

Relationship Building Vs Networking

From Vena Jones-Cox on Facebook

Part 1 – Relationship Building Vs Networking

I'm forever encouraging members of my various communities to BUILD RELATIONSHIPS with other investors.

I know...I can SEE...that what many people are hearing is "*Network with other investors...get to know other investors...*", and that's not it.

I've struggled to define the difference, but this morning, thanks to Ram Dass of all people, it became clear to me. It's gonna take a minute to explain, though.

As real estate entrepreneurs, we always have some 'need' we're trying to fill with other people.

We need mentors. We need private lenders. We need contractors, service providers, partners, deal sources. We need advice, whether it's legal, tax, or related to a particular deal or situation,

Networking is mostly about identifying people who can fill those needs and trying to entice them through charm, promises, or trading to get what's missing.

Again, that sounded judgmental, but it's not...it's capitalism, and it's fine as long as everyone leaves the transaction happy.

But it tends to make us very 'transactional'; if our big need at the moment is mentoring, and we want to find people who can provide that, we tend to ignore/dismiss (not in a rude way, but certainly inside our heads) the people who don't have the resources to do that. Ditto if we need money, or a partner, or whatever.

Setting out to relationship build is different, though.

It doesn't start from the space of "I need".

It's not that the needs aren't there, it's that our INTENTION is not to walk into a real or virtual room and get them filled.

In relationship building, we start from the perspective of, "*Let me find out what THEY need, what THEIR goals are, what THEY'RE missing, and see if there's any small way in which I can help.*"

We try to see them, instead of trying to make them see us.

We look for ways in which we can help, even in the smallest of ways, because we're less interested in getting a cup of water than in building a well that provides water for a lot of people for a long time.

Every bit of help we give--whether it's advice, referrals, connections to the right people, help with a non-real estate problem, a sympathetic ear, a high-five--is another stone in that wall (wells have stone walls, right? If not, this analogy just went to hell in a handbasket).

And yeah, that wall might take ages to build, but once it's there, it lasts more or less forever.

The difference between the two.

To me, most 'networking' is about identifying people who have what I need, and finding a way to get them to give it to me (again, not in an unethical way--just a very transactional way).

But relationship building is about seeking first to understand what someone ELSE thinks they need, and how I can (or sometimes can't) help THEM, before trying to suss out how THEY might be able to benefit ME.

It FEELS different to be "networked with" than it does to talk to someone who's relationship-oriented.

Often the short-term outcome is the same: a trade is made, a deal is done, and a goal is reached.

But in relationship building, the intent isn't one deal, one trade, or one goal: it's years of them.

Post Two: Man all this Relationship Building is HARD!! (our title, not Vena's)

As soon as I hit "post" on that essay I wrote about relationship building this morning, the Gen X cynic in me started carping.

"Helping everyone who needs help in this business is a full-time, mostly-unpaid job! Go ahead, try it, you'll run out of time, energy, and money way before you run out of people who are perfectly willing to suck away all of your time, energy, and money!" was its main theme all day.

But the person who's seen real relationship-building WORK knows these things:

1. It's OK to have boundaries.

Will I mentor you for free for as long as it takes to get you past your fears and get you a deal? No, because that's abusive to ME--like everyone else, I have limited time and lots of demands on it and preferences about what I'd like to do with it. Will I give you 10 minutes of advice at a meeting, or on the radio, about how to proceed with a particular deal, or with getting the deeper help you need? Absolutely, time permitting.

2. It's OK to build relationships only with people who are relationship-oriented.

When your ask is for unlimited advice and time with no balancing recompense, it tells me that you're not interested in relationship building, you're interested in getting your needs filled, and once you do, you might be eternally grateful, but that's not the stuff of which relationships are built.

When, on the other hand, you find out that what *I* value is investment opportunities, and your ask is for help IN RETURN FOR deals or parts of deals, that tells me that you're just as interested in meeting my needs as you are in getting yours met.

3. It's OK that relationships aren't always "equal" at any given moment.

When you build relationships, you're playing a very long game: decades-long, one hopes.

And in a real 'financial friends' relationship, sometimes one 'friend' seems to be doing a favor for the other one to their own detriment--like last week, when I set up a very profitable deal, then stepped out of it because a financial friend of mine needed it to invest a very small IRA. I'm not worried about it, because although I'll never DEMAND that I get a favor in return, I know that at some point I WILL get a favor in return.

This was, from one perspective, a win for him and a loss for me. But we'll do many win-win deals together in the future, and probably one or 2 that are more a win for me than it they are for him.

4. It's OK to build (and continue) relationships ONLY with people who share your core values.

A colleague can be well-resourced, relationship-oriented, have things you want and need things you have, and still not be someone that you want to be in a "financial friends" relationship with.

If one of your key values is, "Do what you say you're going to do, and do it when you say you're going to do it, and if you can't, make it MORE THAN right as soon as you can", you shouldn't even try to have a financial friends relationship with someone who thinks of promises and timelines as being squishy.

If you value civility and rational discourse, being in a relationship with someone who reacts to real or imagined problems by flying off the handle, yelling, accusing, threatening, etc. is probably NOT going to be something you find worthwhile.

5. Sometimes, even relationship-oriented people can't find a way to work together,

at least for a while, but when you find one, it's important to keep trying.

Through the weekly exchange meetings my group holds, I've done deals with, I don't know, dozens of people.

I've also IDed at least half a dozen people that I'd REALLY like to do deals with, and even TRIED to do deals with, but none of those deals have 'come together' so far.

But they see that I'm TRYING to work with them, and therefore, I think that they're effectively part of my "Financial Family", even though we haven't successfully put anything together yet. They can see that I'm looking to help them, and I think they're trying to help me, even though we have yet to put anything together that stuck.

To me, those are the key differences between what I see as "networking" and what I see as "relationship building:."

In networking, you meet people, look to do business with them, and you create a mental Rolodex of who might be useful to you and how. (Basically you are collecting business cards - our insert into the post)

In relationship building, you get to KNOW people. at least from a business needs/goals/preferences perspective, and you build a posse of people whose back you have, and who have yours.