Chapter 6.5
Networks of People as an Emerging Business Model

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INTRODUCTION

Networking as a skill is becoming more and more important as traditional ways of doing business continue to change. Many organisations are moving from the industrial model of culture to a more "knowledge"-based culture, changing from having structured hierarchies to flatter structures with distributed responsibility. This has vast implications for how things get done. Instead of receiving instructions or being expected to work to a strict process, the knowledge-based organisations are giving people looser frameworks, and expect them to take responsibility for contributing ideas and sharing their knowledge.

EFFECTIVENESS THROUGH NETWORKING

The most effective way to work in these organisations is to build a network of contacts, colleagues, and teams. This networking approach is different from communities of practice where a group of people come together, formally or informally, to solve particular problems or discuss specific issues. Building a network is wider than just one specific focus; it is a new way of working and indeed a new way of thinking. This will give rise to many questions for organisations including structure, leadership, decision making, and much more. Many are not familiar in working in such an unstructured way.

Traditional communication techniques such as e-mail are also failing to deliver, as they dramatically overload people who have fallen into bad usage habits, thus restricting the techniques' effective use. The preferred way to communicate in the new 'networked organisations' is by using instant messaging and blogs, providing immediate business interactivity and truly engaging people.

Along with these developments, many organisations are downsizing and encouraging

more virtual working scenarios. This means that individuals are having to become more self-reliant and build up their networks for support and development purposes. The number of small businesses, independent workers, and those with portfolio careers is also growing, and they are starting to join and form their own online communities to share work, develop business ideas, and to gain profile. With this trend, the skills of networking become critical.

These new online businesses are becoming the 'new corporates', and moving from being efficient networkers to providing infrastructure and benefits to members of the network. An example of this is eBay, which has provided a very successful online world where you can make a living from buying and selling on the company's Web site; but eBay has also developed a huge amount of infrastructure around building a community. eBay promotes its community values as:

- We believe people are basically good.
- We believe everyone has something to contribute.
- We believe that an honest, open environment can bring out the best in people.
- We recognise and respect everyone as a unique individual.
- We encourage you to treat others the way you want to be treated.

Perhaps some of the remaining large corporates could learn from these values. eBay also runs workshops for members of its community, offers a forum facility, and even offers insurance to regular users.

THE FUTURE

Another example of a growing network is Ecademy. This is a business exchange that connects people to knowledge, contacts, support, and business. It is free to join Ecademy, and you can create a profile of yourself, read what is happening within Ecademy, search the site, and receive e-mail newsletters and updates. The idea of Ecademy is to build up a wide range of business contacts. For a small fee, £25 per annum, you can access and contribute to all areas of the site and build a network of up to 20 contacts. At this level you can also generate more awareness of yourself and your business through submitting content onto the Ecademy homepage. There are also a range of specific networking clubs you can join. For £120 per annum, you can have access to a growing list of premium Web site tools, but the ultimate level is the BlackStar level, which costs £2,500 per annum and is available to a limited audience. Benefits include personal introductions, mentoring and promotional opportunities, personal branding, networking tuition, online system training, and much more.

This is a huge support network backed up by regular events where it is not just a case of business cards flying around but real business gets done. They also publish a "Citizens Guide" on how to get the best out of the Ecademy community.

CONCLUSION

Examples like eBay and Ecademy are the beginning of many structured networks that set out to truly help people to do business, as well as provide a support network of value. All this without the company politics, but having true respect for the individual.

These trends are a serious challenge to the traditional corporate environment.

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