

How to win business and influence people in NYC's cliquy and competitive networking groups

Ritual-laden, highly lucrative and not-so-easy-to-join professional networking groups like BNI are growing a following among ambitious New Yorkers



By

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Photo: Buck Ennis

THE DISCIPLE: Real estate lawyer Jay Zimmer at the Cornell Club. Zimmer gets half his business from BNI referrals.

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Michael Brathwaite was raised in the Bronx by his mother, whose job was changing bedpans and sheets at Jacobi Hospital. As a kid, he regularly tuned in to *Wall Street Week* Friday nights on PBS. After graduating from Iona College in New Rochelle, Brathwaite launched his career as a stockbroker.

He was a bust at first, flailing around with cold calls and fruitlessly handing out his business card. Then a friend suggested he start attending BNI, a networking group where accountants, real estate brokers, contractors, personal trainers and even cake-makers congregate weekly to hunt for business. But after nearly a year's worth of schmoozing, he wasn't getting any referrals. The introverted Brathwaite came across as stiff and robotic when he tried to imitate the smooth operators he'd seen on TV.

Salvation came when he thought up an 11-word slogan: "I'm Mike, the money man. I can help with your plan." When Brathwaite began reciting those words at BNI meetings, the effect was transformational. "It made me human," he

recalled. Some people smiled, others laughed. Almost everyone began taking his calls. Business acquaintances became personal friends who steered clients his way.



THE PITCH: A BNI member promotes his legal practice at a recent meeting.

Photo: Buck Ennis

Today, the once-struggling stockbroker is a vice president who helps manage \$250 million at a major financial institution. He reckons that one-third of his business comes via people he met at BNI, where today he is executive director and co-owner of the New York City franchise and oversees 51 chapters.

"BNI changed my life," Brathwaite said. "It can change yours, too, if you're willing to give what it takes."

Many people find networking so awkward that they can't bear to do any more than create a page on LinkedIn. That may be one reason why Microsoft announced last week that it would acquire the business networking site for \$26.2 billion. Still, however popular LinkedIn may be, the most effective way to find a new client is to be recommended by someone you know in real life, which explains why BNI and other less formal networking groups like Meetups are growing. BNI's membership in the city has more than doubled over the past decade, to 1,500 people.

Christie Bennett, a 27-year-old commercial real estate broker and BNI member for three years, said she attends a BNI or other networking group meeting almost every morning or has breakfast with someone she's met at one. "It's a lot of meetings," she said, "but it's better than making cold calls."



THE EVANGELIST: Jackie Frank, a mortgage broker, helps BNI open new chapters in the city.

Photo: Buck Ennis

Many networking groups charge dues and expect their members to bring in guests to replenish the crowd. They resemble multilevel marketing companies like Amway, with rules and rituals that strike some as cultlike. "It's their way or the highway," said John Bindela, a Bronx construction firm owner who left BNI and sued his chapter leaders for allegedly bad-mouthing his business. (His case was dismissed.)

Networking groups have grown into a big business. In New York City, besides BNI, there is Gotham Networking, Metropolitan Business Network, the Network!Network!, My Networking Group, Connecting to Greatness, Swap the Biz, Savor the Success, Sysdrink, 6-Figures, Over 40 Females, Ellevate, the CEO Club, Young Presidents' Organization and the Executives' Association of New York City, among many others. Groups hold mixers at chambers of commerce, alumni receptions, athletic clubs and church basements.

New networks spring up constantly. Michael Goldberg, a networking pro for 16 years, last year helped launch the Networking Group, which draws about 50 professionals despite its unimaginative name. "There is a real craving for face-to-face contact," he said. One attendee at a recent meeting was an investment adviser named Anthony Chen, who has started a gathering that is also called the Networking Group. "We're not just about what you do; we're about what makes you unique," Chen said.

Sometimes connections made at networking events pay off in unexpected ways. Hoping to find investors in his theater productions, Vivek Tiwary paid the \$3,000 annual fee to join a networking group called Strategic Forum. Eventually, a lawyer in the group introduced him to an attorney for the John Lennon estate who granted Tiwary permission to use Lennon-McCartney songs in a TV series about the life of Beatles manager Brian Epstein. "I would have never gotten the meeting or the song rights without the referral," Tiwary said.

DOS AND DON'TS

Monica Pearson used to go to five business networking events a week. The former Air Force administrator, who is now CEO of a Manhattan-based tech-security firm called Secreliant, has a few pointers to make the experience more productive—or at least less agonizing.

- Wear a shirt or jacket with at least two pockets. Keep your own business cards in the right pocket, and the ones collected in the left.
- Wear your name tag on your right side if you are right-handed, so when you reach out to shake hands, people can see your name.

- If you can, make your own name tag and bring it to the event. The stick-on ones tend to fall off.
- A compliment is always a good way to get a conversation started. It's usually safe to ask a man where he got his tie. If that doesn't feel appropriate, ask the person if he or she has ever been to the networking event before.
- Before making your sales pitch, ask the person you're talking to if there's anything you can do to help him. A good question, if you are in a position to ask it, is, "Who is the one person I could introduce you to here who could help you get 10 clients?"

BNI is a sprawling enterprise, with nearly 200,000 members in 65 countries. About 18 months ago, investment firm Pioneer Equity Partners acquired a majority stake for an estimated \$60 million. BNI's 7,400 chapters outnumber Wendy's fast-food restaurants by 900. Its members are a committed bunch, paying about \$450 in annual dues, which adds up to about \$90 million. Manhattan is BNI's most successful metropolitan region in the world. "We don't always look at ourselves as a big business or a corporation, but we really are," observed Robert Weinberg, a BNI member and vice president at a direct marketer.

Though BNI does not advertise, revenue has risen by 50% since 2010, and leadership expects membership will more than double by 2020 as professionals in a digitally dominated world increasingly seek face-to-face interactions and as word spreads about the group's networking culture. That culture includes mandatory weekly meetings that start at 7 a.m. sharp and unyielding devotion to the many rules handed down by a founding guru, whose credo can be summed up in BNI's trademarked slogan: "Givers gain."

"BNI isn't a cult," said Brathwaite. "It's a movement."

"Don't trust your luck—call Chuck!"

Truth be told, a lot of people hate networking. "Many understandably see it as brown-nosing, exploitative and inauthentic," three professors of management and organizational behavior wrote in May's *Harvard Business Review*. "Networking makes them feel uncomfortable and phony—even dirty."

Necessity forced Los Angeles-area management consultant Ivan Misner to up his networking game. After his biggest client went bust in 1984, he struggled to find new customers at events sponsored by his local chamber of commerce and other business groups. With the help of some similarly disgruntled businessmen and -women, he began to think about creating a more effective referral system. "I realized we don't teach networking in schools and no one knows to do this," Misner recalled. "I put some friends together and said I'd do my best to refer business to them."

Within a year, Misner had sketched out his rules. First, to minimize competition for referrals, no group could contain more than one representative of any profession. Members would meet every week, with attendance rigorously enforced to foster camaraderie. While the group wouldn't collect any money from business generated, all referrals would be scrupulously tracked, and members who failed to at least occasionally help another member would be weeded out. Potential new members would be carefully vetted to ensure sincere commitment to helping others in the hope that their generosity would be reciprocated. Misner—who in 1993 got his doctorate in organizational behavior and in 2011 trademarked "Dr. Ivan Misner"—at first called his new organization the Network, then Business Networking International and later BNI.

Groups that deviate from Misner's strict rules, such as by relaxing attendance requirements, are expelled. "BNI works because of the rules and accountability," Misner said. "Without them, you have a coffee klatch."

Gradually Misner's networking method caught fire. By the early 1990s he was franchising the BNI name across the country. In 1996, Brathwaite and a business partner named Todd Hallinger bought the rights to operate BNI chapters in New York City, even though Misner was skeptical that his vision would catch on here. "The thinking was New Yorkers wouldn't help each other," Brathwaite recalled, "because we're not that nice."

Today, BNI membership is coveted in certain circles. "The minute I have an opening for a real estate broker, I have 10

applications,” said Jackie Frank, a mortgage broker who has helped organize 13 BNI chapters throughout the city. BNI’s rigid structure pushes people to overcome their misgivings about networking and engage with strangers. “No one is really interested in your business card,” Brathwaite said. “You do a lot better when you connect with someone personally and understand what they want and need.”



THE OWNER: Michael Brathwaite, a financial adviser, helped bring BNI to New York 20 years ago.

Photo: Buck Ennis

Even so, stacks of business cards are passed around the tables at BNI meetings. So are slips of paper that members pass to chapter leaders detailing their referrals and topics of conversation at one-on-one meetings with fellow members. But the heart of a BNI meeting is a ritual that resembles speed-dating.

Each member or guest is expected to stand up and give a 30-second pitch laying out who she is, what she does and whom she wants to meet. An audience member raises a reminder card when there’s 10 seconds left or if the pitch wanders. After 30 seconds, a bell rings and the presenter has to sit down.

At a recent BNI meeting attended by more than 80 people in the basement of the Union Square Ballroom, a personal-injury lawyer said he wanted to meet fitness trainers because they provide “the best synergy.” An office-furniture saleswoman asked for names of new office tenants at 61 Broadway or 270 Madison Ave. A person in “transformation education” asked for advice on how to get inside Condé Nast and Goldman Sachs. Members finish their pitch with their homemade jingle in call-and-response style, giving the room a vibe somewhere between a tent revival and a Junior Achievement meeting.

As Brathwaite discovered years ago, a memorable turn of phrase can make all the difference in breaking through. An insurance agent offered “Insure to be sure. But be sure to insure right. Don’t trust your luck—call Chuck!” An acupuncturist pitched “A job well done.” A divorce lawyer quipped, “Marriages can fall apart, but you don’t have to!” Said a regulatory lawyer: “When Big Brother comes knocking, let me answer the door.”

The hour’s worth of pitches and jingles is followed by a member making a five-minute presentation, which at the Union Square meeting concerned a “patented emotional education” program. “Dr. Misner took it,” the speaker said. The audience murmured in approval at the mention of the BNI founder. Real estate lawyer Jay Zimmer, a chapter vice president who gets more than half his business via BNI referrals, described Misner as a “mythical figure” to members, many of whom consult his nearly 20 books, among them: *Avoiding the Networking Disconnect: The Three R’s to Reconnect* and *I Love Networking: A Story About Finding Your Inner Networker*.

Before wrapping up, members came to the testimonial part of the meeting, standing up to name which BNI members

referred business to them and how much money it yielded. A writing coach thanked a member for referring \$1,200 worth of work, and a contractor thanked an architect for an \$8,000 referral. A real estate agent thanked a lawyer for a tip that eventually led to a \$550,000 commission. "It took three years to get that," the agent exulted.

BNI doesn't work for everyone. The unvarnished hustle can be a turnoff, as can the scorecard distributed before every meeting that shows members' attendance and number of referrals. It's a poor fit for psychotherapists, or anyone whose clients require privacy.

Jean Tang, who runs a copywriting firm, said BNI helped her business when she joined about five years ago. But as she grew, the early-morning meetings with small-business owners and sales reps lacking marketing budgets wore on her. She left last year. "After a while, it wasn't worth the time," Tang said.

BNI can also present conflicts. For example, if a personal-injury lawyer hears at a meeting about a workplace accident, legal-industry standards preclude the attorney from contacting the injured directly. After the New York City Bar Association raised concerns about BNI members soliciting business this way, the networking group amended its code of conduct about a decade ago to say members must meet the ethical standards of their profession.

BNI says its members referred \$9.3 billion worth of closed business to each other last year, which averages to about \$50,000 per person. But generally speaking, 20% of BNI members account for 80% of the money, said Frank, the mortgage broker. (Her signature line is, "When you need a loan, don't go to the bank. Call Jackie Frank.") She also helps organize new BNI chapters in return for a 25% cut of the gross revenue. She's now experimenting with neighborhood-focused chapters, including one in Washington Heights. "If I didn't have a full-time job, I could launch a chapter every week," she said. Generally, a chapter needs 30 members to achieve critical mass.

The economics of BNI work like this: A quarter of membership dues goes to BNI headquarters, which relocated from Southern California to Charlotte, North Carolina, after Misner sold a majority stake in late 2014 and handed the CEO post to an executive whose background is in franchising nonmedical home-care services for senior citizens. (Misner, who remains the largest individual shareholder, is now "chief visionary officer.") The other 75% is split among Brathwaite, fellow owners of the New York City franchise and those who develop new chapters. Based on current membership levels, BNI higher-ups share about \$500,000 in annual fee revenue. "It's not a great deal of money," Brathwaite said. "But it's good."

His success has spawned copycats, many of them BNI alumni. Goldberg has teamed up with Cynthia Greenawalt, who helped develop the BNI franchise in southern Florida, to build the Networking Group. "We hope to become a national organization like BNI," Goldberg said.

Their group takes a softer approach. Meetings are held after work rather than before, and every six weeks instead of weekly. There are no 30-second sales pitches or jingles. And a bottle of Dom Pérignon is awarded to the person who brings the most people. At a recent meeting in the basement of an East 42nd Street building, attendees answered written questions like, "What is the one thing that nobody knows about you?"

Goldberg was a little disappointed by the turnout of 46 people. He's hoping for more than 70 at the next one, July 27. "It takes time to build," he said.

Personal connections keep people coming back to networking groups and enduring the mediocre coffee and the sea of fresh faces eager to share business cards. Bennett, the young real estate broker ("With skill and grace, I find you office space"), noticed that her boss had built her entire business around the 10 networking groups she attends. Bennett acknowledges that BNI isn't as helpful to her as it once was.

"Leaving would be an emotional decision I'm not ready to make," she said. "Am I getting so much from it? Probably not. But there are a lot of people there whom I like to see."

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