



Need for connection feeds online business networks

Members log on for advice, clients

By Jeremy Quittner
Published on April 05, 2004

With business picking up, Laura Allen decided that the time had come to look for a larger office. But for such a key commodity, she needed leads from people she could trust.

To find her space, Ms. Allen, co-founder of Manhattan-based 15secondpitch.com, did what many tech-savvy entrepreneurs do these days: She turned to her favorite online network of entrepreneurs. Within a day of posting her request for space on Company of Friends, Ms. Allen says, she got a number of good leads that helped her find a 1,000-square-foot office in the Union Square area about a week later.

Large circle of friends

"(The networks) provide an immediate community of people," says Ms. Allen, who figures she spends 10 hours a week logged onto her favorite ones.

Online business networks are steadily growing in number and popularity. Today, there are hundreds of unofficial online communities of entrepreneurs. Some of the best-known networks include Company of Friends, LinkedIn.com and Ryze.com. Small business owners turn to them for everything from swapping stories to getting serious advice on finding clients.

The networks are typically free, though more and more charge fees for premium services such as classified listings or advanced search functions. Most sites forbid overt business pitches and spamming. Some sites, such as Company of Friends, have groups that let members promote services, but only at specific times, like the first Friday of the month.

Experts including Ramon Ray, editor of Brooklyn-based Smallbiz-technology.com, an online technology resource for entrepreneurs, says that an 80-20 rule unofficially applies on most sites.

"If you get on there and say, 'Buy from me,' you will get flamed," Mr. Ray says. Instead, he advises users to figure on spending 80% of their online time posing serious questions or offering useful comments, and 20% of the time talking up their own experience and abilities.

Group subdivisions

These days, the bigger networks can have tens of thousands of small business owners as members. Each network, though, is usually subdivided into small, self-governing regional groups.

In the New York area, those smaller groups range from a dozen to hundreds of members. The smaller, regional networks-among-neighbors give entrepreneurs more of an opportunity to meet each other offline as well.

As useful as the sites can be for advice, they serve a more important function as centers for plain old networking. Each site has a different approach to that basic task.

Company of Friends, started by Fast Company magazine, and Ryze, founded by a San Francisco entrepreneur who began by holding networking mixers in his loft, are more purely about social networking. Any businessperson can join, and both sites host offline meetings. Members pay up to \$20 to put faces with the names of the people they chat with online.

Other networks take a more exclusive approach. LinkedIn, for example, operates under the assumption that most businesspeople don't want to immediately open up their Rolodexes to people they don't know. Most people join only after being invited by another member.