

MODULE

How to build trust and how to expand your network

SHORT DESCRIPTION

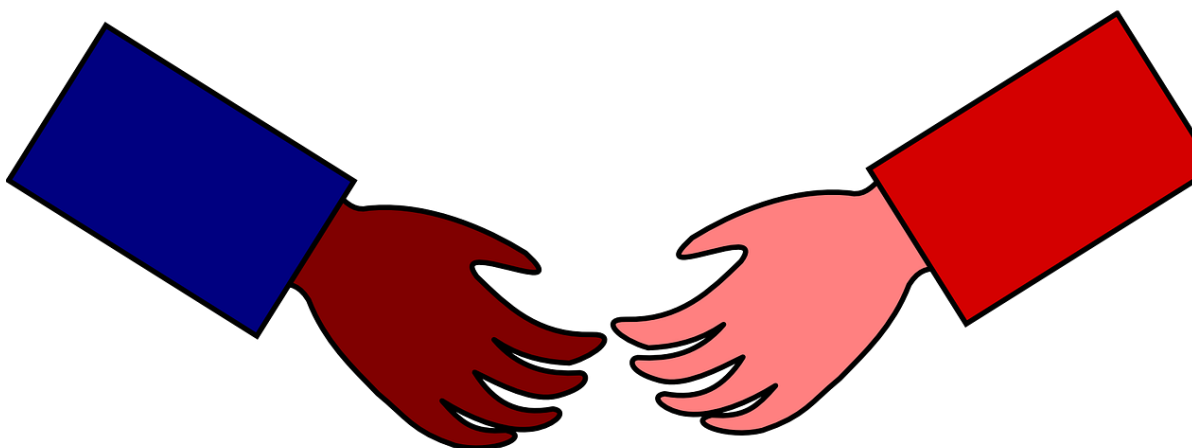
In this module you will be provided with information regarding trust in an entrepreneurial concept, the ways a migrant entrepreneur can build trust in the host country/community, the connection between trust and networks and finally, tips and methods to expand your established network in order to achieve your entrepreneurial goals.

CONTENT

Trust in entrepreneurship

Migrants often face a series of serious challenges to set up and manage entrepreneurial activities in several sectors in hosting countries. These challenges are usually caused by reduced host-country human capital resources, lack of knowledge of the operating systems of local labour markets and of specific local business regulations, and restricted access to local business networks. Apart from the above-mentioned difficulties, related to governmental regulations and legislation, barriers due to multidimensional reasons or interpersonal distance have also great impact on personal and professional life of migrant entrepreneurs.

The most common challenges for immigrant business owners are the lack of language skills and cultural knowledge, as well as the distrust of locals. People tend to trust others because they have experienced their trustworthiness. Emotions related with trust and included in this term, include companionship, friendship, love, agreement, relaxation, and comfort. Trust becomes relevant when people become dependent on and vulnerable to the actions and decisions of others (McEvily et al., 2003).

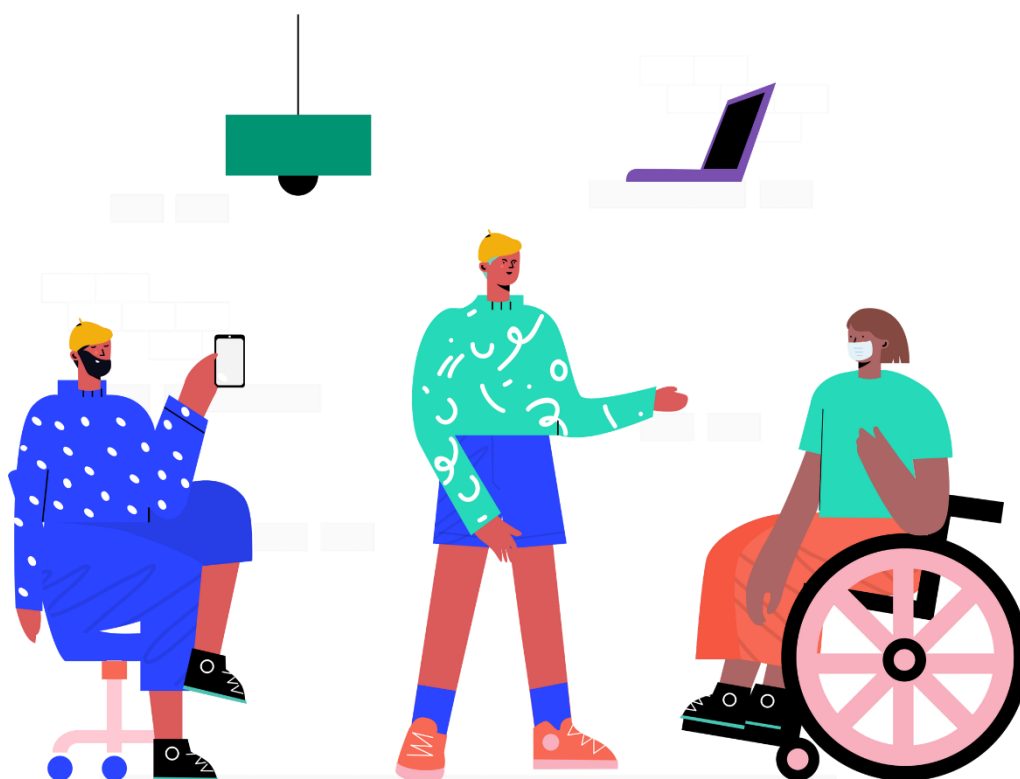


One of the basic and most challenging characteristics of every possible entrepreneurial activity is trust among entrepreneur and his/ her audience. Trust is rarely related to an objective, such as a product or service. Conversely, it can be built when a person interacts with the customer and other

partners in the business. Trust functions as a lens for interpreting behaviour and as a basis for a person's decisions making. In the entrepreneurial framework, trust is a cornerstone for the development of every entrepreneurial activity.

Trust is a common challenge for every entrepreneur who tries to establish his/ her business, let alone in respect to migrant entrepreneurs. Migrant entrepreneurs must very often deal with suspicion of the local consumers. Cultural differences or lack of knowledge creates great gaps between immigrant entrepreneurs and local people.

The challenging situation with trust is that an immigrant entrepreneur cannot force customers to believe the trustworthy character of his/ her organization. Every interaction is an opportunity to build relationships and nurture trust. Therefore, trust relationships are vital to the conduct of their business. Some basic level of trust is a major factor just to have employment contracts, or to engage local audience related to your business. The level of trust in business relationships—either external, e.g., in sales or advisory part, or internal, e.g., regarding functionality of services—is a great determinant of success than anything else, including content excellence.



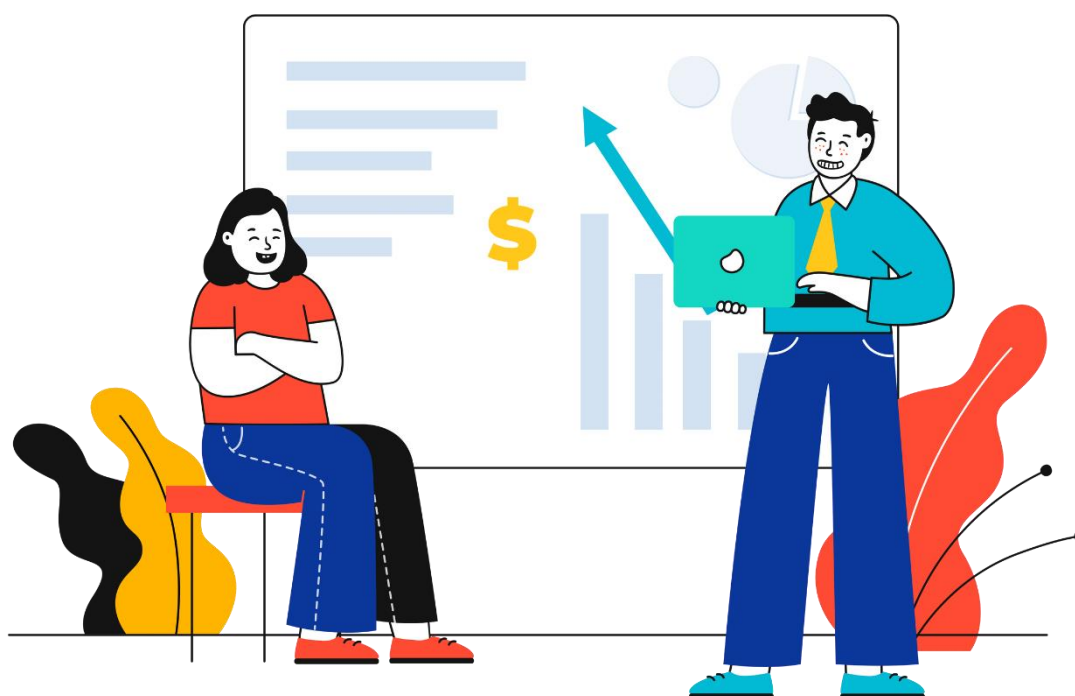
Trust building process in entrepreneurial context

Due to cultural distance between the immigrant entrepreneur and his/her hosting country, the building of trust may take more time and effort. Assistive mechanisms for building up trust could be networks and clubs – both professional and private – as well as individual family members and friends.

Integration into new culture enables immigrant entrepreneur to communicate in the same manner, share the same codes, and narratives with the surrounding society, as well as to gain reputation as a trustworthy businessman/woman. Through trust building activities and gradual integration, immigrant entrepreneurs will be able join new networks and organisations.

Trust building process is comprised by **3 basic steps**:

- *Code of Honour* – showing respect, telling the truth, and keeping your word are fundamental characteristics to the process of trust. If you are consistent in keeping the code then you will build trust over time with your audience.
- *Extend Trust* - go first and give trust. Giving trust with clear expectations and strong accountability builds into the process.
- *Be Open* – Limitations of trust coming from people who communicate only when they need something. People sharing information appropriately increase trust. You have to use your judgment to keep the balance between protecting confidential information and sharing needed knowledge (Human Energetics, 2014).



Tips to build trust in an entrepreneurial context

Becoming trustworthy is one basic characteristic for every entrepreneur, even before start running a business. Customers seek out trustworthy people and evaluate entrepreneurs to see who they can trust. In order to be a trustworthy entrepreneur and establish your own audience, keep in mind to:

- Be willing to make commitments.

As an entrepreneur, you should have the strength to be able to make commitments and make promises, within the contexts you can accomplish them. The main characteristic of unreliable people is that they refuse to make promises, as they think that making no commitments relieves them of

any anxious feeling about breaking them. People see and understand this strategy immediately and will think of you as a not reliable and not trustworthy entrepreneur.

- Under commit and over deliver.

You have to be sure about the commitments you give. You should be able to fulfil them. There is great number of entrepreneurs who over-commit due to the need to have business constituents, yet the quickest way to lose respect is to fail to keep commitments.

- Protect your personal brand.

As a new start-up entrepreneur, you are your own brand. As every movement you make affects your brand, your trustworthiness is your most valuable asset.

- Formalize business promise keeping.

This means updating all your promises into formal actions. You should follow formal procedures between partners and vendors, customer transactions.

- Communicate, communicate, communicate.

Communication is the major cornerstone for your business. You have to admit that you will face failures, yet through communication you can inform every interested person and avoid displeasing surprises. Lack of communication allows others to assume that you had no intention of keeping your promises and hoped that no one would notice.

- Aim past the target.

It is impossible to be trustworthy in business if you are unreliable in the other aspects of your life. The monks teach that trust is not a business strategy or tactic; it is the natural by-product of living for a higher purpose. If you have no higher purpose as an entrepreneur than to make money, you will most likely fail in your efforts (Forbes, 2013). Grounded in the understanding that migrants are by no means a homogeneous population, but rather have different needs and skills sets, is also a key success factor of migrant entrepreneurship support initiatives. More specifically, the practices analysed point to the added value of fostering a personal relationship between service providers/trainers and beneficiaries. This can help build trust between the migrants and the institutions as on many occasions' migrants, and especially those who have been persecuted in their home countries, tend to foster distrust towards authorities.



Building up entrepreneurial networks

Entrepreneurial networks are groups of entrepreneurs, business service providers and various other relevant people who entrepreneurs can access for information and ideas for the operation of their businesses in reciprocal relationships. Through networks entrepreneurs have greater access to financing, finding partners, suppliers, employees, and customers, and searching for new products, procedures. According to the profile of each entrepreneur and the type of his/ her business there are different motivations. These will create the framework of entrepreneurial networks which will support their business. In order to support the development of migrant entrepreneurship networks, it is important to use both physical and online channels that connect migrant entrepreneurs with each other and other entrepreneurs.

How to build and expand your network

An effective network of co-workers and partners will involve, but is not limited to, the following:

- Identification of the right partners

Organizations with the same goals and the necessary infrastructure to deliver support. In this stage, which is a preparatory phase, there should also be clarified the roles and responsibilities of all partners.

- Getting formal commitment

When referring to formal procedures and commitments, it means signing of a partnership contract. However, apart from the formal obligations within a signed contract, the success of an initiative will also depend on the ability of all parties to maintain trust in personal level throughout the project duration.

- Developing a shared, long-term strategy

A partnership should create a long-term strategy setting out a vision of the outcomes to be achieved at the local, regional, or national level, an action plan to identify short-term priorities, a co-ordination mechanism to ensure effective communication, and arrangements for monitoring and reporting progress.

- Research networking events and trade shows near you

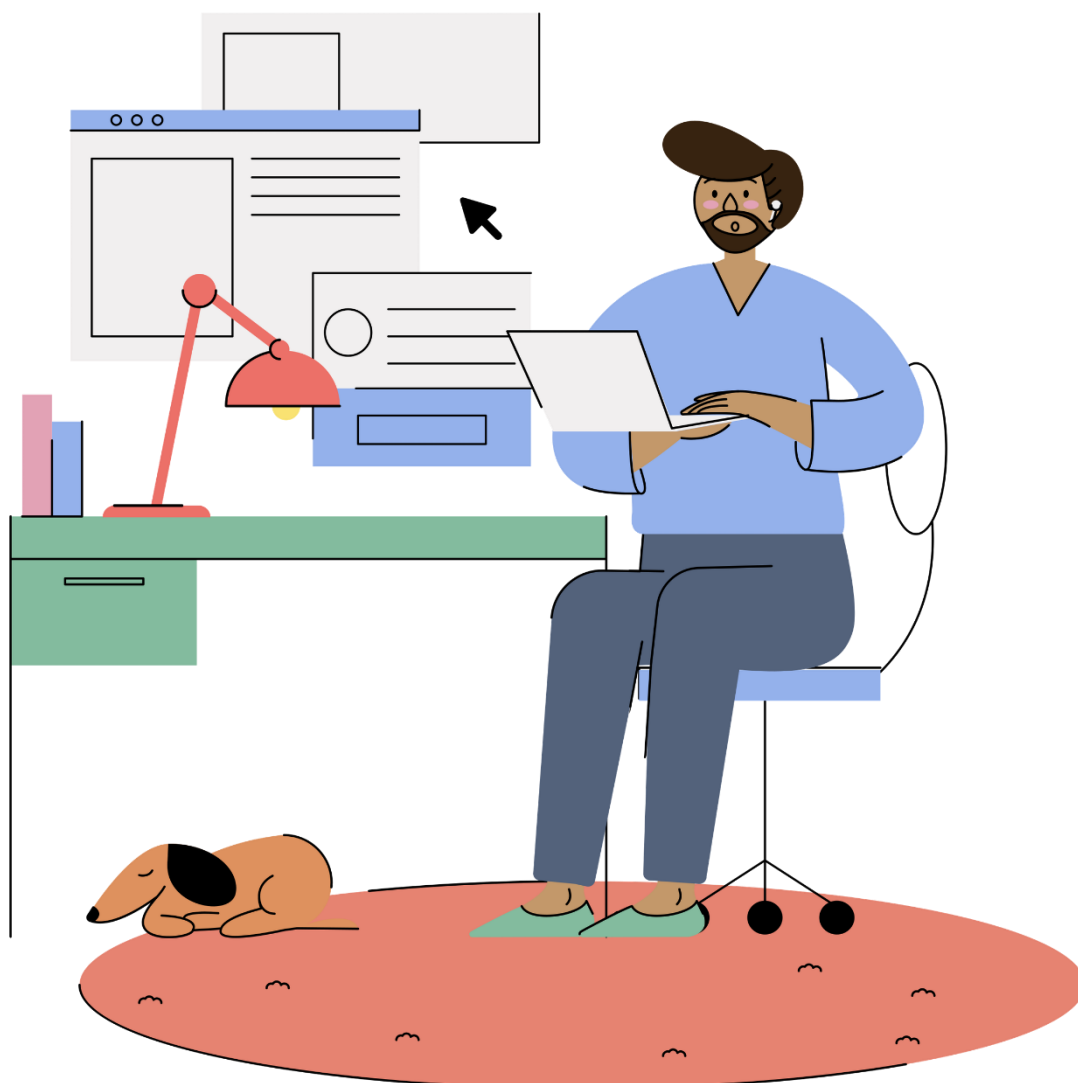
Migrant entrepreneurs can start growing their professional network by attending networking events or trade shows. These events are designed for people with similar interests willing to discuss and exchange ideas on the topic, so this is a perfect growth opportunity for you and your network. In order to be constantly informed regarding such events, online platforms, such as websites or social media channels including LinkedIn, Meetup, and Eventbrite.

- Don't limit yourself to your industry

Networking is about expanding your working barriers beyond your comfort zone. Networking events should not be targeted to your specific career field! If you have a special interest, you feel passionate about, don't hesitate to attend these events as well. Building up your professional network with people within your industry is truly important yet expanding your network further with people who may not work in your field, is also of great significance.

- Pursue volunteer opportunities

When trying to build professional networks, volunteering can be proved a great opportunity. Volunteer work often leads to long and deep discussions and presents more opportunities to build stronger relationships.



All in all, migrant entrepreneurs are renowned problem solvers, innovative and entrepreneurial by nature. Yet they still face limited access to some mainstream support enabling start-up and growth. There is a slight shift change in this arena; however, some players are still slow to consider their responsibility. By increasing their understanding of different communities, the existing business support eco-system can play a large part in the solution. Assisting innovative growth of companies owned by migrant entrepreneurs should be included within their priorities.

GUIDELINES/TIPS

10 Smart Tips for building trust:

- Become trustworthy before you start a business,
- Keep your promises to yourself and others,
- Formalize business promise keeping,
- Create relationships that are mutually beneficial,
- Get People who Get it,
- You Define the Culture of Your Business,
- Make Time for Networking,

- Use Every Opportunity to Learn,
- Seek Out Mentors,
- Business is Fun – Enjoy It.

10 Smart Tips for expanding your network:

- Research networking events and trade shows near you,
- Host events,
- Keep a consistent schedule of reaching out new people,
- Join a professional organization,
- Be more courageous in your outreach,
- Find a networking wing-person,
- Use alumni networks,
- Use “thank you” and “you’re welcome” as chances to strengthen your relationships,
- Become active on Instagram and Pinterest,
- Audit your current network

Quotes:

“The ability to establish, grow, extend, and restore trust is the key professional and personal competency of our time.” – STEPHEN M.R. COVEY

The richest people in the world look for and build networks, everyone else looks for work. Marinate on that for a minute. —Robert Kiyosaki

Your network is your net worth. —Porter Gale

If we create networks with the sole intention of getting something, we won’t succeed. We can’t pursue the benefits of networks; the benefits ensue from investments in meaningful activities and relationships. —Adam Grant

“Talk to people, ask how people they made it. NETWORK! The more people you will know the more help you will be able to ask and the more ideas you will have. Connections will make it easier for your business to be set up and to grow.” – Participant of the focus Groups

EXTERNAL RESOURCES/ TOOLS

<https://blog.execu-search.com/5-ways-to-expand-your-professional-network/> - How to expand your professional network

<https://www.forbes.com/sites/martinzwillig/2013/07/04/10-lessons-for-entrepreneurs-on-building-trust/?sh=7f85f70b3a26> – How to Build entrepreneurial Trust

<http://pyk2.aalto.fi/ncsb2012/Aaltonen.pdf> - Report on obstacles of immigrant entrepreneurs

<https://www.emerald.com/insight/content/doi/10.1108/JSBED-07-2019-0232/full/html> - Immigrant entrepreneurs and community social capital: an exploration of motivations and agency

<https://www.ach.org.uk/sites/default/files/2021-03/Refugee%20and%20Migrant%20Entrepreneurship%20Rebuilding%20resilience%20post%20COVID-19.pdf> - Report on Refugee and Migrant Entrepreneurship: Rebuilding resilience post COVID-19

[file:///C:/Users/user/Downloads/FINAL_guidebook_Withcover_red_web%20\(4\).pdf](file:///C:/Users/user/Downloads/FINAL_guidebook_Withcover_red_web%20(4).pdf) – Report on Promoting and Supporting Migrant Entrepreneurship by European Commission

<https://www.solidaritynow.org/wp-content/uploads/2019/05/Greece-National-Report.pdf> - MIGRANT AND YOUTH SOCIAL INCLUSION THROUGH ENTREPRENEURSHIP NATIONAL REPORT