

GOLD-PLATED NETWORKING GROUPS ARE THEY WORTH THE PRICE?

NETWORKING IS AS old as business itself. And so are networking groups, those formal or informal gatherings of entrepreneurs who meet to share ideas, strategies, fears, and horror stories. Such groups, of course, are valuable only if their members are smart and seasoned. And increasingly, entrepreneurs are willing to pay, often quite handsomely, to make sure they are. Membership is growing in many high-end networking groups, including elite nonprofits such as Young Presidents' Organization, or YPO, which charges \$7,000 to \$8,000 a year, and private companies like Vistage, which charges up to \$13,000 a year.

In general with these gilded groups, the more you pay, the more personal the service. Young Presidents' Organization offers small monthly forums run by volunteer moderators, in addition to larger events. A nonprofit, it's the oldest and most exclusive networking organization; it accepts only CEOs who have built their companies to \$8 million in sales by age 45. Entrepreneurs not eligible for YPO can still get top-notch service from for-profit groups, however. Guy Timberlake, co-founder of the American Small Business Coalition, a four-year-old organization based in Columbia, Maryland, sets up several private meetings a month for his highest-paying clients, all government contractors. And at the Breakfast Network, founder Ed Bogen, a veteran publicist, invites clients to one-on-one sessions with contacts he handpicks, as well as relevant cocktail parties and breakfast meetings. Bogen has about 200 clients, mostly in the Northeast, and charges \$8,000 a year and up. Founded in 2001, Breakfast Network used to offer a lower-priced option as well. But a few years ago, Bogen phased out about 700 members to give more attention to the higher payers.



Andrew Schnipper has been attending Breakfast Network events for a year and a half, ever since he sold his first company, Hale & Hearty Soups, and began launching his second. "You're paying for access," Schnipper says. If he needs a lawyer, he can call Bogen instead of spending days on the phone looking for a referral. Schnipper says he has also gotten valuable help from private equity investors, who advised him on finding funding; so far, he has found 75 percent of the start-up money he needs. And he picked the brains of major commercial landlords for advice on where to locate his new venture, an upscale burger joint called Schnipper's Quality Kitchen, and how to negotiate a deal for space in *The New York Times*' new headquarters. His restaurant is scheduled to open this fall.

Finding the right group can take time. When sales at Bill Greenblatt's company exploded from \$10 million to almost \$100 million in seven years, the advice from people in his networking group couldn't keep up. Greenblatt, founder of employee-screening firm Sterling Testing, was a member of Vistage, which has more than 14,000 members who meet regularly in groups of 10 to 12. "Everyone else was standing still, so I quit," says Greenblatt. That was three years ago; now, he's in a new Vistage group, which he helped form. It's led by Stephen Baum, a former Booz Allen Hamilton partner, and includes entrepreneurs and executives who run much bigger firms. Says Greenblatt: "I wanted to play with kids who were better than me."

Schmoozing this way isn't for everyone. Members typically attend at least one in-person event per month, which can easily take half a day. Most groups discourage members from swooping in only when they need advice. That means you have to invest a lot of time offering your own advice and expertise to other members. And if you're looking for sales leads, you will probably

be disappointed. Many outfits discourage members from selling to one another, on the premise that their members aren't paying thousands of dollars a year to be confronted with the hard sell at a cocktail party. Plus, it's tough to be candid about business problems when there's a customer in the room. "I throw somebody out for breaking the rules every quarter," Bogen says.

Then, of course, there's the price. But if you're not ready to spend \$10,000, you may still be able to join. Some groups offer low-priced options for start-ups and small companies. Ann Bouchard pays less than \$3,000 a year to belong to Vistage, though many members pay four times that amount. Bouchard owns two companies, Bouchard Communications Group and Matrix Manager, and has 23 employees, but she has chosen to stay in the same group she joined eight years ago, when her company was much smaller. A few years ago, the members walked her through the decision to acquire a small PR firm. "Up until the point I joined, everything was on my shoulders," Bouchard says. "This group is everything for me." —*Elaine Pofeldt*

FINDING THE RIGHT GROUP

Attend breakfast meetings, have one-on-one sessions with successful business owners, and take a trip to Mexico with motorcycle mogul Jesse James. Here are some of the country's most exclusive networking organizations.

| GROUP | WHO BELONGS | SERVICES | ANNUAL COST |
|--|---|---|--|
| American Small Business Coalition <i>theasbc.org</i> | 370 U.S. government contractors around the world | Ten events monthly, focused on networking, professional development, and market intelligence. CEOs of larger companies can pay more and get one-on-one networking help and attend private meetings with other members and, sometimes, government officials. | Up to \$15,000 |
| Breakfast Network <i>breakfastnetwork.com</i> | Entrepreneurs and professionals; all clients must be approved by founder Ed Bogen. | Hundreds of breakfast and cocktail meetings a year, as well as one-on-one meetings. Bogen also offers marketing advice. | \$8,000 and up |
| Entrepreneurs' Organization <i>eonetwork.org</i> | Members must have reached \$1 million in sales by age 50. | Monthly chapter meetings and smaller monthly discussion forums with a group of eight to 12 peers | Varies by chapter; the average cost is \$2,500 to \$3,000. |
| Maverick Business Adventures <i>maverickbusinessadventures.com</i> | Entrepreneurs with revenue of \$1 million and up, or successful businesspeople who earn at least \$250,000 a year | The group offers several trips a year in which members can meet other entrepreneurs and partake in sessions with well-known business owners (a recent trip to Mexico featured West Coast Choppers founder Jesse James as a speaker). | \$10,000 |
| Vistage <i>vistage.com</i> | CEOs of companies of any size | In Vistage's most expensive programs, members attend monthly, full-day forums run by a paid facilitator, and up to 10 talks by Vistage's speakers. At the lower end, the forums are shorter, with fewer workshops. | Varies by chapter; about \$2,820 to about \$13,000 |
| Women Presidents' Organization <i>womenpresidents.org.com</i> | Leaders of companies with sales of at least \$1 million to \$2 million a year, depending on the industry | Monthly three-hour forums run by trained facilitators, an annual conference, two or more regional meetings a year, and chapter retreats | \$850 to \$5,000 |
| Young Presidents' Organization <i>ypo.org</i> | CEOs who have built companies with \$8 million in sales by age 45 | The oldest and most exclusive networking group, YPO hosts big events as well as small-group discussion forums with eight to 10 participants. | \$7,000 to \$8,000; varies by chapter |