The 3 degrees of separation

Improving Prospect Managment

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5next™

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THE MODEST PROFESSIONAL

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Content

Introduction

Our publication explains specifically how to improve client acquisition results through building a strategic network that is a good fit for its target audience. In other words this is about improving prospect management. This will be explained as a skill, not a science or some form of social ability.

The ability to network has an impact on every stage of the business development cycle for professionals. Whether it connects directly or indirectly to your prospects and clients, your network is a major factor in how you and your offer are perceived.

Most of us are already aware of the concept the six degrees of separation. As Wikipedia tells us, six degrees of separation is *"the idea that everyone in the world is six or fewer steps away from each other. This is so that a chain of 'friend of friend' statements can be made to connect any two people in a maximum of six steps."*

The American playwright John Guare was nominated for a Pulitzer Prize in Drama and a prestigious Tony Award for Best Play for his work Six Degrees of Separation.

"I read somewhere," Guare wrote, "that everybody on this planet is separated by only six other people. Six degrees of separation. Between us and everybody else on this planet. The president of the United States. A gondolier in Venice. Fill in the names. … How every person is a new door, opening up into other worlds. Six degrees of separation between me and everyone else on this planet. ***But to find the right six people…****"*
- John Guare, Six Degrees of Separation, 1990

But to find the right six people. This is the challenge for all of us who are looking to acquire clients and make the right connections to get to that point.

According to Facebook publication, each person in the world (at least among the 1.59 billion people active on Facebook) is connected to every other person by an average of three and one-half other people. The average distance is 4.57, corresponding to 3.57 intermediaries or "degrees of separation." In the U.S., people are connected to each other by an average of 3.46 degrees.

In 2011, researchers at Cornell University, the Università degli Studi di Milano, and Facebook publication computed the average across the 721 million people who used the Facebook publication site at the time and found that it was 3.74 degrees of separation.

For those of us in the professional services sector, those figures do not actually deliver much comfort, as our client acquisition cycle is not based on such a large volume of connectivity. Also, our professional reputations do not sit so easily in the online platforms that markets this potential connectivity. In fact, most of us are not looking to “know” or “be known” by large number of people. We want to be known by just the “right people.” This means we are trying to answer the question posed implied in John Guare’s **But to find the right six people**.

This book presents a method to find the people you need to connect with. They are mostly within your grasp already, i.e., within one or two or a maximum of three appropriate introductions. This method is also about low hanging fruit that are easy to pick. Unless a potential connection is that close professionally, and you can secure an introduction, that connection is out of reach.

If you have forty robust professional connections, therefore, and they all have forty robust professional connections who have a further forty, then that equals 64,000 potential connections you could be connected to and who may have a business development contact that is a good match.

But how many people do you **really need to know** to succeed in a professional services business?

When we consider this issue, it is with an understanding of where we are professionally and what type of people we really need to connect with. We are usually in a professional space that allows us to lever relationships in a warm manner. We usually offer something of value that the person to whom we are introduced by a connection may benefit from.

Our business development model is not, therefore, as random as a tuk tuk driver in Vietnam trying to gain an introduction link to Elvis' widow.

Unlike John Guare trying to find the right six people, we mostly know the first person, we have an idea of the second person that the first one knows, and we are looking to bridge toward the third, who is within touching distance of the second and who can make that strategic professional introduction.

This book will support your rethinking of your business development effort and help you avoid common, easily-made errors.
We will discuss how to build a network of connections to meet the strategic and immediate needs of your enterprise, a network that lies within the context of your capability.

You will find guidance, strategies, and considerations that support your thinking about how you need your network of connections to perform within the context of a maximum of three degrees of separation.

We will go through the most basic considerations in terms of connecting to the right connections that include potential clients as well as the people who are connected to the potential clients you want to connect with.

We believe there are some basic strategic errors that are being accidentally made in business development. It is necessary to professionally identify those people you need to connect with.

The first key question you should be asking yourself is: **What type of network should I be building?**

Can you answer that question accurately? Be honest with yourself. Can you describe your ideal network in detail? Can you explain why you need this type of network?

Due to the urgency & pressures that so many business development professionals are facing our publication will look at the popular myths & misconceptions we all have to work with. Some of them are constantly being reinforced & we will explore why we should question them.
\- **Aleksandra Gora, CEO of 5next software**

Very few people can apply a diagnostic to their network of connections to provide an accurate response to the key question. If we are hitting our sales targets, most of us think, “Well, we must be doing okay.”

An advance warning: Part of this book may appear contradictory because it acknowledges two conflicting trains of thought. The first argument is that generating outstanding commercial results requires a lean, well-managed, well thought-out, strategic networking plan. We have only so many hours in the day, and there’s no time to waste effort networking in the wrong areas.

This train of thought competes with the second argument, which is that it’s essentially a “numbers game.” Which in some regards it is. If you want to win the lottery, you have to buy a ticket. But with that common thought in mind, many of us adopt an almost organic set of actions that enables and supports potential delivery of minimal professional connectivity to the largest number of people.

Nearly all of us are looking at a quantity versus quality approach to hitting our client acquisition targets. You have to decide therefore what works for you in the context of your time and what you offer professionally. Our book will help you make those choices.

Then you need to consider what should work and keep in mind that a maximum of three degrees of separation is the key to improving your prospect management. What we mean is does this new connection have the likelihood to be an improvement on who you already know, and are they within three degrees or less of a meaningful introduction? If not, then apart from professional courtesy requirements, are they really part of your strategic network?

We will pose questions around the concept that the network management of the contacts a business already has, thanks to its business development team, is actually a prerequisite to measuring the effect on sales results.

Note that this may be at odds with some thinking that only the sales effort should be measured. This is a view that may be that the presales effort is irrelevant unless it scores goals/makes sales/wins clients.

At 5next, we have developed a view that the presales effort, more than ever before, defines the sales results for those of us working with a longer sales cycle. This is especially true as the internet now facilitates presales research to a degree we never imagined when we began our professional careers in sales. Thanks to the internet, our prospects and potential clients are now able to access large amounts of information—accurate or not—about us before a sales meeting. This now forms part of the sales cycle. (Note that this consideration is a recent development and typically is not reflected in the sales cycle in most business to business sales training programs.)

The information that potential clients can access online includes who you are and what your perceived total value is. This is why you need to consider your own personal reputation management as well as theirs. The functions and skill sets that the business development professional now needs to know must be changed considerably if you are to recognize this pre-sales procedure. This changed knowledge has a major impact on how we build our networks of connections that support our business development efforts. We still, of course, have the same number of selling hours per week to work with as we did twenty-five years ago; at the same time, the client can access our online presence 24/7.

At 5next, the thinking is that we must manage our connections ruthlessly and to the highest standard possible to differentiate ourselves from the competition in terms of networking behavior. Every new connection has to survive the three degrees of separation benchmark. If it does so, then we need to manage only the connections that fit within the three-degree framework.

As business development professionals we are constantly being challenged with the concept of “return on investment” against the networking actions we take. So how do we measure this consistently and apart from immediate revenue returns?

As an overview, here are some of the vital questions we focus on in this book:

1. Why can the returns on business development networking deteriorate?
2. What are the major networking pitfalls we must avoid?
3. What are the skills we need to avoid the reduction of return of effort?
4. How do we pick out the best people to connect and network with?
5. What information do we need to build our network?
6. What are the current best practices in business development behaviour?
7. What are the best methods of implementing a networking plan?
8. Why is three degrees of separation a strong strategy?

We all have online and offline reputations. We also have online and offline relationships. The real hard currency we work with when we connect with new people, however, is “social commercial comfort.” This is regardless of the online or offline environment in which we are operating.

Before we explore social commercial comfort, let’s take a 360-degree review of business development to reach the starting position on the subject of network management.

CHAPTER ONE

The business development problem

We perform in a business development world where everyone is looking for immediate results. (And if you think that statement is an exaggeration, go to a shareholder meeting or sit in on a partners' lunch.)

At the least, quicker results are now required and expected is how the professional services sector is managed today.

However, in our sector speed is not the measurement used to deliver success as the lead metric to acquiring clients. You cannot create meaningful relationships via a compact sales cycle. Without a meaningful relationship, client acquisition is not likely.

In our previous publication, 'Life is too short to be the modest professional', we discussed the importance of developing relationships via networking rather than just using networking as a business development tool for immediate revenue opportunities.

Relationship building is rather more complicated in the age of social media and online access. We all possess a business development image that has to perform in multiple environments. It is vital that the online and the offline image deliver a consistent message.

We then have to filter the amount of 'noise' that we are exposed to. This is because business development connecting is taking place across these multiple environments which mean that we are receiving these different opportunities to network in a greater volume than before.

With this complexity and volume of connecting it is taking longer to form a judgement as to who we should invest time with and who we should not.

What exactly could this connection mean now and in the future is essentially the question that the business development professional has to assess.

Our risk is that if we fail to invest time into relationships then they fail to become meaningful on any level. So the volume of potential meaningless connectivity in this 'time poor' era is a major business development problem.
Just who can we afford to connect with and on what basis with these conflicting pressures?

We suggest that business development now has the following minimum list of environments to perform in. This is with regard to generating professional connections and the management of your business development profile:

- On-line communication channels
- On-line communication tools
- Media platforms
- On-line infomercials
- High speed communications
- Members of the millennial generation entering business as a major force
- Chamber mixers
- Trade shows
- Speed networking groups
- Niche networking groups
- International networking groups
- On-line groups
- Closed groups
- Open groups

With such an array of potential opportunities in multiple environments within a business to business setting, we are at a critical tipping point as we are all gripped by the laws of diminishing returns.

That is arguably the more we engage, the fewer results we are generating, and the more quickly that we engage, the results diminish even more.

A.R.J. Turgot 1727 – 1781 was the French Adam Smith.

His publication ‘Reflections on the Production and Distribution of Wealth’, which predated Smith’s ‘The Wealth of Nations by ten years’, could have been written about business development!

“We will get less and less extra output when we add additional doses of an input while holding other inputs fixed.”

Think about that statement.

Connecting endlessly with every single opportunity, chasing every single shiny dollar coin will not create more extra output. There is some form of finite return that is available to you for your effort and anything beyond that reduces your return.
If the only input into your business development process is making more and more connections then that is only one input.
If the input of time invested into relationship management remains fixed then you will get less output per connection generated.

Those of us who have been wearing the “sales hat” during the last ten years are now finding that business development as a profession almost under siege with the volume of innovative tools all designed to improve our performance.

I refer to the following as a non exhaustive listing of innovation arguably aimed at business development. If you are not using them then maybe they are a consideration:

- Evernote
- FormMobi
- Bump

- LocalVox
- Salesforce
- Unomy
- Yesware
- TalkDesk
- Uber Conference
- Join .me
- Bomerang
- Rapportive
- Salesloft
- Docusign
- Toutapp

All of these, in the opinion of these authors, have the potential to enhance your ability to deliver business development in some manner or form.

Almost weekly, there are new ideas, new methods and devices that can make you and me more efficient, more effective, and more profitable. This applies to the companies that we are competing with too in the quest to succeed in business development. This publication is not questioning the viability of the leading edge applications that improve your ability to connect more quickly.

“Direction is so much more important than speed. Many are going nowhere fast”
- Unaccredited

The speed of business development and the quantity of output by doing this at speed will create a volume of potential opportunity. However the development of that opportunity can only be delivered via quality of connection and validity of connection. It is rare if this can be achieved as quickly and at volume.

"There is more to life than increasing its speed"
- Mahatma Gandhi

However, you might say that presumably because of this speed increase and volume potential that it is generating then the business economy must be growing at an astonishing rate or at least at the same amount of speed as the innovations in business development are being introduced.

Well, it isn't!

Aleks Gora, the CEO of our Polish-led software company, reflected upon the World Bank prediction that was published in Warsaw on January 10, 2017. Poland's economic growth is estimated to increase to 3.1 percent, up in 2017 from 2.5 percent in 2016, so we have a net potential gain of 0.6 percent.

So in spite of all of these innovations of which only a small sample have been quoted and the big data boom, business development is moving along at the pace of 0.6 percent growth in terms of results if the figures cited by Gora are accurate. In fact, without all of these ideas, innovations and the trumpeted importance of the 'big data' boom presumably that figure would be less?

"You can't manage what you don't measure"
There's much wisdom in that saying, which has been attributed to both W. Edwards Deming and Peter Drucker, and it explains

why the recent explosion of digital data is so important. Simply put, because of big data, managers can measure, and hence know, radically more about their businesses, and directly translate that knowledge into improved decision making and performance.
- Harvard Business Review Oct 2012

With all these developments connecting more quickly with a potential prospect and being able to do this in an increasing volume does not appear to improve business growth.

Further to this I spent hours of quality time with a veteran business development officer of a Los Angeles based professional service business. She shared with me that over the last 15 years her sales conversion rates had not improved or declined.
She found it more productive though to work with a smaller base of connections that had known her in excess of 5 years and worked at improving those relationships than continually seeking new ones.

What caught my attention was that the number of new connections she was developing was possibly 2 or 3 per month compared to the 20 – 30 being asked for by her director of sales. She is recognised as one of the Top 10 business development specialists in her sector and her firm’s number one revenue producer. She was doing this without speed and volume.

Although we are not business analysts, we think it’s reasonable to say that more business development tools and methods are available to us than at any previous point as demonstrated in the non exhaustive list quoted earlier.

On top of that, the amount of data available to business development professionals is at a peak, both quantitatively and qualitatively. How, then, can it be that across the board, the business growth figures quoted above are only at 2.5 percent and are expected to grow by a further 0.6 percent in a year? (Note that there are comparable figures across Europe, not just in Poland). How can it be that the growth figures are so low when the ability to connect as it an all time high and the data to steer connectivity is visible to the highest detail ever?

Here is what we believe and these statements make up our starting point:

1. Everyone is being equipped with the same tools
2. Everyone is conducting business in the same market these tools open
3. Everyone has access to the same training to use these tools
4. Everyone is under the same demand for quicker and quicker results

The pressure in terms of developing business which is the result of the above four points means there is pressure for mutual evaluation of connections in a shorter and shorter time frame. Without evaluation, neither party in a relationship—neither potential client nor potential vendor—can behave strategically. Because of minimal evaluation, neither side can be fully aware of the potential a new connection or new introduction might mean in the longer term.

The three degrees of separation suggest that doing less has to generate more strategic returns for two reasons:

Reason 1 - Noise
The market is awash with “me-too” offers whereby offers are no longer different as a competitor can say with justification: ‘I offer that too’. Me-too is essentially meeting someone with a similar education, similar online profile, similar marketing message and a similar 60-second elevator pitch. These turn into “me-too’ noise.

Reason 2 - Time
Professionals are time poor for strategic evaluation to work out what is what, so less really does have to become more. We have to master time. Our businesses have to master it, too.

No one gets paid merely for the volume of their connections.

Networking today is like taking a sip of water from a fire hydrant
- 5next

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