

Building your soft assets

Connections and Knowledge

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SD Forum.

Apr 16, 2007

Grow your most important assets

- **Hard assets:**
 - Stocks
 - Bonds
 - Cash
- **Soft assets:**
 - Your connections
 - Your knowledge
 - Your reputation

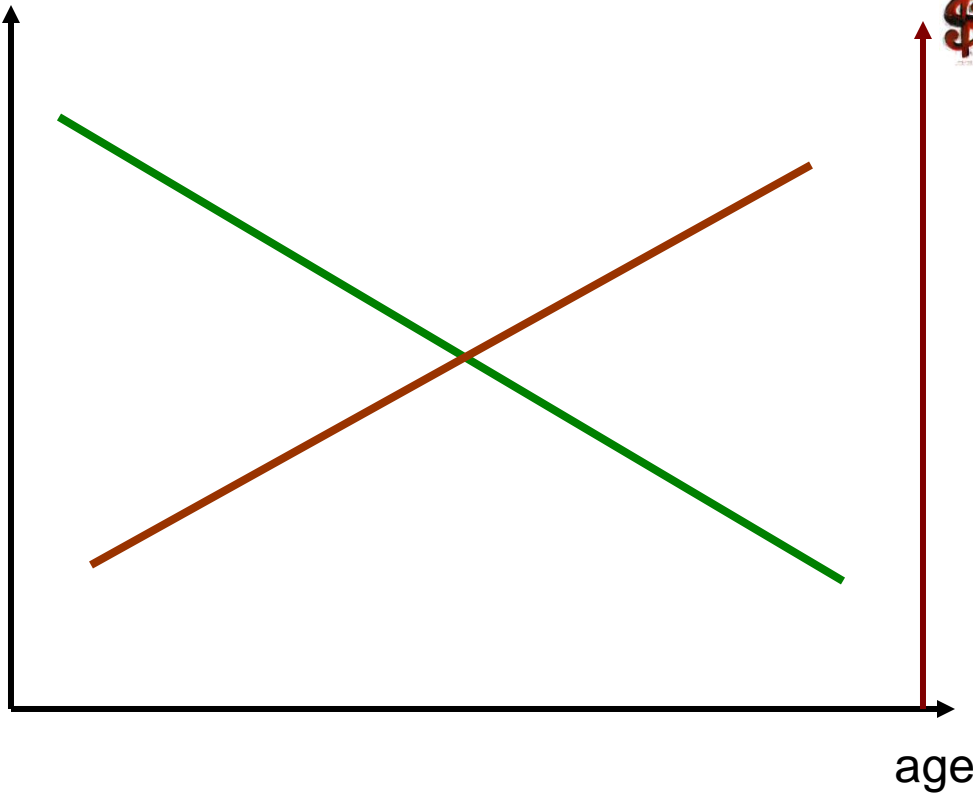


Concentrate on Soft Assets today

Importance of soft assets



Importance of hard assets



Don't focus on hard asset management while young

- Example 30-year-old:
 - \$2 MM liquid assets
 - Could earn 2% more a year - \$40K
 - significant ... but how significant?
 - How much time did it take you?
- Soft asset accumulation
 - Some big dividends and gains



Hard Asset Allocation (your cash)

- 30 year old example:
 - 60% stocks
 - 20% bonds
 - 10% alternative investments
 - 10% invest in yourself



Soft Asset Allocation (your time)

- 30 year old example:
 - 60% career
 - 20% knowledge
 - 15% connections
 - 4.9% other
 - 0.1% Hard asset allocation



Time allocation vs Asset allocation



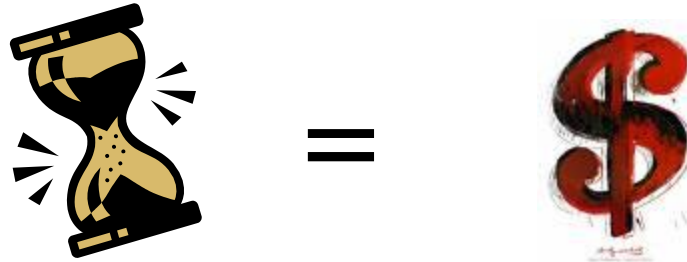
VS



- Time allocation is more important
- Far greater commodity
- People spend too much time on the later ... not enough time on the former



You can buy time



- Time is often pretty cheap
- And it is usually worth paying for



You are who you know

- Map your connections
- Value your connections
 - Power of Weak Ties
 - Mark Granovetter
- Building your connections asset class



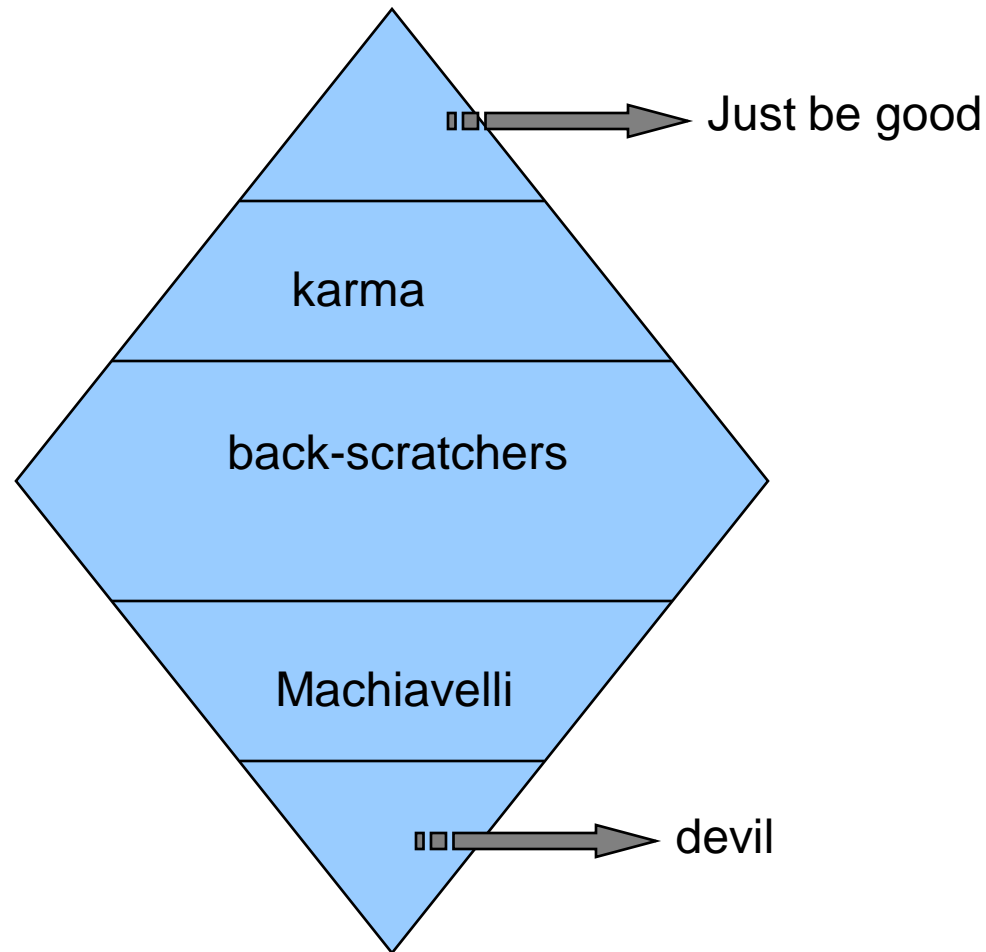
Secret to Being a Connector

Help People

- That's it.
- There is nothing else

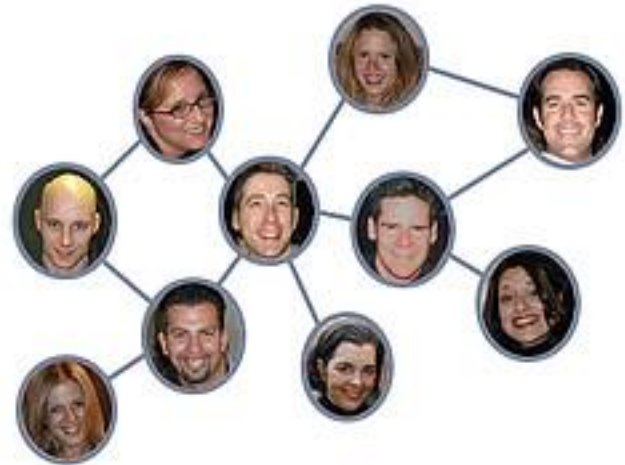


Focus on helping people



“Networking” is a dirty word

- Don't network ... connect people
- Connect down ... not up
- Embrace chaos
- Help people



Broaden your people portfolio

- Think of every connection as an investment in someone
- Focus on growth stocks rather than mature stocks
- Imagine that you get a tiny fraction of the future income of everyone you meet



Don't be Aleksey Vayner

- Don't be over-exposed
- Don't lie ... or even stretch the truth



Spending your connections

- Connections are one of the few assets that grow when you spend them
- Spend time building connections

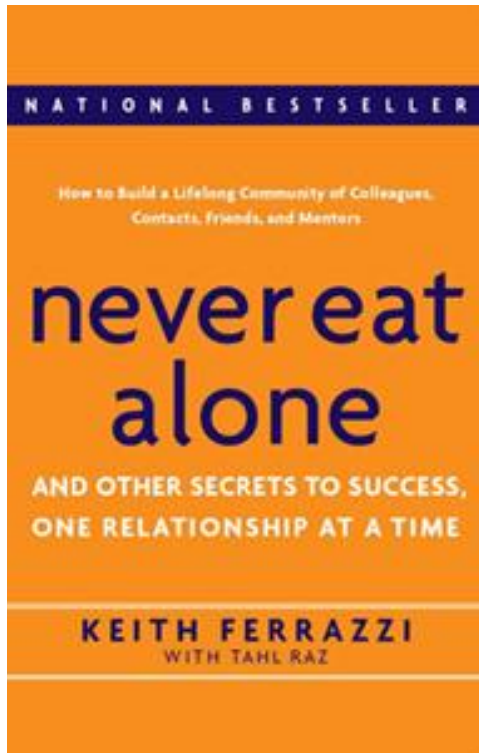


Successful people return calls

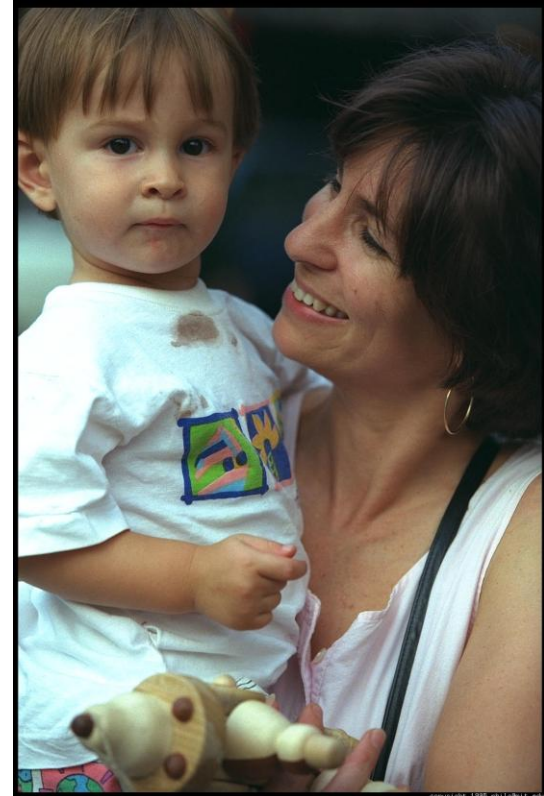
- What do Tom Siebel, Steve Jobs, and Steve Ballmer have in common?
 - 24 hour rule
 - Clearing out email inboxes
 - Are they successful because they practice the 24 hour rule ... or do they practice the 24 hour rule because they are successful?



Ferrazi vs Your Mom



VS



Maintain connections

- Easy to build connections
- Hard to maintain connections
 - Newsletters
 - Cards
 - Dinners
- Stand out
 - Don't send xmas cards



Knowledge is power ... and wealth

- Build your knowledge assets:
 - Read ... yes, actually read books
 - Play with stuff
 - Go to learning conferences



Alternative investments

- Traditional alternative investments:
 - Hedge funds
 - REITs
 - Junk Bonds
- Soft alternative investments:
 - MBA school
 - Travel
 - Knowledge conferences like Renaissance Weekend



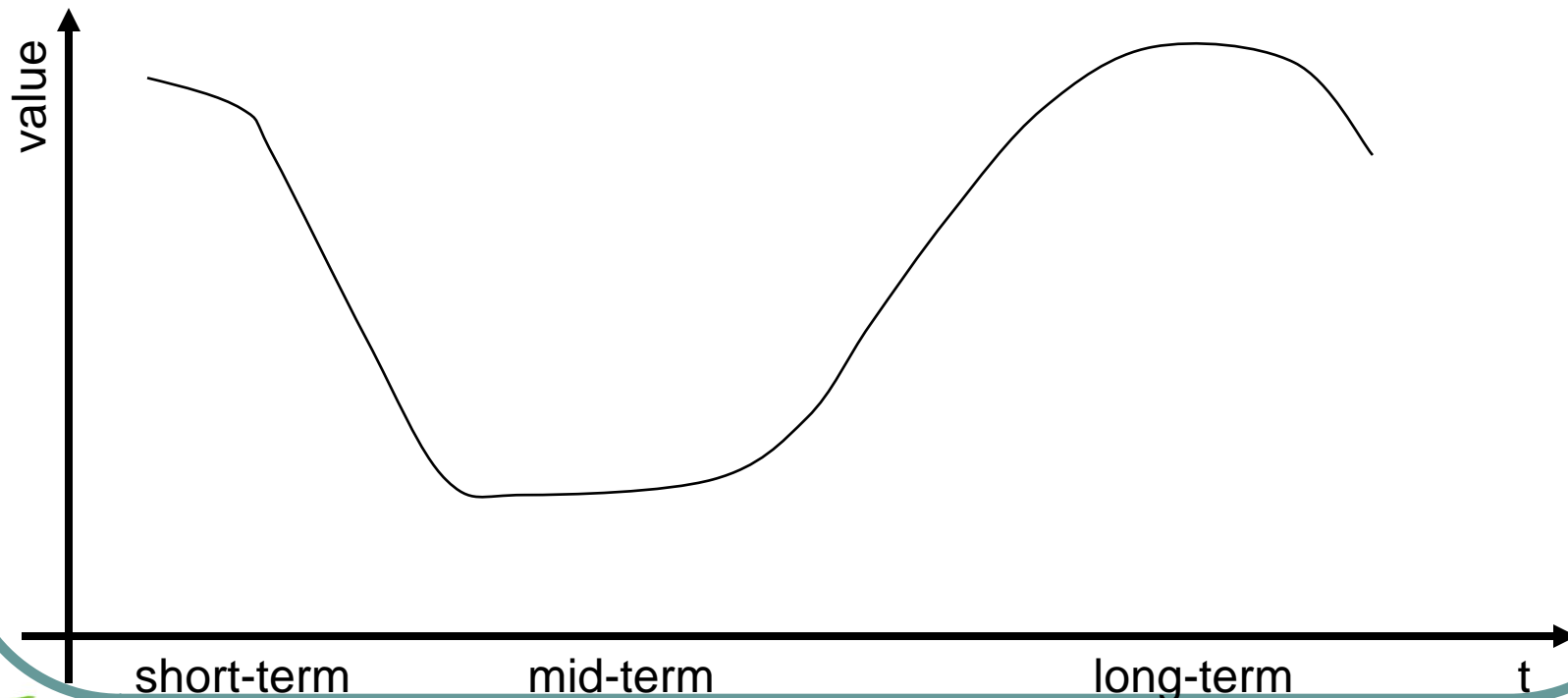
Build your online reputation

- Build connections
 - On social networks
- Build knowledge
 - On the blogosphere
- Build brand
 - Write ... connect ...
- Build reputation
 - On rapleaf.com



Avoid mid-term goals

- Focus on the short-term and long-term
- Put less emphasis on the mid-term



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