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keeps it in the family



# Networking your way to innovation

Networks are vital to innovation.  
**Judith Perle** demonstrates how and why

Illustration by **Magictorch**

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**P**rofessor Ronald Burt of the University of Chicago surveyed 673 managers who ran the supply chain of a large US electronics corporation. First, he looked at the shape and size of their professional networks, and how they interacted with colleagues within their business units, as well as elsewhere within and outside the company. Second, he measured the likelihood of their expressing a new idea, and the likelihood that senior management would engage with that idea and judge it to be valuable.

Burt's results show that innovation isn't necessarily born out of individual genius. Instead he demonstrates that individuals who build diverse networks, so that they themselves become bridges (or brokers) between different social or professional groups, are at greater 'risk of having a good idea'. Why? As Burt puts it: "An idea that's mundane in one group can be a valuable insight in another."

The idea that good, innovative ideas have social origins is powerful. "This is not creativity born of genius; it is creativity as an import-export business," says Burt. Innovators aren't necessarily exceptionally smart people with creative minds. They can be just like you and me, but do two very important things differently: they mix with a wide variety of individuals, not just their close friends, and they listen as well as talk.

### A variety of networks

Of course, not all networks are the same. Louise Mors of Copenhagen Business School studied a global consulting firm in order to better understand "how network structure affects the ability of individual managers to innovate". To innovate successfully, partners and senior managers in knowledge-based businesses have two challenges. First, they have to find novel information and ideas. And second, they need to be able to evaluate them, spread the word and, finally, implement them.

## NETWORKING 101

- Networking is a key skill, so polish up your social skills.
- Cultivate an ability to listen.
- Networking should be about giving rather than getting.
- Keep an open mind – about who you're talking to, why and what you might hope to gain.
- Networking is about people; talk to people, help people, get involved in their lives.

Successful innovation isn't just about having good ideas. Putting them into practice and getting buy-in from colleagues are equally important.

Mors found that managers deal with both of these challenges by nurturing and tapping into different personal networks, both within and outside the organisation. Finding innovative ideas is best achieved through an open network, in which relatively few people are connected to each other. Interacting with a very wide variety of people, from different backgrounds and with different mindsets, exposes managers to more – and more varied – ideas.

On the other hand, when you want to implement a new idea or persuade others to do so, it's easier if your network is denser, with more overlapping connections. Mors doesn't explain why, but I think we can safely assume that the people in such networks talk to and respect each other. You don't necessarily need to convince each and every member of your network separately.

By talking to each other they will help spread the word, and do some of the work for you.

In a very different study among open source software developers, Karim Lakhani of Harvard Business School came up with similar findings. Often, he says, it was "outsiders – those with expertise at the periphery of a problem's field – who were most likely to find answers and do so quickly."

### Open innovation

An increasing number of companies now recognise that networks and networking are critical to innovation. They are realising that they need to encourage people to mingle and talk to each other, both internally and with colleagues in the wider business network on a social, as well as a purely instrumental, level. Whether centred on water coolers or canteens, social activities have an important role to play – as do more formal contexts such as conferences, seminars and other professional gatherings.

This also explains why so many large corporations are turning to open innovation to maintain their competitive advantage. Instead of



confining innovation within a fortress-like, internal R&D lab, companies such as Procter and Gamble and GlaxoSmithKline are demolishing walls and asking their networks for new ideas and solutions.

The benefits of socially generated innovation aren't confined to individuals or companies. Cities and societies can also gain. Richard Florida of the University of Toronto has developed what he calls the 'gay concentration index'. The tolerance a city shows for gay people, it seems, correlates with how successful that city is. That's not because gays are more creative or intelligent – but simply because diversity leads to innovation, which leads to prosperity. The index is just a shorthand technique for measuring diversity. "Cities with thriving arts and cultural climates and openness to diversity of all sorts... enjoy higher rates of innovation and high-wage economic growth," concludes Florida.

Finding innovative ideas is best achieved through an open network, in which few people are connected

## Individuals with diverse networks are at greater risk of 'having a good idea'

### The rules of the game

**If networks are key to innovation then networking is a key personal skill.** A good networker builds relationships with a wide variety of people. Some become close friends, others remain more pragmatic professional contacts – and others never pass the acquaintanceship stage. A common element in every networking relationship is a modicum of trust. Without that, there can be little free and friendly exchange of ideas – and neither party is likely to ask for help, or describe problems or issues they are facing. The consequence of that is that there's little room for shared innovation.

**Second on the list comes the ability to listen.** If you are preoccupied with what you have to say and the impression you want to make, how will you recognise a good idea when it comes along?

**Networking isn't about just working a room at professional functions.** If finding new solutions to problems depends on a wide-ranging network, it's important to include people from different backgrounds – in the staff canteen, parents at the school gates, at your local church. You never know where a good idea might come from.

**Networking should be about giving rather than getting.** We all know people who only contact us when they want something... and who only value us in terms of what we can (or might) give them. And we all also know how (un)popular characters like that are. So don't fall into the trap of trying to manipulate people to get what you want out of them.

**The very best networkers (and consequently the very best innovators) keep an open mind** – about who they're talking to, why they're talking to them, and what they might hope to gain. Becoming a better networker involves, first and foremost, a change of attitude.

**To do this effectively, your social skills may need a bit of polishing.** The challenges that each of us faces

in the skills arena will be different. Some people find it hard to start up conversations; others run out of things to say, or find it difficult to develop rapport with the person they're talking to. Some people are fine in face-to-face situations, but find the telephone a real challenge, whether making initial calls to set up meetings, or following up on a meeting that has taken place. And almost everybody could do with a reminder about the importance of making contact quickly and effectively after an initial meeting or phone call. After all, relationships aren't created overnight. They take time to develop, and trust needs to be built up brick by brick.

**In short, networking is about people:** talking to people, helping people, getting involved in their lives. People who don't only mingle with colleagues in the same company, department or sector are more likely to be exposed to different ways of doing things. And as long as they are open enough to listen, creative enough to envisage possibilities and perhaps humble enough to ask, they're able to transfer and adapt ideas from one context to another. Networking alone probably won't give rise to a flood of innovation. But networking actively, and encouraging it among colleagues and staff will certainly shorten the odds in favour of creating an innovative culture. ■

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#### Resources

Ronald S Burt, 'Structural holes and good ideas', *American Journal of Sociology*, Vol. 110 No. 2, Sep 2004; Marie Louise Mors, 'Innovation in a global consulting firm', *Strategic Management Journal*, Vol. 31, 2010; Karim Lakhani, 'Open source science', *Working Knowledge*, Nov 20, 2006; Richard Florida, *The Rise of the Creative Class*, Basic Books, 2003; Judith Perle and Tony Newton, *The Network Effect*, Management Advantage, 2011

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