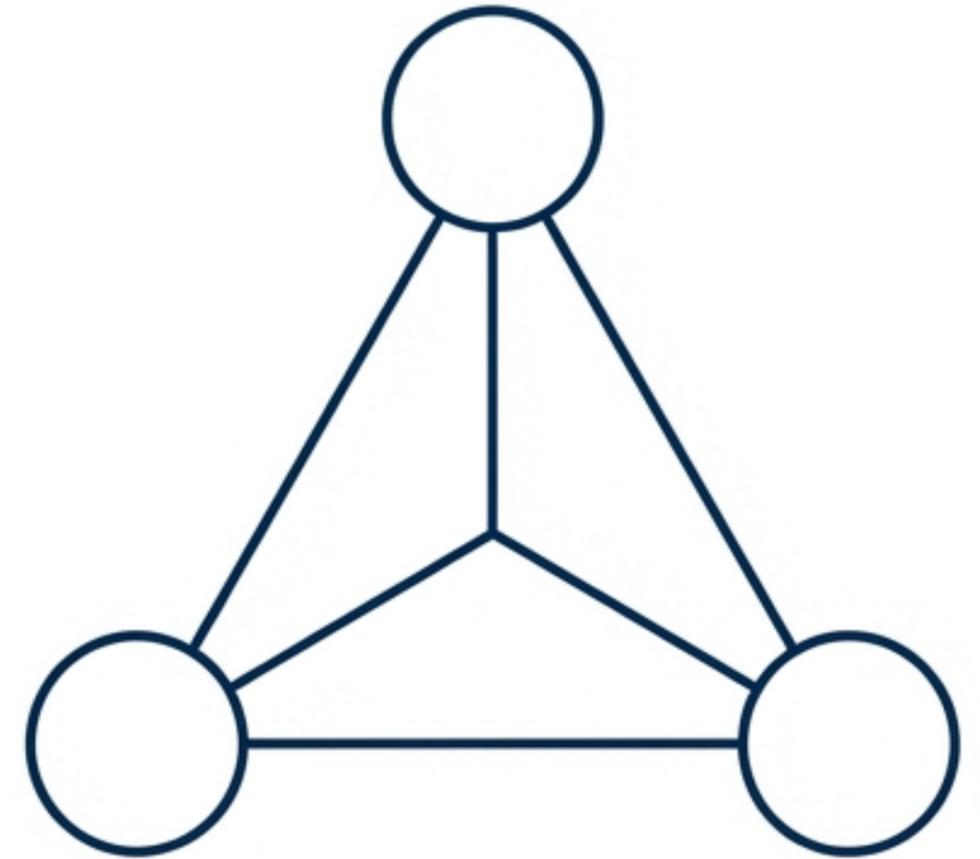


# Chapter 3: How Leaders Create and Use Networks

You need certain types of connections to excel.

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Based on the work of Herminia Ibarra and Mark Lee Hunter



# The Leadership Transition Point

## The Context

Context: Moving from a functional manager to a business leader is a career inflection point.

## The Challenge

- Managers often rise based on technical command and “nose-to-the-grindstone” focus.
- The new role requires shifting from analytical tasks to relational tasks.
- Resistance is common: Many view networking as “insincere” or “manipulative.”

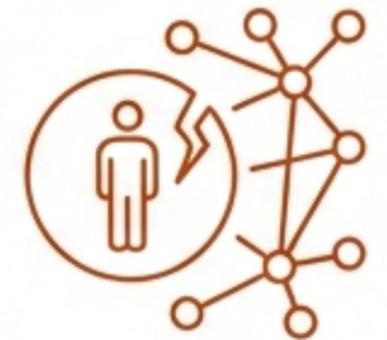


## Key Insight:

Networking is not a distraction from real work; it is the prerequisite for leadership execution.



**Consequence:** Without this shift, leaders risk being isolated and blindsided (e.g., The Henrik Balmer Case).



# Session Learning Objectives

By the end of this module, participants will be able to:



Analyze the three distinct forms of networking: Operational, Personal, and Strategic.



Evaluate their current network composition against the requirements of their leadership role.



Identify psychological barriers (“The Sincerity Trap”) that hinder network development.



Apply specific tactics—such as the “Outside-In” approach and time reallocation—to build strategic connections.

# The Three Forms of Networking

**Concept:** Successful leadership requires a “tissue of personal contacts” across three distinct categories.



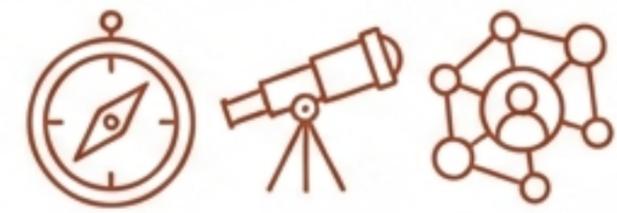
## 1. Operational Networking

Managing current internal responsibilities.



## 2. Personal Networking

Boosting personal development and external referrals.



## 3. Strategic Networking

Opening eyes to new business directions and stakeholder support.

**Observation:** Most managers are adept at Operational and Personal networking but critically underutilize Strategic networking.

# Deep Dive: Operational Networking

## The Theory

**Purpose:** Getting work done efficiently; maintaining coordination and cooperation.

### Membership (Prescribed):

- Direct reports, superiors, peers within the unit.
- Key outsiders (suppliers, distributors, customers).
- Membership is determined by the org chart and immediate tasks.



**Key Behavior:** Depth. Building strong working relationships with those you depend on.

## The Application

### The Trap: Alistair (Accounting Manager)



**Situation:** Focused entirely on “cleaning up the books” (Operational).



**Failure:** Failed to “sound out” directors on strategic issues.



**Result:** Board polarization on a critical decision because he lacked the relationships to manage the politics.



**Limitation:** Necessary for survival, but insufficient for advancement.

# Deep Dive: Personal Networking

## The Theory

**Purpose:** Professional development, coaching, and referrals.

### Membership (Discretionary):

- Kindred spirits, alumni, professional associations, clubs.
- Largely external and oriented toward current interests.



**Key Behavior:** Breadth. Gaining new perspectives and “safe space” support.

## The Application

### Application: Timothy (Software Principal)



**Challenge:** Struggled with stuttering in high-stakes internal meetings.



**Strategy:** Used external social settings (community boards) to practice communication.



**Result:** Built confidence in a lower-stakes environment before engaging internal power players.



**Limitation:** Provides “six degrees of separation” but often lacks leverage for organizational goals.

# Deep Dive: Strategic Networking

## The Theory

**Purpose:** Figuring out future priorities and gaining stakeholder support.

### Membership (Strategic):

-  • Lateral and vertical relationships outside immediate control.
-  • People with diverse backgrounds/incentives who power the big picture.



**Key Behavior:** Leverage.  
Creating inside-outside links.

## The Application

### The Pivot: Sophie (IT Manager)



**Situation:** Realized her team was isolated.



**Strategy:** Shifted from technical expert to networking with opinion leaders.



**Result:** Secured support for a new business plan by selling it through the network before the formal proposal.



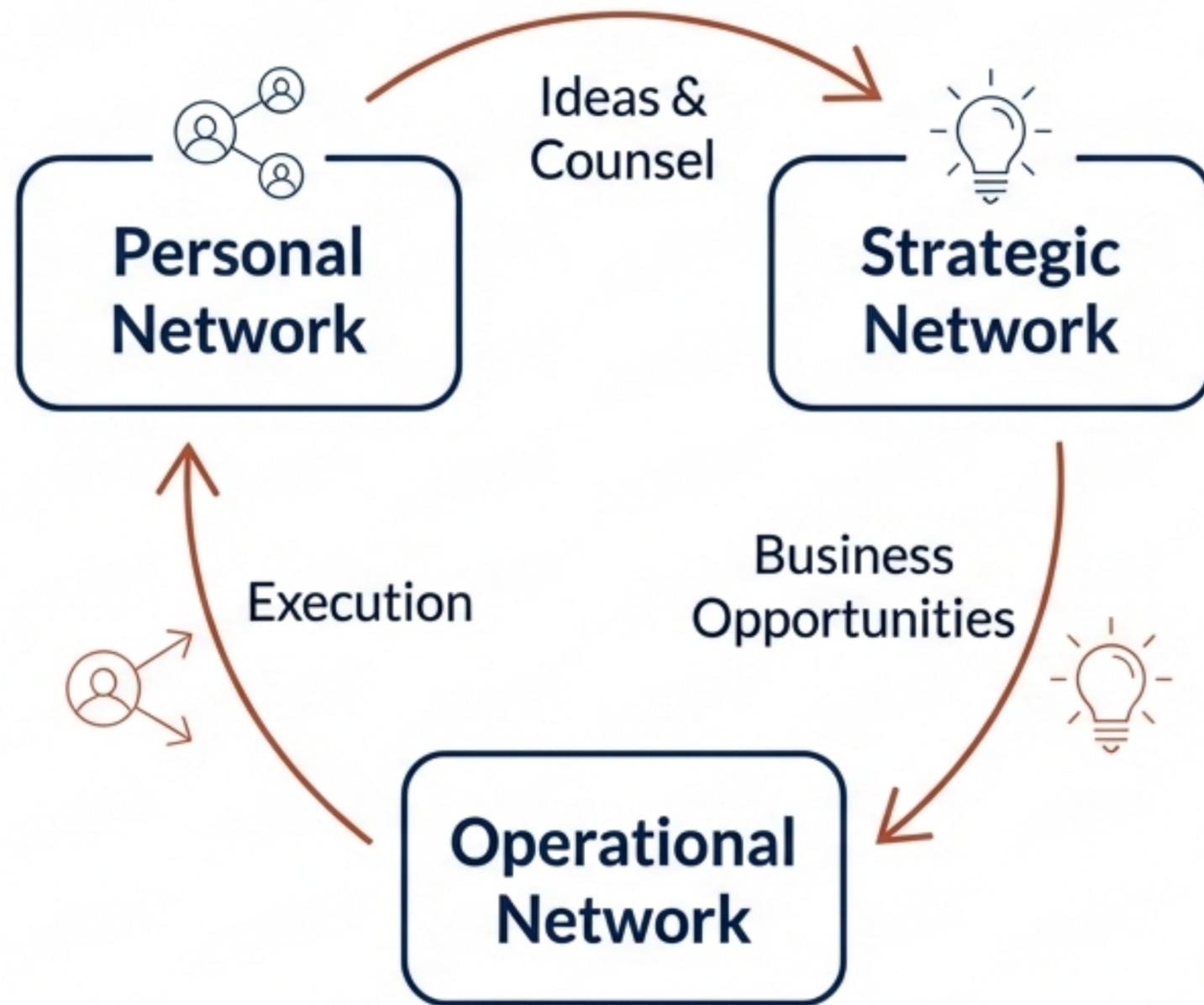
**Critical Insight:** Strategic networking creates the power to achieve organizational goals.

# Comparative Framework: Network Attributes

Network Type	Location	Focus	Selection
Operational	Mostly Internal	Current demands	Nondiscretionary (Prescribed)
Personal	Mostly External	Personal dev / Future potential	Discretionary (Kindred spirits)
Strategic	Internal & External	Future strategic priorities	Discretionary (Strategic context)

Takeaway: Moving to leadership requires migrating focus from the top row (Operational) to the bottom row (Strategic).

# Network Interdependence and Evolution



## The Synergy:

- **Personal to Strategic:** External contacts provide objective counsel or new ideas.
- **Strategic to Operational:** Once an alliance secures an initiative, the Operational network executes it.

## The Transition Gap:

- Most managers possess Operational skills.
- Many develop Personal networks.
- **Failure Mode:** Abandoning Strategic networking during crises to retreat into Operational 'fire-fighting'.

# Barrier 1: The Mindset Trap



## The Resistance:

- “I already have a day job.”
- “Networking is political/insincere.”
- “It’s about what you know, not whom you know.”



## The Reframe:

- Networking is not a talent; it is a learned skill.
- It is not “using people”; it is a requirement for resource acquisition.



## Solution: Find a Role Model

Example: **Gabriel Chenard** (GM for Europe)

**Tactic:** Used “downtime” (flights/cars) during branch visits to build relationships.

**Result:** Networking became a natural, efficient extension of management, not a “schmoozing” add-on.

# Barrier 2: Establishing Legitimacy



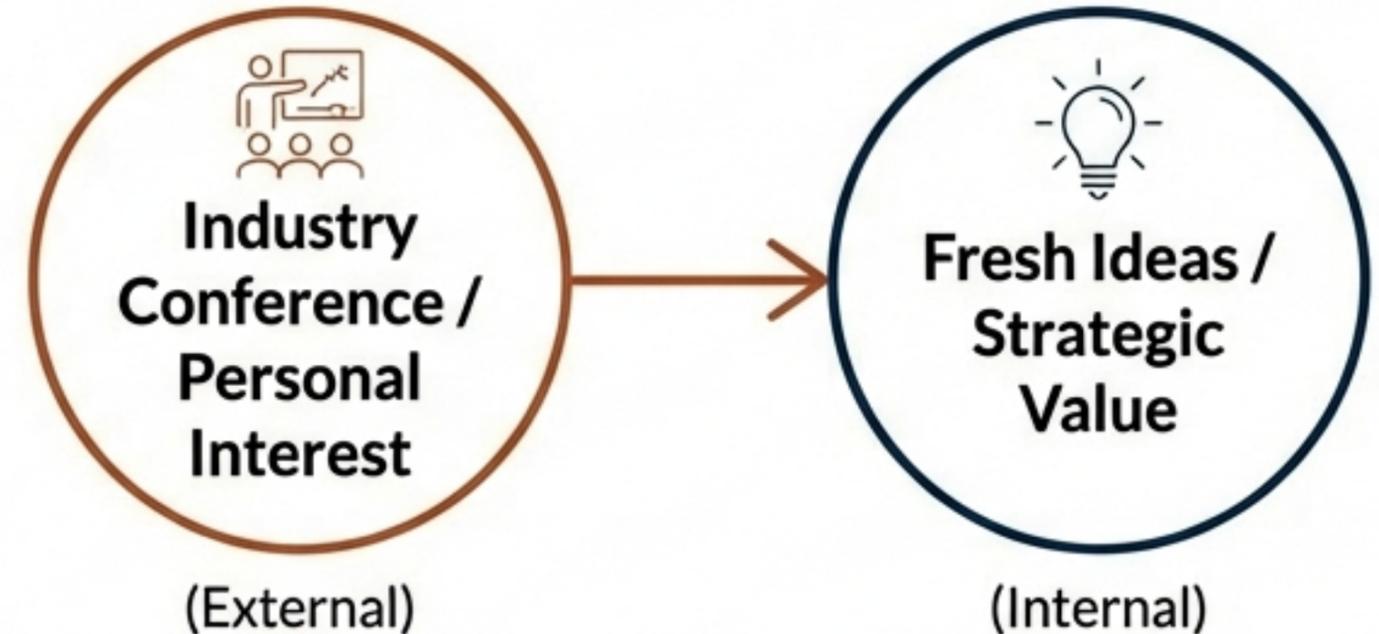
## The Problem:

How to interact with senior leaders without a specific task or 'excuse'?



## Strategy: Work from the Outside In

- Use external interests or expertise to build internal connections.
- Transpose personal interests into the strategic domain.



## Example: Linda Henderson

- **Action:** Got involved in an industry conference.
- **Outcome:** The external knowledge gave her a legitimate platform to engage peers and superiors she otherwise wouldn't meet.

# Barrier 3: The Time Constraint



## The Conflict:

The choice between the “obvious payoff” of a technical task vs. the “ambiguous reward” of networking.



## Required Action: Reallocation

- Delegation is not just for efficiency; it creates the time required for strategic networking.
- Do not hide in the operational network during a crisis.



## Cautionary Tale: Harris Roberts

**The Error:** Dropped all networking when a drug-approval crisis hit.

**The Cost:** Two years later, he was out of touch and stalled as a functional manager.

**Principle:** Networking requires “Will” more than “Skill.”

# Case Analysis: The Isolation of Henrik Balmer



## Scenario:

- **Henrik:** Newly appointed production manager and board member.
- **Focus:** “Time was the problem.” Spent all hours guiding his team through a production upgrade.
- **Behavior:** Skipped informal socializing; attended board meetings only to report.



## The Crisis:

- Board discussed outsourcing production (Henrik’s core function).
- Henrik was blindsided; others had formed a coalition without him.



## Discussion Questions:

1. Which network did Henrik over-index on?
2. Which did he neglect?
3. What could he have done differently during the upgrade phase?



## Lesson:

Being “right” on the technicals does not save you if you are isolated from the strategy.

# Knowledge Check & Common Misunderstandings

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## Clarifications



**Myth:** “Strategic networking is for finding a new job.”

**Reality:** That is Personal networking. Strategic networking is for doing your current leadership job effectively.

### Distinction:



**Operational** = Prescribed (You have to talk to them).



**Strategic** = Discretionary (You choose to talk to them to create leverage).

## Application Scenario



### Situation:

You are overwhelmed with a project launch. You decline an invitation to an industry roundtable to finish the project plan.



### Analysis:

This creates an **“Operational Trap”**. You sacrifice future perspective for current execution.

# Summary and Immediate Application

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## Key Takeaways:



Transitioning to leadership requires shifting from “How do I do this?” to “What should we be doing?”



You need all three networks, but the Strategic network is the differentiator for leaders.



Authenticity comes from practice and reciprocity, not avoidance.



## Just Do It: Action Plan



**1. Delegate:** Identify one operational task to hand off this week.



**2. Connect:** Identify two people in your network who would benefit from meeting each other and introduce them.



**3. Initiate:** Schedule one meeting with a stakeholder outside your immediate function this week.