

Access to capital and other vital resources

Most startups agree with Humphrey Bogart's character, Dobbs, from the film *The Treasure of the Sierra Madre*, who famously said, "I need dough, and plenty of it!" Most startups also know that financing is extremely hard to find. In today's show, we'll share a secret that many have used to meet the right people and open that money spigot.

So, when we think about capital and other vital business resources, we usually think about three ways to get them:

Internet

- Pros - widely available, sort of free, lots of information
- Cons - confusing, scam riddled, no provenance on honest offers, doesn't build your personal business network, not scalable

Library

- Pros - Really free, curated, assisted, reputable, access to paid resources like private databases, industry reports and subscription content - not all information is on the internet, and some of the most useful is definitely not online.
- Cons - Often completely overlooked, limited hours, physical location, the need for specific questions, doesn't build your personal business network, not scalable

Community resources, e.g., city and county economic development offices, SCORE/SBDC, EDC, etc.

- Pros - free, reputable, builds community connections
- Cons - time intensive, limited scope, doesn't build your personal business network, not scalable

By now, you have noticed a recurring theme - all of these resource partners share two disadvantages; they don't build your personal business network, and they are not scalable.

What the heck do I mean by that? Let's look at each one of these downsides individually.

Building your personal business network

Your personal business network is made up of professional relationships with relevant contacts who will help you achieve your vision of success. Sadly, too many business owners fail to consider building a personal business network when starting a business.

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When your business is new, you're constantly looking for ways to expand your reach and build awareness about your brand. Your personal business network can help you achieve these goals by introducing you to their contacts.

When you have a good network of contacts, it becomes much easier to:

- Generate leads and referrals for lenders, vendors and customers
- Build contacts for partnerships, joint ventures and similar opportunities
- Stay informed about industry trends, learn about new opportunities or potential threats to your business
- Gain a competitive edge with access to information and resources not widely publically available to others

Finally, having a personal business network facilitates introductions to new contacts. **In other words, having a personal business network is scalable, it grows larger exponentially, rather than arithmetically.**

Having a personal business network might be the single most overlooked business resource in entrepreneurship!

Where to network

Attend industry events and networking functions. These functions can be a wonderful way to meet other professionals and start building a network. This can be trade shows, conferences, seminars, etc. Such events help you get your name and face out there and let people know that you, too, are working in the same industry.

Get involved in related organizations. Get involved in organizations related to your business or target market. Be an active member by volunteering or serving on committees. Volunteering for the right event can get you access to valuable contacts you just can't connect with any other way. Attend hosted events and connect with other members.

Offer your expertise. Write articles, give presentations or teach classes — sharing your knowledge through your expertise can help you build a strong reputation and attract new contacts. It's one of the most powerful ways of creating credibility for yourself and your business, which in turn helps build trust.

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Let's get ready to network!

- Business cards - they have been an effective marketing tool in the USA for almost 400 years - and they still work great!
- Elevator speech: 30 seconds of what you do (your benefits), who you do it for (your target market), and why you are the best choice (your differentiation)
- A prepared list of a few questions to ask
- A means to take notes
- Your tagline

Seven secrets to effective networking:

1. Look sharp, be sharp
2. If food is part of the vent, sit with people you haven't met yet and eat light and early
3. Have your business cards at the ready ready
4. Introduce yourself with your elevator speech, while handing out your business card
5. Ask lots of questions
6. Close with your tag line
7. Follow up with contacts — after the event, drop a very short email to all of the people who provided you with a business card. Refer to your notes, and share any relevant information you learned.

Example - here is Kevin, a fresh faced entrepreneur attending a Sequim or Port Angeles Chamber Luncheon, during the pre-meal networking period.

I approach my first victim!

Hi, my name is Kevin (offers business card) and I make tourists and locals happy at the farmer's market offering locally sourced deep fried sea slug rolls.

What brings you to the session today?

That sounds like an interesting business, what do you like the most about it?

What was your biggest surprise in 2022?

What sort of things are holding you back in 2023?

Thank you very much for taking the time to visit today, hope to see you at the sea slug stand this weekend! Remember - *Sea Slugs fight cold bugs!*

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If the attendee offers you a card, make your notes on the back and keep moving.

After the event, set aside some time to send emails to those you met.

Hi Todd,

This is Kevin, the Sea Slug guy, with a quick note to thank you again for chatting at the business event on Thursday.

I remember you mentioning that you were waiting to have your truck repaired. I happened to meet a gentleman named Rafel Rodriguez at the event shortly after we spoke.

He just opened a truck shop in Carlsborg in December and he's not quite booked up yet. I scanned his business card, attached below.

Have a great week!

A strong personal business network has proven time and time again to be the best way to access capital and other vital business resources. You will enhance your reputation in the business community and you will open doors to opportunities you never knew existed.

This is especially true as it relates to access to capital. There are quite a few local people, all across the north Olympic peninsula, who have money to invest and a strong interest in helping local startups. I've had clients access these funds many times over the years I've worked here. You might have walked past one of these people at Swains, or at a Lefties game or when you visit the KONP Home Show.

Of course, these people don't advertise this fact, instead, they find businesses to invest in... *through their personal business network!* Investors and lenders are always on the lookout for good opportunities, so be one. Build your personal business network and start meeting the right people, today!