

## Veracorp LLC

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It's not What you know...

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It's Who you know. Now there's an original thought. But in today's world it's even more crucial to be in touch with the right people than ever before. Starting with the Internet, MySpace, YouTube, and blogs, social networking has become big business today, as detailed in the May 7, 2007 *Forbes* cover story. However, social networking has always been big business, dating back to the telegraph, telephone, radio, television and cell phone. Prior to the electronic revolution, social networking was still big business as exemplified by travel, roads, highways, shipping routes and even the proverbial "Old boy network" of friends, family members and confidants. More than any other factor, who you know (a.k.a. social networking) has been responsible for creating and implementing ideas, events and actions throughout history. Today social networking is burgeoning into an instantaneous on-line chat that can influence political campaigns (Howard Dean used blogs to build support for his presidential campaign), create stars (Paris Hilton), foment terrorism (Al Qaeda recruits suicide bombers through its numerous internet sites) and allow CEOs to speak to their worldwide employees. Whatever degree of technological sophistication it attains, social networking remains the dominant medium for connecting influential individuals to others.

The University of Virginia has developed a program ([www.networkroundtable.org](http://www.networkroundtable.org)) that identifies social networks within corporations and uses them to help companies develop superior strategies. Their research has shown that while an organizational chart depicts the hierarchy within an organization, social networks supersede this power structure by placing individuals in central roles; many times they may be found in the lower rungs of the chart but have ascended through social networking to be major influencers in disseminating information throughout the organization. Certainly if you have worked in a company, whether small, medium or large, you know the one or two individuals, other than the boss or CEO, who have all the answers to almost every question, even if they are not in charge of the specific operations. Where are the Brady files? What suppliers should we be using? How much does this cost? What candidate is the most qualified? What's happening to our department? Is the company in such bad financial shape that it will be closing? These individuals have built social networks within the organization that place them in contact with specific individuals who are closely associated to decision makers. Therein lays their power.

This networking dynamic became very clear to me ten years ago when our east coast company was purchased by a larger west coast company. In fact, I became the major social networker between the two companies even though I was not in the executive suite, nor a participant in the official integration team. How could this be? Once the deal was finalized my boss (a senior manager in the company being acquired) suggested that I fly to California to meet my counterparts. Since I had not participated on the integration team they were somewhat skeptical about my motives, especially since I was one who was being acquired, but my message to them was simple: I was there to refer them to the appropriate people on "our" side who would provide them with answers to their questions. I was also there to find out whom I would rely upon when I needed their help. Upon my return to the east coast I informed my colleagues how cordial our counterparts were and the tremendous desire they had to be the best company in our field. Each month I flew fly back and forth, meeting individuals in every other department, spreading news, ideas, concerns and solutions. Many of my colleagues on both sides started to feel comfortable with each other.

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Within two months, I had developed a network of hundreds of individuals who developed relationships with each other using me as the common carrier. As the relationships grew more information was disseminated and they began to trust each other. Initial communications commencing as business matters evolved into discussions regarding corporate culture, core values, business goals, personal goals, real estate prices, cost of living, family and friends. The social networking worked throughout all levels of management and nobody was more than twice removed from the president, who encouraged the relationships that were being built. Through the network I witnessed the determination of the employees to be the best biotechnology company in the world spread throughout company and fuse the two businesses into one cohesive unit. It was a spectacular time for the company and I was fortunate to be a part of the social network foundation.

Prior to the buyout I believe I already knew the necessity of social networking, but truly learned of its awesome power only after the buyout. I learned that knowing the right people and connecting them to those who need guidance was the significant factor in our company's success. I learned that what you know is vital to producing great products. Who you know is the essence of success.