INFORM | INVOLVE | INSPIRE

Kathi Minsky

What do you do when you've built an organization of 24,000 people, you're at the top of the pay plan with a six-figure income... and the company goes out of business? Why, join Shaklee and become the fastest growing leader in their history. Fascinating!

plus AUDIO

4090 words | 14 pages

How did you first learn about and become involved in network marketing, Kathi?

The answer to that is very simple; basically I was a commercial real estate broker. I was very successful, however, I lived in Fairbanks, AK, which was not where I wanted to spend the rest of my life. Unfortunately, because real estate is not a migratory business, if I left Alaska I would be starting all over with no income.

My husband was at the top of his field in the banking industry and it was the same thing. If we left and moved to the place we wanted, which was Portland, OR, we would lose all our income. My husband would earn less than 30% of what he was earning in Alaska. In order for me to get out of there I really was looking for some way to transition my income so I could build up enough residual to be able to afford to leave Alaska and maintain the lifestyle that I had.

I started off in the telecommunications industry because it made good sense to me. I was very excited about that and excited about the financial opportunity, but I really wasn't sure whether network marketing was going to work for me or not.

> ***So, I went around to some prominent people in our business community and shared that I was exploring this idea and I asked what they thought of it.***

I sat down and went over the numbers with them as best as I could. Before I actually signed my paperwork I had signed up eleven other business owners in my community. I was pretty excited, because not only did it make sense to me but it made sense to a lot of people that I respected.

Was this a strategy you created in order to get people involved with the company or was this a genuine "tell me what you think" question?

It totally was genuine. My perception was of a pushy person, I'd been 'tricked' into network marketing meetings before, so my reaction to network marketing was not entirely positive. I wanted to know if my friends were going to laugh at me and make funny statements about me or if they would embrace the concept because it made good sense. So I put the concept in front of them to see what their reaction was. I figured if I could get enough of them interested then people wouldn't be laughing at just me.

I got it. So then?

I flew down to Oregon to get trained. I was very excited. I saw the money and I saw the potential and I had all these people to go back home to and train. But when I got back home and we began to work to gather customers, I was informed by the company that we did not have service in our state! It was in all 49 other states but not in Alaska!

So, now I've spent money, signed up a bunch of other people and I had absolutely no product to sell.

It was basically working what I learned to work and sponsor; A: using leads, B: using long distance and C: I began using the Internet in order to find customers and potential distributors.

How did you do it?

I actually went and found a mentor. That mentor was also just learning to use the Internet. What we did was we sat down and put a plan together for me, to build a system that ultimately became the system that allowed me to migrate seamlessly from one company to the other when I had too.

Because my entire team was connected by a recruiting site it helped us to be able to sponsor regardless of where someone lived. We had a product site to help us explain the product and allow people to make a selection based on what they were likely to use. And we had a training site that was specific to my team showing them how to get started, what to do, the steps to take to get started.

I was able to cross any barrier not only from my state and across the country, but ultimately I built an organization in Europe and Canada and other countries, because of the online system that I created. So the solution I created to solve my small problem of not being able to gather customers locally turned into something big.

Okay, I already know that your relationship with the telecommunications company came to an end— and it was a fairly painful one. Can you tell us about that?

I sure can… now! There began to be signs about two years earlier, so frankly I had been somewhat aware that there were problems. But we had had problems before and gotten through them. This time I actually gave thought to leaving that company early on, but...

I had 24,000 people using my system and building businesses.

I was earning well over six-figures a year; I was the number 37 earner in the company. So, I had this group of people that were relying on me and I didn't feel that I could abandon them.

At the same time I *was* looking at other options in case something happened. During the last few months, right before Excel filed bankruptcy in November of 2004, I had reviewed a large number of companies.

By the time we made the selection I had looked at over 70 companies. And there were some amazing companies out there. Company's whose product appealed to me, whose pay plan appealed to me, but none of them had the story of Shaklee and Roger Barnett. None of them have the history and the amazing things going on.

So, while I was looking at multiple companies I kept being drawn back to the Shaklee story.

Kathi, were there one or two key things about that story that really got and held your attention?

Yes, it really was the rich history and quality of product, that was number one, but it really wasn't the main thing. Shaklee has been an awesome company for 49 years, it has a great history. But it was looked at by most network marketers as rather flat. And in fact that was true.

Until a little over a year ago when a 40 year old billionaire, entrepreneur entered the picture. That was important to me, that he had the money to support the stories about the things he was planning on doing with Shaklee, because I didn't want to be in a company that went bankrupt again. He had the ability, financially, to support what he wanted to do to grow this company. His plans are to double it in size in the next five years and to multiply it by ten over the next ten years!

I saw somebody who had already built four billion dollar companies, he understood marketing, he understood the concept that we were looking at and he knew that Shaklee needed to grow internationally.

That was a huge opportunity for me, knowing that I had a support system that could allow for international growth, and here was somebody who wants to grow internationally. I believe it was that story that kept bringing me back there. Roger's ability to do again what he had already done four times.

Let's go back a moment. You must have felt something close to panic when Excel closed down, yes?

Well, yes and no. I obviously had a very large income, but fortunately I'd been wise like many of us are, and invested my money in other things and multiple streams of income, so I did have other income there. I was preparing for the worst and I told my team, about 90 days out, to do the same thing.

I shared that we were concerned about the future of the company and that they needed to make sure that they were protecting themselves and their families. That if they could not survive on what they had coming in that they might even need to look for a part time job right now. I actually prepared them for that because I did somewhat see this coming.

> ***In the meantime, we began planning for a fluid, simultaneous move to another company. Within seven days we had done that. We moved the team pretty much in tact.***

Not everyone, of course, came with us but the bulk of the builders did make the move with us and brought their team.

We actually examined Shaklee's pay plan, sat down and figured out how we would put people into the business to maximize the income so

everybody could have an immediate income from Shaklee and we were successful in doing that, for the most part.

Did you work with the company on doing that or did you figure all that out by yourself?

This was an interesting thing. Just to show you what Shaklee was going through as Roger was coming into the company, I looked at their pay plan on the Internet and what I saw was that they were not even explaining their pay plan correctly. They had built a five by five matrix.

So I went and I looked at the pay plan and said, "Well, to get to the top position you need to have *six* frontline business builders and they only pay with a rollup factor." That rollup factor is a fabulous thing that I really didn't understand that process until I saw it happening, but they paid four business leaders deep.

I called the company and said, "On the website you're explaining this as a 5x5 matrix, but on the other deal you show *six* people across and *four* down in order to maximize the pay plan."

They said, "Yes, that's right!"

I said okay and we actually built a different matrix than the company's official website and ours turned out to be correct. We built a Master Coordinator and five Key Coordinators in 90 days just by looking at the pay plan and maximizing the pay plan.

> ***I think everyone should do that in every network marketing company. If you understand the pay plan you always want to maximize it… and that's what we did!***

So you brought all of these people across with you. Did you simply depend on the existing system that you had already created?

What we did was we understood the *process* in Shaklee is the same as any other network marketing company. We needed to deal with the three potentially fatal flaws of network marketing, which are, Communication, Duplication and Training.

Those are the things that we set out to do with Shaklee. We went and shared some of our ideas and concepts about Internet recruiting with several leaders at Shaklee and said, "Listen, we've got a system that we'll put together and you'll be able to use it, but what we need is information."

So what we did was build things like the 'Thirty Day's of Shaklee', which has been done with training on all the Shaklee products, using doctors and nutritionists and people who have been in the company 10, 15, 20 even 30 years, who understood the concept of product and did recordings for us and we built what we call "The Thirty Day's of Shaklee" based on that.

So our team now didn't have to go on wondering, "What do I do with Basic-H? How do I share the nutrition?" They literally walk through a thirty day learning process, which they can do fast or slow, about 15 hours of training where they can learn about every product and why and how we use them.

Even better we can send a customer there and they can learn it for themselves. That also helps create a really solid, loyal customer.

We did the same thing with the training site. We got top trainers in the company to come in and record training for the team. Now we do most of them ourselves because we understand the company. But in the beginning we got those top trainers to do that. And those are all posted on the website.

So, somebody can share the business by sending them to a free website that's available to everyone. They can understand and share the products by sending them to another website that's just about our products. And they can send them to a third website to teach them how to do the business no matter where they live.

Kathi, I would expect a scenario where you were <u>not</u> received with open arms by these people who were already in place, already entrenched, how did they

accept you coming up with these suggestions and wanting to work as a team?

You know, John, that's very perceptive of you to understand that. We thought that we would be immediately well received, but because we had people who really had no growth and hadn't been doing a lot of recruiting for the last 15 years, many of the Shaklee field was out of touch with what was going on.

> ***You know, anytime something new is thrust upon you that is so far out from where you are at, that fear takes over.***

That's a natural reaction. So while we thought people would immediately embrace what we were doing, the truth is they were afraid. They thought we were going to steal their people off the Internet. They thought we were going to do lots of different things. So it was slow going in the beginning.

But today, we have about 7000 of the Shaklee field using our websites for free and they're as excited as they can be. It took some time. But you know we had that same problem in our former company. When we began working on the Internet people became afraid. Eventually they began to embrace that. And that's what's happening in the Shaklee field now. But clearly in the beginning there was a lot of fear about something new that they didn't understand.

Today, many of the programs we do, Roger Burnett, current CEO and the new owner of Shaklee, has embraced and he's beginning to provide for the Shaklee field, many of the tools that currently are being provided by the Global Success Team.

And you are the Global Success Team?

Yes, my team is the Global Success Team. That's basically how we build, teach and train. I have distributors in all fifty states and in every country that Shaklee is in. I just signed up a distributor in Malaysia on the Internet on Monday.

So it works!

We are growing business builders and business leaders because 24 hours a day, 7 days a week, regardless of where you live, you can learn our business, learn how to do the business and share it with other people without restriction.

And that's exactly what people need in order to grow today.

Kathi, what does a typical day look like for you?

Well, I get up at the crack of ten, that's kind of my thing. I'm an Internet person, so I tend to stay up late and do a lot of my own personal work and recruiting and teaching. I get up at 10:00 AM and I usually exercise for an hour and then go from my pajamas to my sweats.

I work at home. I do have a couple of people that come into my home that are part of my team. We work together to strategize, to think about things and see what we feel we want to do next to take our team to the next level. So usually I work with the team an hour or two a day. It's not working on my personal business exactly, it's working on the things that we want to teach and work with the team on.

Then I generally work whatever time, usually two to three hours a day, on my personal recruiting. Sometimes, if I feel like going out of the house, I will recruit in my area here but more often than not, I am either running ads, working on leads that are nutrition specific if I'm trying to build my customer base, or working on leads that are people looking for a home-based business opportunity.

In every case they are looking for a system. They always want to know how they would do it and what kind of support I will offer them.

People want to know these things because today, more and more people truly want to work from home. They don't want to go to meetings; they don't want to be involved in a lot of things outside the home.

That's really what we are offering, a true home-based business because of the system that we've created.

Is there a requirement that you have for people to work directly with you?

Absolutely! Number one they have to commit to doing 100 PV (personal volume) in our company because that's a requirement to get paid. I let them know that it's really just replacing products we're already using so it's never a problem for anyone to do.

I also require them to be willing to commit a minimum of 5-10 hours a week. And I want to know when those hours are because I want to hold them responsible for that time. In other words, people will often say, "I'd like to put in five to ten hours" but then I realize as I'm following up that they are only putting in one or two hours a week. That's not sufficient for anyone to really work and learn a network marketing business.

And the third thing, which I think is probably most important, John, is that they are coachable.

If they want to come in but they are not willing to follow* our *system, at least until they become successful, they are not someone that I can work with.

Then I recommend one of two things, either this is not the company for you or let's find you another sponsor because I have a system that works so unless your willing to work within that there is no possible way for me to help you.

So my first question is, "Are you coachable?"

Kathi, how do you, and your system, make the space for individual strengths, and people who have areas where they must develop new strengths, and personalities and styles— how do you accommodate all of that?

John, thank you! That's another great question!

We are a tool and we know that we're a tool. We teach people every way of recruiting, cold market, warm market, we use a lot of Kim Klaver's stuff.

The truth about network marketing— there's work involved with this! So we teach how to talk to your cold market and your warm market, how to do in-home presentations. We teach all of that.

It's supported, taught and trained on the Internet, but we support a very traditional recruiting style if that's what someone wants to work. The same is true with regards to training.

The training can be done in home, printed out off the Internet and done on an in-home basis *supported* by the website but we think it's very important because regardless of what you're doing, it's about building relationships.

> ***You don't have a relationship with a computer or an online system, you create a relationship with a person and they create one with you.***

All we're doing is *supporting* those efforts, warm market, cold market, Internet, purchased leads, we're supporting those efforts by teaching and training all the options you have and you can select what works for you.

What, for you, are the very *best* things about network marketing?

Wow! That's a complex question because in the 10 years I've been in network marketing my life has flexed so many times. I was sick and given a year to live some years ago, and had I not been in network marketing I would not have been able to stop what I was doing and become healthy.

So I was able to do what I could in my business while taking care of myself. Over that period of time I have had family problems and challenges and I have been able to stop and do what I wanted and needed to do with my family and my business continued to grow!

I wanted to move and network marketing allowed me to make other choices and move outside of where I was and still continue the income. As a matter of fact, I was going through three moves over a period of two years and my income rose.

Those are the kind of things that do not happen in a traditional business, even if you own the business. When I was involved in the real estate business, if I stopped working or I wasn't there, my income stopped. That's not true in network marketing. It allowed me to be flexible and make the changes that I wanted to make.

Right now my husband wants to golf more and get out of the rain and we're able to move our home part of the year to Las Vegas and our income will probably increase significantly, because I will have a presence there. And I'll be able to come back home to Oregon when I want!

So, it's the flexibility to live the lifestyle that I want. To live where I want to live and then to stop what I'm doing when changes occur in my own personal life, deal with those changes and then go back, weeks, months and even in some cases years later, pick up where I left off or better.

The income continues all of the time I'm going through things! I've never had that experience before. I've been a self employed business owner for 32 years and *always* my income was strictly dependent on my personal

activity. I had no flexibility; I worked 80 hours a week because if I didn't work it didn't get done.

Network marketing has given me all of those things and more.

> ***And more importantly, it's also given me the ability to help other people achieve what I have!***

In the past when I owned businesses I made the money and everybody else made a wage. In this case we have freed hundreds of people from the ordinary, work-a-day job. We probably would never have been able to do that without the opportunity to build a network marketing business. And every time one of them succeeds, I succeed!

> ***Every time I help someone improve their life or their health using our products they succeed in their goal and I succeed in mine.***

In real estate, when I would train someone, for example, they would end up being my competition across the street! In Shaklee, I teach somebody how to be successful and make a change in their life for the good, and it grows my business and my success. That is a fabulous way to live!

It's a fabulous goal knowing that improving your own life improves the life of others. That took me awhile to even understand. I've been in an industry before where you *didn't* help people because they became your competition and all of a sudden it became my success. It took me awhile to learn that and to open up and be able to share freely what I learned.

Now that is exactly what benefits me! I'm amazed and network marketing has made me a better person. I have benefited personally, my family has benefited, other people have and I have the freedom to do what I want to do, when I want to do it and more importantly to me, *where* I want to do it!

Kathi Minsky builds her Shaklee business out of three homes, one in Fairbanks, AL, one in Portland, OR and the new permanent residence in Las Vegas, NV that she shares with her husband. Kathi and her husband have a blended family consisting of her daughter Julie, his son Jim and daughter Pam and eight grandchildren.