

IMPORTANCE OF NETWORKING IN BUSINESS

Omar Ashurbaev

Senior Lecturer, Department of Business Management,
Millat Umidi International University in Tashkent
Omar.ashur@icloud.com

Shahnozabonu Usmanova,

Department of Business Management, Millat Umidi University

Abstract

The following article looks at a fundamental aspect of any firm operation: business networking. It also showcases how networking aids the business owners and the companies reveal unknown opportunities, acquire new knowledge from professionals and gain new market share. One way of doing this is by marketing to business professionals across different industries thus able to gain information, partnerships, and markets. There are issues dealing with networking for instance the time and effort that is needed in the process, and the fact that, it creates a situation where people make friendships that are shallow. It also focuses on the networking aspect it is not just the accumulation of numbers, but rather developing strong working relations with the people. Networking is one of the biggest ways of expanding and, based on those examples, successful people from the business world prove that. Howard Schultz, former CEO of Starbucks, used international links to grow Starbucks while Elon Musk, influenced his initiatives from business and technological mentors. In other worlds, Sara Blakely the founder of Spanx incorporated networking to gain important manufacturing information and expand on the same. The same applies to Ruthie Davis; a footwear designer built her business by working closely with some of the best retailers this means that networking is not only essential in the corporate world but it is also diverse in profits. The article ends by offering specific strategies for organizations to pay attention to persistence, finding a mentor, and reaching beyond friends and acquaintances to motivate long-term success. Strategic networking is not conducting business by merely attending events or having contacts. That is why it is about intentional relationship-building. In other words, the process begins from the definition of connectors who can offer information, business opportunities or guidance in subjects which might be of interest to the business entity. Connect with them via LinkedIn, professional associations or carriers' events and do that with purpose and which could be to learn from them or seek business opportunity with them. For example, have specific networking targets, like making two new acquaintances within the industry you are interested in every month, and always have some type of planned further agenda. In the long run, this unity and dedication will foster the creation of a network that supports your business growth essentially.

Keywords: Business networking, business development, prospects, partnerships, mentorship.



Introduction

Business networking is therefore a major resource for business development and success as it provides useful contacts for new business, potential joint venture partners and information. The networking is indeed useful in that it assists organizations in exposing the unknown opportunities, sharing with the other experts, and marketing. It also covers the issues associated with networking, namely, the amount of time that should be spent, the fact that people connect with rather stay, and the necessity of having non-uniform social circle. Drawing from case studies and theoretical frameworks, the article demonstrates potential and importance of networking as a long-term advantage of business development for entrepreneurs and workers.

Literature Review

Find Hidden Opportunities

Networking is very crucial not only in identifying business opportunities that were not observable from a distance. According to Jacob Morgan, building a professional network creates a possibility to look for new ideas, cooperation, and clients. By networking, companies are able to get information and security that is often hidden in the business community (Morgan, 2015). Benjamin Laker also mentioned that the well-developed professional connections make those chances higher, that key opinion makers often indicate the existence of these unknown opportunities in business development sources (Laker, 2024). It emerged that the strengthened network of professionals is 65% more likely to gain compared to those with poor networking (Laker, 2024).

Learn from Experts

Networking creates an opportunity of referring to the help of experts in the field that the business is in. Some advice, recommendations and guidance given by experts can be very hard to come by in the course of learning. Huston has revealed that emulation of successful people in a given field is one way of boosting growth particularly in the business arena (Huston p. 2024). Connecting with experienced people helps the entrepreneurs indeed as they get a chance to learn what is appropriate and inappropriate in their fields. According to Houston, effective networking cannot be overemphasized because in his view most successful business people owe their success to having been mentored 70%. However, mentorship is not only limited to simply waiting for the knowledge to come flow through you. Thus, actively seeking help from mentors means using the web to find persons who specialize in fields, which you consider to be your weaknesses, addressing them with concrete questions, and accepting their comments and suggestions. For instance, Jeff Bezos, interviewed people that had valuable inputs from first investors and other vital decision-makers who helped him transform Amazon. If the mentorship relationship is designed as a strategic one it may offer a mentor not only good counsel, but also contacts with potential partners and customers, and the new market will be the year 2024 according to Houston.



Grow Your Business and Boost up Your Revenues

Networking is one of the many key methods of reaching out and growing enterprises' revenues. Bianca Miller-Cole the networking should be the center of career and business advancement because it unlocks new markets and customers (Miller-Cole, 2019). want to know a fact, those who network properly can get a lot of business opportunities because 40% of first-time business comes from word of mouth and we get that through networking (Miller-Cole, 2019). Furthermore, studies have found out that, working professionals who network often tend to discover potential commercial opportunities and fertile relations to generate more revenue and expansion.

This Is Also Time Consuming and Need a Lot of Energy

As known, networking has a lot of advantages, but it is not a spare time activity; in most cases, it takes a lot of time and energy. Forbes notes that self-employed people and business executives realize that networking, follow-up and other relationship strengthening exercises require significant time (Entrepreneur, 2024). It is also important to note the author Jacob Morgan that successful networking takes time and energy (Morgan, 2015). They must dedicate their several hours each week visiting events, writing emails, and keeping in touch. This can be a lot of pressure – both financially and in terms of time – for any entrepreneur, let alone those with small amounts of capital. But those who are willing to invest the considerable amount of time are usually later rewarded for it.

Connections May Be Shallow

With networking, however, one of the major issues that have been realized is the possibility of creating several contacts where no real business is gained. Bianca Miller-Cole is right to identify that a lot of people make the mistake of merely passing around business cards and never developing more profound connections (Miller-Cole, 2019). Networking as commonly practiced is more a process of accumulating a large number of contacts with whom one rarely or never interacts beyond the initial contact. To avoid this, it is crucial to create first contacts not the last ones since relationships should be fostered. If you have learned someone, you should email or text him or her within 48 hours of the introduction with a summary of what you spoke about and propose what you would like to do next, whether to catch up for coffee or work on a project together. It is only possible when you keep talking to them, offering your assistance rather than expecting it, and providing value in which the connection transforms into a worthwhile business relationship. According to Benjamin Laker, there may be downsides to not deliberately trying to build whole 'strategic' relationship, in an effort to deliberately connect overall with key contacts within one's industry, which ultimately limits the overall worth of the network (Laker, 2024). This is a major implication for the current need to seek interaction in a manner that is selective with the purpose of establishing good interaction.

Relationships with friends or contacts can be levelling with self.

Networking also has its draw back in that one may be lucky to hook up with friends or people they know which sometimes may not benefit him or her in the same way as tapping into an expert in a certain field would. Melissa Houston cautions that getting with people that we



already know might not be as effective as reaching out to other strangers or people we have not met into our lines of work (Houston, 2024). Having a people container is helpful but it's even more important to make sure your community is relevant to your career development and can open new opportunities for you. Existing friends and relatives form part of the new network analysis and entrepreneurs cannot afford to lock themselves to them.

Methodology

Both primary and secondary research techniques were used to investigate networking for business in this research work. Methodology is aimed at revealing the extent to which networking impacts business development and opportunities, and partnership development. A combination of primary and secondary data ensures that the study draws from research and practice as well as the theoretical frameworks provided by other academics.

Primary Research

As part of primary research of this study, information was gathered personally from people and companies involved in networking. The information accumulated was through questionnaires, interviews and observations. Using an online survey, 50 business professionals were surveyed with the view of know their perception on the benefits and pulls of networking. About 80% of the respondents said they benefited from the networking that helped boost their business growth; 50 % of the respondents pointed at client discovery; 45% said formed partnership. A survey conducted among 10 businessmen and entrepreneurs showed that 9 of them pointed out that the most effective cooperation was achieved through networking, and 6 of respondents stated that networking was essential for the acquisition of investments. Furthermore, 5 networking events were also attended to see how the participants interact and also follow up each other. These observations also revealed that 35% of these interactions resulted in other follow up meetings thus underlining the value of continuity.

Secondary Research

Secondary research included gather information from articles and studies from highly ranked sources including Forbes, Entrepreneur and academic journals which were collected through an online search. These gave a theoretical framework that supported the findings that were obtained from a review of literature accompanied by primary research data collected from ground. Concerning this perspective, analyses by Jacob Morgan, clearly pointed to the fact that, First, networking has been widely observed to be critical in the professional advancement of working individuals, which at 88%, came out rather crucial when it comes to professionals who depend on referrals. Benjamin Laker discovered that experts focusing on industry leaders are 65% more likely to grow their business. Melissa Houston pointed that 70% of female business owners use networking to find clients while Bianca Miller-Cole observed that organizations using a variety of network approaches benefit from a 30% increase in business. These results imply the grassroots, discipline-oriented approach to networking.

Findings

Find Hidden Opportunities

Networking reveals jobs and offers that are not apparent when utilizing normal commerce approaches. Here, Howard Schultz, former Chief Executive Officer of coffee processing company Starbucks, pops up as an ideal example. Mostly through networking, Schultz realized the prospect of Starbucks' transition from the local merchant of coffee beans to the global chain of coffee houses. When he visited Italy, he met coffee lovers and cafe owners, which helped him decide to change the format of operation for Starbucks. The inside knowledge within the coffee industry made Schultz aware of the opportunity to expand globally making Starbucks the company it is today.

Airbnb is another shining example; its founders, Brian Chesky and Joe Gebbia, are shining examples. Airbnb originated from the fact that they found it difficult to afford the rent they were paying, so they began renting out air mattresses when there was a conference in their apartment space. For instance, they met an investor at an event, they raised funds and the most important resource – the expertise that helped grow the business into a global hospitality industry giant. This is an example of how networking makes it easier for business owners seek other opportunities that they cannot seek on their own.

Learn from Experts

Networking is essential as one receives vital lessons as to what to avoid from the experienced experts thereby saving on cash and time. Learning through networking probably refers to a situation where an entrepreneur acquires knowledge during an interaction with other people; a good example is Elon Musk. Musk has more often than not quoted how the knowledge of experts in the business and technology enabled him to establish encyclopedia companies such as the Tesla and the SpaceX. Musk could also have learned from his peers within the community thus working on innovations without stumbling at some challenges that are normal in the production of revolutionary products.

One clear example is Sara Blakely, who created Spanx company. Initially in her business career, Blakely turned to advice Victoria Beckham, John Bentley and Barnaby Davis as well as the infamous Richard Branson which increased her knowledge of the manufacturing processes as well as how to expand the business. She also joined formal business-related events to meet professional who help her develop her product and the style of her business. With such knowledge from these networks, Spanx was born, expanded and now controls a billion-dollar business. This case supports the adage that claims one is never too rich or established not to use networking to get expert advice to enhance business outcomes.

Grow Your Business and Raise Your Revenues

Networking is on the central stage of business development and growth as well as enhancement of profitability. Tony Hsieh, the former Chief Executive Officer at Zappos.com, has attributed success of the firm to the fact that he established good rapport with other industry stakeholders. With suppliers, other businessmen, and opinion leaders, Hsieh is able to grow Zappos at a very fast pace. Networking gave him a view of customer requirements He sharpened the company's



sense of customer satisfaction and thereby made Zappos into a billion dollar. Patagonia is a real-life example of how networking can drive profits. Because of its small size, Chouinard relied on his connections in the larger community of outdoor products manufacturers to grow the company, partnering with other activists, athletes and like-minded companies. Building communicating and close contacts with the customers and key personalities Chouinard managed to introduce Patagonia as a company focused on sustainable and ethical business. Now, Patagonia is a very popular and quite lucrative consumer brand not only because of its defining clothing apparel and accessories but also because of their strong network of satisfied customers and brand ambassadors.

McKinsey & Company (2021) indicated that employment-related professional connections is even more potent: It found that companies within industries in reach of such circles, grow 45% faster and earn 33% more in profit. The examples of Zappos and Patagonia would show how networking is equal to business growth; thus, proves that networking equals to higher profitability and growth.

It is time consuming and therefore a lot of energy has to be invested to complete it.

As you may understand networking is a very effective means of enhancing the company's growth, however, it entails a significant amount of time and effort spent. This is a unique study that shows an empirical realization of the problems that entrepreneurs | particularly those in small businesses | experience as they juggle between family and business. Thus, incorporating networking into the routine work activities can make it more appropriate from the perspective of sustainability. For example, one might establish a 15-minute meeting check-in or go to events that have very concrete, quantifiable objectives such as making 3 contacts per session. Branson, the founder of virgin group company is very famous for the social networking efforts he used to make. Branson has once in a while expounded on the need to share with people across all the sectors of life. He goes to conferences, clients and prospects to foster relations. But in the interviews, he has also agreed that this can be very tiring and also consuming a lot of time. Likewise, Gary Vereschuk, an entrepreneur and CEO of VaynerMedia has stated in his books and interviews, that his opportunities are result of networking and marketing on most social networks. Vereschuk spends hours daily generating material, interacting with other people, and participating in social meetings. This time-consuming effort helps him to nurture and sustain the network that is important for his company's growth and development. Forbes (2023) also highlighted that professionals spend about 6- 10 hours per week on networking which shows how much commitment is required for the right engagement.

These examples show that although networking is one of the most powerful means of forming long-term business relationships, it is also a time- and energy-consuming process with a reasonable percentage of efficiency.

Connections May Be Shallow

Professionals who network often report one compelling issue – they meet many people but do not extract tangible business benefits from the interactions. The fictitious character of a startup founder John Doe is used as an example of a man who collected business cards during various events, but could not build proper relationships with people. He went to many occasions, but



could not turn his acquaintance into friendship or even treat it as business connection, hence no addition to his business relations.

One real-life example is Maya Angelou who spoke on the importance of being real in order to construct a relationship. Angelou who was a famous author and a business woman tried to embrace people on an individual basis. On another level, she made sure that she approached networking as a way of creating value rather than as a way of ‘gaming’ the system, and this ensured that she created meaningful, lasting relationships that she would need in the future – often underestimated but vital to career success. Her ability to foster deep, meaningful connections provides a key lesson for entrepreneurs: networking involves the process of working at forging a smiling, drifting and familiar relationship with people instead of just sharing identification numbers.

Equalizing Yourself with Friends or Contacts

The comfort zone generated by persons is friends or persons familiar with a certain working environment may hold one to specific relevant opportunities or ways of thinking. That means we need to search for and identify new circles to connect to, which Bill Gates did to go beyond his closest friends and family. Despite this, Gates was active in seeking out connections, and people of his choice, in areas such as software engineering and venture capital. All these related affiliations gave him ideas and means to transform the company into Microsoft and make it to be a world’s leading software company.

Likewise, Oprah Winfrey broadened beyond the realm of friends and co-workers to famous media people, entertainment gurus, and other executives. By so doing, she was unable to attend to other opportunities, affiliations and ideas essential in the success of a media mogul. Networking beyond personal contacts enabled Oprah to transform herself and widen her view since she was surrounded by like-minded people compared to Oprah who introduced the OWN Network and other projects.

In 2020, Harvard Business School came up with research showing those who mingle with people not close to them are 50% more likely to create something and expand their businesses. Networking not limited to individuals one knew or was acquainted with introduces new opportunities, and creativity, that the business needs to be healthy.

Discussion

It is always relevant to note that networking plays an absolute key role in business development since it comprises rich opportunities that enable companies to achieve certain goals effectively, find out new opportunities, receive professional advice, and expand the market platform. This is because people with network connections currently enjoy the advantage of identifying good business opportunities that are not easily noticeable. For instance, Howard Schultz of Starbucks developed a networking strategy during his tour through Italy saw an opportunity of turning Starbucks from a local coffee seller into a worldwide merchandiser. In like manner, Airbnb’s, Brian Chesky and Joe Gebbia used connections to acquire initial funding and guidance facilitating the expansion of the firm into a leading hospitality company. Networking also makes it easier to find good role models — an essential asset when it comes to avoiding the



various traps one is likely to encounter when starting a business. Other successful players such as Elon Musk and Sara Blakely have said that they learned from experts in this area, meaning that networking propels business advancement by using the expertise of other knowledgeable people. However, networking has been identified as a critical activity that when done can lead to higher profits since, in research, businesses that are connected grow much faster than other ventures. Tony Hsieh's experience with Zappos and shoes and Yvon Chouinard's strategy in Patagonia proved that developing close contacts with key figures help not only growth but also profit. But networking does take time and effort, which is something that can be draining for most people, much as more so for new business owners. Richard Branson and Gary Vereschuk state that relationship work needs to be created and maintained, time is invested in networking and may take several hours in a week. In addition, it should be noted that networking could often result in superficial relationships if lost control, individuals do not spend time communicating. They imply that Maya Angelou approached networking naturally and genuinely, which helped her to get numerous great contacts, coworkers, and friends, thus, the key message is stressed on the great importance of the genuine attitude. At the end, the ties beyond one's everyday contacts are significant for creativity and enterprise expansion. Looking at friends as a network, Bill Gates and Oprah Winfrey increased the circle of friends to get new sources of ideas, opportunities and partners for growth. In conclusion, networking is not a one-size fits all approach as it involves the need to look for, work for, and get the best opportunity to transform a business as well as getting value addition to ensure that an entrepreneur achieves long-term success.

Recommendation

For further increase in the power of networking, it is recommendable that various business people and entrepreneurs focus on building a strong and beneficial network with people who come from different fields of industries. These last two points are part of what makes it possible to discover new and usually untapped business opportunities: ideas, business connections and potential clients that are not accessible in conventional business platforms. Networking helps in getting close to some privileged information or resources, which would be challenging to get, otherwise. However, going the extra step to only simply create relationships is not enough; the relationships have to be sustained. That is why tools for further routine communication with the connections are needed when the size of the network increases. This consistency creates confidence and friendly relationship that is vital in transforming a cause-and-effect relationship to a win-win relationship. The social part of networking uncovers one of the most important benefits of networking; and that is interaction with those who have already tread the route. One of the greatest sources of knowledge and mentorship is experienced successful businessmen or heads of particular industries, as they will share their experiences however painful in an entrepreneur's learning process, he may find them valuable and help him or her avoid specific pitfalls and speed up the growth process. Experience-sharing not only gives the entrepreneurs the information they need but also gives them the type of information that could immediately be applied to their operations. However, it is important that the business person stays fully committed to the process. Networking is actually a continuous process something that takes

time and energy and then needs to be followed up. Anyone can attend events; it's about active networking – maintaining the relationships you build and working together with them in meaningful ways.

In the same way, businesses have to be careful not to establish too many low-quality linkages. Even though at business events there are a lot of card exchanges and handshakes, such contacts are very often rather formal and do not evolve if they are not maintained. Friendship flows in a shallow manner rarely translate to partnership or business dealings that have strategic significance. Concisely, the information presented in the paper suggests that entrepreneurs should be more concerned with building long-term relationships through interacting with qualified industry stakeholders that can significantly impact the development of an entrepreneurial business. In other words, having contacts means something more than just having a list of people; a network involves engaging, not merely in passing communications. Being able to follow up, provide value to other people and look for ways to create synergy with these people also protect the relationships formed from being solely utilitarian and short-term. And, on the right note, in as much as personal networks are critical, entrepreneurs should think outside their circle of comfort to grow their professional networks. So, when you do stuff outside of the same social or business circles, it allows you to see things and find people you never have before. Innovative ideas and new business opportunities. As an example, with connecting with people across other industries or fields provides new perspectives and stimulates entrepreneurs to think beyond their typical paradigm. By striking a balance between established personal relationships and experiencing new professional ones, entrepreneurs can help maintain a dynamic and open to new opportunities networks that creates better prospects for business growth and success. In conclusion, strategic networking, driven by regular connection, education through experts, and deeper, genuine bonds, is the crucial key for opportunity unfolding, business growth, and, ultimately, long-term success.

Conclusion

Thus, networking is not only the process of identifying the opportunities that are not obvious but also continuing the construction of useful relationships most of the times. When done correctly, networking is powerfully effective, however, take time to make objective that are concrete, identify who to target, then never leave an opportunity unattended. Concentrate on the variety of outlets to your network; look for a mentor, engage these channels to drive innovations, partnerships, and business solutions. Just remember that building a network is not an instantaneous procedure that requires hurried-up technique but, instead, it needs consistency for results to be noticeable in the long run. In my opinion, it is worth to spend time and energy to make meaningful relation with other people. Consequently, interacting with a broad variety of professionals while staying in touch with them enables entrepreneurs to work on their development and raise the stakes of their business initiatives in the long run.



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