an event, such as a wine or beer tasting, a box suite at a sports event, an evening on a chartered boat—something enjoyable where people have a chance to meet, mingle and talk. That may mean steering clear of the usual sit-down dinners with a speaker. (My eye lids are growing heavy just thinking about it.) If you do want to do dinner, make it a barbeque in your backyard or at a nearby park where people can mix in a fun and informal environment.

Offer your help as often as possible. People will be more open to helping you if you can find a way to offer your help to them. If you learn about a big project or event that one of your contacts is planning, get in touch with them to see if you can give them a hand. The more people you help, the stronger your bond and the more willing they will be to help you when they get the opportunity.

2. Take up golf or other sociable pastimes

There may be some truth to the saying that more business deals are made on the golf course than in the board room. It's certainly a good place to mix business with pleasure. If you enjoy golf, make a point of inviting some of your contacts to join you for a round on occasion. You don't have to be a scratch golfer to make it work. But if you're a hack golfer, you might want to work on your game a little bit before you start inviting business contacts out to play. If you hate

golf, try to find some other pastime that brings people together, although there's probably nothing like the links to tie business and pleasure together.

3. Get involved with one or two charities or volunteer organizations

Many successful and influential people become involved in charity and volunteer organizations. It wouldn't hurt to spend some time doing good for your community or for a favorite charity while making some new contacts with other professionals. You never know where these new contacts may lead, but the more people you know, the more likely it is that some of them may help bring business your way.

4. Become involved in political networking

Politics is another area where you can rub shoulders with successful and influential people. I know people who network on both sides of the political aisle—and even contribute to competing campaigns. But you don't have to play both sides if you don't want to. If you have a strong affinity for one party or the other, get involved with the party you like. There are plenty of successful and influential people in both parties. And you don't have to run for office to make an impact. Just attending meetings, rallies and fund raising events can put you in the middle of the action. You may never need to ask a political favor of any of your contacts, but if you ever do need the help of the government to push through a deal or a zoning change, it's nice to know some people in high places.

As you engage with a political organization, there's also a good chance you'll meet other political volunteers from your industry who would be good additions to your network because of their expertise, business savvy or network of contacts.

5. Become a “center of influence” to connect others in your network (and beyond)

As I mentioned in Section 1 on “Nurturing your network,” you may have the opportunity to bring people together to strengthen both your network and theirs. Becoming a center of influence may take a lot of time, money and effort on your part, but it can be well worth the investment. Once people recognize you as a center of influence—someone who can put them together with other influential contacts—they will go out of their way to stay in your good graces.

How do you become a center of influence? You can do it by simply bringing professionals with mutual interests together—formally or informally. As I mentioned earlier, there are several types of forums where you can invite multiple contacts. It might be a meeting over coffee, lunch, or a happy hour with a handful of contacts, or a special event that a larger crowd would find enjoyable and engaging.

One other approach would be to set up a regular lunch hour or happy hour get-together at a conveniently-located restaurant or pub. Set it for the same day each month—such as the third Thursday of each month—so that all of your contacts can plan ahead and keep that date open. Just to push it along, you should also send out an email reminder to your ever-swelling list of contacts a couple of days prior to the get-together.

Invite your contacts to bring a friend (or friends) to the gathering who might also benefit by networking with your group. Before long, your get-togethers could become important occasions for an expanding network of contacts, with you as the center of influence for the entire organization.

Whether you bring contacts together in small groups of two or three over coffee or drinks or bring them together en masse through events or a regular monthly social hour, your friends will appreciate your efforts and the contacts you've brought to them. They will likely reciprocate whenever possible to show their appreciation, and stay on your good side. You don't have to have a vivacious personality to become the center of influence—you just need a good plan, a few good contacts and the initiative to pull everything together.

6. Diversify your connections

If you're in the real estate field, it can be very rewarding to develop relational capital connections with people that have nothing to do with real estate. That may be art, dining, aviation, or any of a number of diverse interests. When you have connections that are totally outside the usual crowd of real estate professionals, it can make your life much more interesting. Think outside your comfort zone of contacts. Attend events or join organizations with diverse interests. You never know where you'll meet influential new contacts for your business—or people who may know people who you should know. You might also find some potential clients in these diverse groups who have money to invest and may want to allocate it to one of your ventures once they find out more about your business and the potential rewards of investing in real estate.

7. Network through the Internet

This is something I have resisted for a long time. I was never interested in joining Facebook and sharing my most personal experiences and photographs with the world at large. In fact, I initially believed that social networking was just a passing fad. But social networking is here to stay, so you may as well join in and figure out how to make the most of it.

Obviously Facebook is the leader of the social networking universe. There are nearly a billion members worldwide, so it's a network with infinite possibilities throughout the U.S. and around the world. You never know where your next deal may take you. It could be anywhere from Omaha to Okinawa. Social sites such as Facebook may help you line up contacts wherever your

business takes you.

The leading site for business people is LinkedIn. Millions of business people use LinkedIn to find jobs or make connections with others in their industry or to locate other specialists they need. Once you post your profile on LinkedIn, you may start hearing from other business people who seek your assistance in the deals they're doing.

I have to admit that my first reaction to social networking was that it could never replace in-person contacts, phone calls and social interaction. And, the fact is, the old-fashioned one-on-one in-person networking approach certainly has its place, but it can be nicely complemented by some online networking efforts that to broaden your sphere of resources. Social networking has significantly changed not only the way humans interact and stay involved in the lives of their friends and associates, but also in the way they make new friends and important contacts.

I may never use Twitter—I'm not sure how many 118-character messages I could write that would have any significance for my network—but your business situation may be different than mine. Maybe your clients and associates are interested in receiving timely updates and insights from you. Twitter can be effective in certain situations.

As for Facebook, I'm still not comfortable posting photos of my kids' birthday parties and my personal social occasions, but I have seen the value that maintaining a presence on Facebook can have for a business. And fortunately, you can control the information you upload on those sites to maintain a certain sense of privacy.

Here are some other ways to enhance your Internet social and business network:

Optimize your social network. Make sure your bio is complete and that it includes a clear, concise description of your business, with a company logo if possible, and a link to your website.

Post occasional blogs in your area of expertise—with appropriate titles that can be found in search engine searches. You may be able to provide helpful insights or advice that will keep readers coming back and referring your blog articles to their friends.

Post your picture with your profile. You show your face every day when you do business in person, so why not give your online network a glimpse of your smiling countenance. Pick out a picture or two to post that show you in a favorable light, well dressed with a friendly smile. Leave off the party pictures with a lampshade on your head and a whiskey bottle in your arms. You want to present yourself with a professional image that will encourage other professionals to reach out to you.

Add multimedia content. Photos, videos, slideshows and other multimedia content can help make a positive impression on visitors to your social network listing or website. Going beyond simple text can enhance your site, draw more interest, and make it easier and more interesting for visitors to learn about you and your business.

Post videos at YouTube. If you have a chance to put a video or two together about your business, post it at YouTube—and your website—and announce it in your newsletter or email messages to invite your contacts to check it out. Videos can be a compelling way to get your message across to others who are interested in your business.

Broaden your reach. You can expand your network by compiling a list of experts or companies that have posted articles or blogs on topics that relate to your business. Ask them to serve as sources for you when you're writing something related to their expertise for your blog or website. Every connection you make can expand your network and strengthen your business.

You can learn more ways to strengthen your network and build your relationship capital in my book, *Right to the Money: The Seven Ways Wealthy Investors Expand Their Success*.