

# How You Can Dramatically Increase Your Business Networking ROI

Each year the time pressed [small business owners](#) spend hundreds to thousands of dollars in the marketing activity known as networking. This activity has multiple purposes including:

- To gain the attention of prospects
- To expand potential prospects' list
- To build relationships with prospects
- To secure referrals
- **Bottom line to increase sales**



However, when looking at the use of resources employed to network through local chambers of commerce, professional associations or specific networking organizations such as BNI, LEADS or LeTip, the two questions that need to be asked are:

- **What is this traditional networking strategy delivering to me in terms of clients whether direct or indirect through these leads?**
- **And is there another way to achieve more clients and sales using fewer resources?**

Let's examine the traditional networking return on investment or ROI.

A business owner joins a local chamber for \$200 and then attends 1.5 hour monthly luncheon meetings at \$20.00 She then spends 3 hours each month on two chamber committees. Additionally, she joined a local association for another \$200 as well as a formal networking group for \$700. The local association meets monthly in the evening for 1.5 hours and there is no food bill, but the networking group meets weekly for breakfast that costs \$10.00 and takes 2 hours. Additionally, she spends 1 hour per week on her reports for the networking group to preparing for the other events.

When we total her time, this active and time starved business owner is devoting 18 hours each month not including drive time which could be easily add another 7 hours for a total of 25 hours. By placing \$100 per hour on her time, she is investing \$2,500 each month. Her monthly fixed networking costs are \$60 for food and \$40 for travel. When **we annualize these costs** combined with the annual membership fees, the total is a conservative **\$32,300**.

Let's also presume that her average client is worth \$5,000. She would have to secure 6.5 clients each year just to break even. For this marketing strategy to demonstrate a **positive return on her investment**, she would need to acquire at **least 7 clients**. Even if she acquired 20 clients, the **cost would be \$1,615 per client** leaving her with **\$3,385 gross profit per client**.

Now let's consider a **non-traditional networking strategy** called "[Fast Pitch](#)" or table networking. Using this strategy, the same business owner would spend 2 hours at each event along with an hour of drive time and would be guaranteed meeting 25 new prospects. She attends 8 events and meets a minimum of 150 prospects (presuming there is some duplication of attendees at each event) during the year costing her \$2,400. The fee for the event averages \$40 and her gas is \$10.00. There is no annual membership fee saving her hundreds of dollars. **When annualized**, her networking costs are now a **conservative \$2,800**. Her clients are still worth \$5,000. So she needs just to **acquire 2 clients to break even**. If she secures just one client per event for a total of 8 clients, her acquisition cost per client would be \$350 leaving her **with a \$4,650 gross profit**.

After "*doing the math*," [Fast Pitch Networking](#) appears to potentially deliver greater value and yields a positive return on investment. For each individual business owner, the results would vary. However, if you want to recover your networking investment, maybe it is time to consider the non-traditional, Fast Pitch, networking strategy.

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