INDUSTRY | PROFESSIONAL DEVELOPMENT | TRAINING | SKILLS

All About Network Marketing—Report #7

When you change the way you look at network marketing, the way network marketing looks will change. The truth, the whole truth, and nothing but the truth.

by **Mike Lewis**

plus AUDIO

5,202 words | 23 pages

This report is written with the intent of addressing some of the issues that cause so many network marketers to suffer fear, anxiety and disappointment in creating their home-based business.

It's written from the heart and with a sincere desire to make a positive difference in the network marketing community. I do not seek to either convince or persuade you to my perspective, but merely to show you that if you change the way you look at things, the things you look at will change.

Let your own intuition and common sense be your guide.

How Did This Business Ever Get Started?

It seems that there is relatively little written on the history and origins of the network marketing business. I'm including this section for two reasons. Secondly, to help as many people understand how much of the training in network marketing has been skewed right from the start, but primarily as a tribute to my good friend, the late, great John Kalench, who did more than his fair share to level the playing field and uphold a clear and positive perspective on this, probably the most unique of all home-based business ideas.

What follows is an extract from John's best selling book from 1991, *The Greatest Opportunity in the History Of The World*, ISBN 0-9629447-1-8, which would be a great addition to your learning library.

> *...To the best of my knowledge, the first company to enter this business was California Vitamins, back in the early 1940's.*
>
> *They were the first because, at that time, they were the only business that incorporated a sales and compensation program with a number of different levels. Hence the term 'multi-level'.*
>
> *Although there were many direct sales companies at the time, like the traveling house-ware stores and Fuller Brush men, California Vitamins enabled its representatives to sponsor other people into the business and earn commissions from the sales of these people as well.*
>
> *It was an independent organization where the sales people themselves, rather than the company, hired, trained and managed their own sales force. In essence each person had the opportunity to build his or her own sales organization, with the company providing products and paying commission checks.*
>
> *After a few years, the company changed its name to NutraLite. Two of the company's star Distributors, Rich DeVoss and his lifelong friend Jay Van Andel, caught the vision of what was possible with this new Multi-Level Marketing Concept. For them, it was the perfect way to bring the American Dream to an unlimited number of people. In 1959, DeVoss and Van Andel broke away from NutraLite to found their own Multi-Level marketing Company, The Amway Corporation. Amway is taken from the two words 'American Way'.*
>
> *The industry developed slowly from 1959 to 1975. At that time only 30 firms could be called true Multi-Level Marketing companies. (The Term Network Marketing was not used back then.)*

Yet by the late 1960's, the efforts of one man would soon change all that, partly for the better and partly for the worse.

Back then, Glen Turner was like the 'Pied Piper'. Many believed he could charm the moon out of the sky and bring rocks to life. His vision of success and personal achievement was a siren's song to men and women from every walk of life. He offered people a new life by convincing them that anything was possible.

He founded Glen W. Turner Enterprises, which was a collection of smaller companies with a variety of products, which quickly took the country by storm. Two of his most successful enterprises were Koscot Interplanetary Incorporated and Dare To Be Great.

Thousands and thousands of people flocked to Mr. Turner and his opportunity. What he had to say about human potential and achieving success was right on. Even today, people are still using his concepts of training and motivation.

Unfortunately, Turner Enterprises was also credited for something else: the perfection of the 'illegal pyramid scheme.' Some of the products sold were either questionable or never existed. The real money, for the Turner Enterprise Distributors, came from recruiting others.

Since there weren't any laws or restrictions governing Multi-Level Marketing at that time (remember, it was still in its infancy), Glen W. Turner Enterprises was allowed to continue. Today [1991], *however, Mr. Turner is serving a seven-year prison sentence.*

The first real crackdown on the Multi-Level Marketing industry itself actually started in 1975. As it turns out, this became the catalyst for a tidal wave of growth, which continues to this day.

So, you can see that this whole Network Marketing Business was started from a background of persuading, convincing and

manipulating direct sales techniques... with a fair amount of deceit and dishonesty!

Little has changed in terms of training. Is it any wonder that most people will NOT do what they are told to do to build their business?

The use of out-dated, out-moded, pressurizing sales tactics has created a fatal flaw in an otherwise excellent business model. The old adage, *'you can fool some of the people some of the time, but not all of the people all of the time'*, has at last come home to roost!

Professional Networkers have managed to succeed despite the best efforts of those who perpetuate those crazy training tactics by using a previously untried strategy: THEY TELL THE TRUTH!

What a concept!

Professional Networkers have discovered that by being honest, sincere and trustworthy you can create a wonderful business that is fun to participate in, and stands the test of time!

I have changed the way I looked at some of those old concepts, and you know what? Now they all look a little different to me. See what you think!

The Network Marketing Industry
There is no 'industry' in the Networking Business. The dictionary defines the term 'industry' as – *'The work, and process involved in manufacturing'.*

There is precious little real manufacturing involved for the vast majority of Networking Companies. It's more cost effective to outsource

manufacturing, it always has been. Given the diversity of companies, cultures, products and pay-plans, the only commonality is in the entrepreneurial spirit of the people that work in it.

After more than 20 years as a Professional Networker of one kind or another, I prefer to call it the Network Marketing Community. A community of like-minded people, embracing all that's good about the entrepreneurial spirit. That sounds like a great ideal, but what about the reality?

Let's take a look at some of the things we have been taught and told about Networking.

There is no specific order to these entries. What would be the point? When you really start to look at these things they make no sense anyway!

The 15 percent!

We now know that historically Network Marketing was born from a hard-nosed, direct sales environment, where the very concept, the motivation and the training demands 'hard-selling', is it any wonder that most people today fail because they just can't or won't do it?

Why would we be surprised?

Only about 15 percent of the population is capable of selling of any kind.

All the rules, the strategies and the training have been created by that 15 percent. In their efforts to convince, persuade and manipulate everyone else to be just like them, the 15 percent march ever onward full of their own ego and self importance, while the 85 percent are left struggling to come to terms with the fact that they love the concept of Network Marketing, but they just can't do it!

They can't do what the 15 percent do or say what the 15 percent say and even those who think they might, WON'T!

Why? Because the 85 percent find that it's not comfortable, it just doesn't feel right.

It's just not THEM.

Meanwhile, the 15 percent are doing what feels great, feeling very comfortable and being totally THEM!

Don't take my word for it! Look around you. Most people in your company are struggling. Most people in every company are struggling.

The average Distributor activity level in ANY company is between nine and 19 percent, that's all! That means that more than 80 percent of Networkers EVERYWHERE are struggling and failing.

See anything wrong with this picture?

For more than 60 years we have been trying to change the 85 percent to be like the 15 percent!

WAKE UP folks!

If after trying for 60 years to change people we still have a ZERO result, it's time to STOP blaming the people who can't or won't change, and change the STRATEGY!

Presentations

These come in a zillion different formats, but all have the same principle:

Tell your story. Tell everything about your company. Tell everything about your products. Tell everything about your opportunity.

What's wrong with this picture? At no time does anyone every get to ASK if the person you are talking with is interested in ANY of this!

You know that most everyone you talk to ISN'T interested, right?

How different would it be if we told nothing, but ASKED (almost) everything?

Simple questions like

'Have you ever thought about doing something to create some extra income?'

'If you could find something that worked out for you, what would you do with the extra income?'

'What have you looked at?'

'What was it about that idea that attracted you?'

'What did you like about it?'

'Was there anything about it you didn't like?'

'Did you try it?'

'How did it work out for you?'

'What else have you looked at?'

Do you think by asking and listening, rather than telling, we would stand a much better chance of really getting to know someone?

> ***Do you think that by asking, rather than telling we might find out, first if they are looking for something, second if what we have might be something they would be interested in exploring,***

and third are they interested and motivated to take some action?

Of course!

And having taken the time to find out more about this person and discovering where they are in life and what direction they are moving in, we might arrive at a point in the discussion where, if we genuinely feel what we have got might help them, we can talk about it. If after talking with this person, we feel that what we have is not a good fit for them, why even bring it up?

If we keep the contact with this person open, there is no telling what might happen in the future. They might change their criteria about what they are looking for. They might send us referrals. They might become a customer. They might even become a lifelong friend!

One thing is for sure: If we tell them everything and ask nothing, if we try and sell them something they neither want, or need, or if we don't treat them with respect and courtesy, we have wasted both their time and ours.

Duplication

There is a lot of talk in Networking about having a duplicatable strategy. This would work perfectly… if there were no people involved!

As soon as you bring human-beings into the equation any chance of duplicating anything is gone!

The theory is that if you can get people to say the same thing and do the same thing success can be achieved.

Well, you know as well as I do that people won't say what you say or do what you do. It's always been that way!

We must not only allow, but encourage people to be themselves, to use their own uniqueness and personalities to connect with other people. It's worked very well all our lives! From the age of about five years old we have all done reasonably well at making new friends and connecting with colleagues at work. Why would we discard that ability and try to be like someone else just for Network Marketing?

It's insane!

The more authentic we are, the more US we are, the more real and attractive we are. THAT'S where the start point of any relationship must begin. If we don't start there... there will be no relationship at all.

Building An Organization

There has always been praise and accolades given to individuals who have 'built an organization'.

> ***I can tell you without fear of contradiction that it is IMPOSSIBLE for ANY individual to build an organization!***

Here's why!

If you had 1000 people in your downline... how many of those would you personally know? How many would you have any kind of relationship with? How many would you have any influence over at all?

I hear guesses of anything between five and 100.

For the sake of easy mathematics, let's go with 100

What that means is that 900 people, or 90 percent of al the people in your downline are people you don't know, may never know and most likely will never, EVER even get to meet.

It also means that statistically 90 percent of the sales volume that you make commissions on comes from that same group of people that you don't know and may never EVER meet.

So let me ask you…How much of that organization did YOU build?

NONE! Right?

What YOU did was build a GROUP of 100 people... and that GROUP built that organization!

So, any credit given for building that organization should be passed to those who actually did it. YOU did not!

Now, what if the downline was 10,000 people? YOU would still only be able to influence or know 100 people, right? But now that's only 1 percent, not 10 percent of the organization.

> ***What that means is the bigger the organization, the less important YOU really are! Yet, we hear all the time about someone who is described as a Superstar Networker don't we? It's a complete NONSENSE!***

Of course in considering these numbers we must also note that the size of your commission check has almost NOTHING to do with you either! In fact the more time that passes, and the larger the organization becomes, and the larger your check becomes the more insignificant YOU become in EVERYTHING!

Those of you with a BIG EGO will want to argue about this I'm sure! But you can argue all you want. The numbers don't lie and the more you argue, any credibility you might have had evaporates!

Here's the truth:

Most really good Networkers build a group of 25-30 people over time, and that Group is responsible for building the organization.

The ‘work’ involved in building a strong and viable Network Marketing business can be encapsulated in the effort, interest, integrity and activity required to build that Group. That’s IT. That’s ALL!

Do it once, and do it right, treat people with respect, with dignity with compassion and understanding, and your success is guaranteed. The only open question is, how long will it take? And that depends on you.

Some people take six months, some take six years. It’s always your choice.

Leadership

Now what about leadership?

Are you as sick and tired as I am about ‘leadership’?

A ‘leader’ is usually someone who tells you how great THEY are... how THEY built this huge organization and then they show you THEIR big check, right?

Well, now that you know how ridiculous that all is, you can dismiss those guys immediately and start thinking about REAL leadership!

REAL leadership has nothing to do with the size of the check, the size downline or even how many sparkling lapel pins someone has in their drawer!

REAL Leadership has EVERY-THING to do with service, and

support, and a sincere desire to help others improve their lives is as many ways as they choose.

Zig Ziglar said it so well:-

> ***'You can have anything in life you want,***
> ***if you just help enough other people get what they want.'***

Notice he didn't say *'tell'... 'show'... 'persuade'... or 'convince'.* He said 'help'.

If you come from a position of service, truly wanting to help, success is inevitable. The only question is, how long will it take? And that depends on you... it's just a matter of your choice.

Prospects

There are lots of 'terms' that are used in Networking. Some are descriptive and useful, some are derogatory and useless!

The term 'prospects', falls into the second category!

How do you feel knowing you are a 'prospect'? What is it about Networking that encourages us to label people with useless and derogatory names?

If we are to treat people with respect, if we are to treat people with dignity, and if we are to walk our talk and become professional Networkers with a sense of pride and dignity, we should start as we mean to go on.

What are 'prospects'?
Aren't they really people we intend to talk with?

Then why wouldn't we describe them as such? *'People we intend to talk with!'* Doesn't that sound more respectful? By labeling and judging people

we merely show ourselves as being judgmental. This is not a quality that is likely to attract people toward us... more likely it will turn them away.

If you have more people turning away from you than being attracted toward you, you might want to look at the words you use the words you think and how that might reflect upon you.

The List of 100 Names!

We've all heard this one before, right?

'*Just make a list of 100 people you know, call them and tell them about your incredible business opportunity.'*

Did you ever hear of any REAL stories where this worked? Hell, no!

> ***It doesn't work! It has never worked! Why?***
> ***Because it's based on tell, tell, tell. At no time does anyone ever think to ask, or to listen.***

There is a time and a place for talking with people you know, but it's not right when you get started!

And it's not about telling them about your company, about your product or about your opportunity!

Check this out:

I have a good friend who is also the most outstanding mentor anyone could possibly want. I learned more from this guy in ONE DAY than I learned from SIX YEARS FULL TIME involvement in the Network Marketing business.

That guy is Tom 'Big Al' Schreiter.

He wanted to find out what was THE most important element in attracting people to join a business opportunity... so he asked people and he listened.

I think you'll find the results of his survey quite surprising— and very encouraging.

Here's what Tom wrote in his book Turbo MLM many years ago.

(I have to forgive him for using the term '*prospects*' here!)

The Presentation Rating Game

You'll need a pencil and a desire to play fair. Your honest answers to the test are important. Then you can compare what the prospect wants versus what you deliver.

> ***Professional salesmanship is delivering what the prospect wants to buy. Therefore, we should look at the recruiting presentation through the prospect's eyes.***

A survey of multilevel prospects asked what they wanted in a recruiting presentation. Ten factors were presented, and the prospects were asked to rate them in order of importance.

Here is your chance to pretend you are a prospect. Please rate the following 10 factors in order of importance for making a decision to join a multilevel company. Place the number (1) next to the most motivating factor, the number (2) next to the second most motivating factor, etc. When you have numbered the factors in order of importance from 1 to 10, go down the page to see how the prospects rated the factors.

Make sure you fill out the test before you go down the page. Cheating will result in automatic qualification for the Sleaze Shallowman Ethics Award.

Ten Factor Rating Game

___ Company literature shown
___ Marketing Plan and potential earnings
___ Training provided
___ Who gave the presentation
___ Product line
___ Company management experience
___ Upline support
___ Company image
___ Sales kit provided
___ Being first in area

How the prospects rated the factors

#1 Who gave the presentation

This won by a landslide. The #1 reason a prospect joins a multilevel company is YOU. The prospect can't see or touch the company. The prospect does not have personal experience with the product line. The prospect has not visited with the home office.

All the prospect sees is YOU.

What about literature? Or videos? Consider this. If John Wayne presents a multilevel opportunity on the back of a matchbook cover, you'd still be impressed. However, if a drunken vagrant showed you a video, would you join? The prospect is looking at YOU.

Your prospect will be working with you, not with videos, flip charts, or the national marketing director.

His thoughts throughout your presentation are:

“Can I work effectively with you?”
“Will you take the time to help me?”
“Can you do the job?”
“Are you telling the truth?”
“Will you turn off my contacts?”
“Can I trust you?”
“Are you committed, or just a peddler?”
“Are you giving me a memorized pitch, or really talking to me?”
“Will you have the patience to train me while I learn?”
“Do you only want my application and money?”
“Do you believe in me?”

How the prospect perceives you is the most important factor in his decision to join. Doesn’t it make sense to improve your presentation image?

As a bad example of this concept, consider the following scenario. The motivated distributor spends the presentation hammering home memorized facts such as:

> **A.** Where the president and founder was born. Come on. Does it really matter which county in Southern Montana was his place of birth?
>
> **B.** The 49 incredible uses of Super-Duper Cleaner. Wouldn’t one or two uses be sufficient? Of course. Does the prospect really need to know the molecular co-efficient of the viscosity inherent to surfactants exposed to non-petroleum surfaces at less than 4.57 degrees Centigrade? (And don’t forget to read the laboratory report in full.)
>
> **C.** What type of car your upline qualified for under the 9 Star PV/BV/CV regional leaders conference qualification. Does your prospect care what kind of car someone else is driving? Or, does he care if you can help him achieve the car of his dreams?
>
> **D.** A forty-five minute presentation on the marketing plan. Does 7% on level two mean anything in real terms to a prospect? Is 7% better than 6.5%? He isn’t even sure about the product acceptance of his friends and neighbors. Sure, we can get excited about the brand-new achiever bonus added by the company last

week. But does the prospect have a basis to appreciate the finer points of the distributor compensation package?

It's clear that the presentation facts are less important than the prospect's perception of YOU.

#2 Upline support

This translates into YOU again. The second most important factor rated by multilevel prospects was their ability to depend on their upline (YOU and others) to help them become successful. In every presentation the products are wonderful and the compensation is wonderful. Yet, many prospects won't join. The reason? They don't believe they can do it.

Your prospect may be new to multilevel marketing. He will be unsure of his ability to translate his present skills into multilevel skills.

In fact, your prospect may not even have the faintest idea on how to start. His future is in your hands.

What's more important than upline support to his career? Not much. Soothe your prospect's insecurities by showing how you and your sponsor have helped others become successful. Assure your prospect of upline support until he has reached a certain self-sufficient level of success. Your prospect wants to be successful. You hold the key. Why not stress your commitment to his long-term development?

Some phrases that should not be part of your presentation are:

"I think this company is going to do well."
"Of course, I am also a distributor for several other companies."
"If you don't like this program, I've got some more to show you."
"If this doesn't work for us, I know another company we can try."

#3 Training provided

Does your group have weekly or monthly training meetings? Seminars? Rallies? This is the classroom training your prospect will be looking for. And that's only half the story.

“On-the-job” training is what really sells your prospect. Why did franchises take off in the 70’s and 80’s? They offered a company-trained mentor to work at the franchisee’s location to help them off to a fast start.

The purchaser of the franchise felt secure with the addition of the on-the-job training.

Help solve your prospect’s fear of the unknown by emphasizing your own personal on-the-job training, the two-on-one presentations. Tell your prospect you will give the recruiting presentations to his prospects while he observes. Anyone can feel confident if all they have to do is observe. Once your prospect feels he has sufficient skills and group-building success, then he may decide to continue without your help.

Prospects like to buy “sure things.” Make his success a sure thing with your commitment for continuing on-the-job training.

#4 Marketing plan and earnings potential

Surprised? The money doesn’t show up as a factor in the prospect’s decision process until #4. Promises of earnings are meaningless without the prospect’s confidence that he can work the business successfully. Or, in other words, who cares if you earn 99% commission if you are selling ice to Eskimos?

The belief that the prospect can succeed in the business transcends the percentages in the marketing plan.

Remember your first exposure to multilevel marketing? Could you go home and completely explain the finer points of the compensation plan after only one exposure? Probably not. So don't spend too much time making a big deal out of the 1/2 of 1% super override bonus on non-qualifying directors on a regional basis. It won't help your prospect make a decision to join.

Recruiting professionals concentrate on a few basic points in the compensation plan, explaining it in layman's terms.

Some parts of the compensation plan explanation that can be saved for training are:

"Non-encumbered volume," "PV as related to distributor net," "Freight adjustment factors," "Roll up commissions," "Group quota differentials," "Grand Puba titles."

#5 Product line

A good way to irritate prospects is to demonstrate every product in detail. An eager prospect wants to know one thing about the product line: Will people buy it? Your product may have gold plated bearings instead of stainless steel bearings. So what? If no one will buy your product, does it matter how wonderful the quality is?

Your prospect does not want to join a company with products people don't want.

> ***Professional recruiters concentrate on showing the market for their products and why the general public desires to have the product.***

You can handle product quality and credibility with a few short demonstrations, testimonials, or support material such as laboratory reports.

#6 Being first in area

Maybe he's not the pioneer to blaze the trail, but your prospect wants to see a large potential of qualified prospects. Assure your prospect that together, you can actively create a viable business. This is already a very minor point as we are in the bottom half of decision factors for the prospect.

#7 Company literature shown

Beautiful literature doesn't sell; people sell. If you are relying on 70 lb. four-color enameled stock with artistic photographs to sign up prospects, maybe you should reconsider your career and become a photographer. If you are a jerk passing out nice-looking flyers, you are still a jerk. Do you think your prospect wants to bring a jerk to do a two-on-one presentation with his friends, neighbors, and relatives? Ha! Ha! Ha! Well, jerks think so anyway.

#8 Company image

You are making a presentation to your best prospect in Miami, Florida. You show him a beautiful video describing the 45,000 square foot home office on three acres in the exclusive suburb of Olympia Fields, in the town of Flossmoor, Illinois. Big deal. So what if the company has a lot of money for videos, offices, printing, etc.? The real question is: "Can my potential sponsor do the job? Will he be capable of helping me reach the success I desire?"

> ***After all, what can the home office really do to help? Send the prospect another video? Oh, wow, that will surely help to build his business.***

#9 Sales kit provided

A fine collection of reading material, brochures, sales receipts, videos, cassettes, etc.; all totally worthless in the hands of a prospect lacking confidence. Prospects get confidence and support from their upline, not from ballpoint pens and bumper stickers with the company logo.

Inside joke of multilevel pros: “Here’s your kit. Go for it.”

#10 Company management experience

“Our president had 2.173 years of public auditing experience with one of the largest regional firms in the South Atlantic States. His grading on his personnel report by his superiors was 2.46, one of the highest ever given.” Pretty ludicrous, isn’t it?

What not to say:
“Our president has 12 years experience in multilevel management with eight different companies.”

Brainstorming Session:

Well, how did you do? Did your answers match what our prospect survey showed?

Is your presentation giving prospects what they want to buy?

Or, is your presentation giving your prospects what’s important to you?

What parts of your current presentation need to be emphasized?

Do you disagree with the prospects’ answers to the survey?

Maybe in your opinion the prospects should have rated the factors differently. What’s more important? How the prospects look at your presentation or how you think they should look at it?

What are you going to do differently?

Do you promise not to laugh during someone else’s presentation when they explain “the molecular co-efficient of the viscosity inherent to surfactants exposed to non-petroleum surfaces at less than 4.57 degrees Centigrade?”

So what do you think? Are you surprised to find that it’s YOU that is the most important element of your Network Marketing Business?

Do you think it’s time for you to take a NEW look at Network Marketing?

Are you beginning to see that...

‘If you change the way you look at things, the things you look at WILL change?

Mike Lewis has been a results oriented innovator in the Sales, Marketing and Promotions arena, initially in Europe and more recently in the U.S. for close to 25 years. Primarily from an advertising background, first in Yellow Pages, then in Thompson Local Directories, he started his first entrepreneurial venture in the late 1970's as a small but profitable Advertising & Marketing Company. Since then he has created and developed many businesses and built a strong reputation in the Network Marketing Industry, largely through his Marketing & Management Consultancy firm (Top Gun) which he formed in 1989.

To learn more about Mike and his unique offerings, visit his websites here:

www.AdventuresInNetworkMarketing.com
www.TheTimeOfYourLifeCoach.com