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16 Principles for *Making Money* in Network Marketing

*Shall we not go on in so great a cause? Let's **make money** in NWM!*

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This is such a great topic for *The Network Marketing Magazine* theme or focus for its July 2007 issue. ***Making money*** is the bottom line of NWM. The INDUSTRY of NWM is an opportunity industry. Just like in the franchising industry, the BUSINESS of NWM is to enable participants to ***make money***. Of course, entrepreneurs know ***making money*** is the bottom line of BUSINESS.

> ***When properly done, properly promoted and properly provided, the BUSINESS of NWM is awesome.***

Professionals in NWM know that many, many people are skeptical, anxious, and/or leery, about NWM and don't have a lot of respect for it. Even part-time networkers and newcomers quickly learn that many people are not just cynical, but are downright angry, disgusted, and are adversaries to NWM. Most of us realize that about 95% of the participants in the INDUSTRY are part-time networkers. Most realize that these part-time participants don't ***make money.*** No wonder the INDUSTRY gets its bad rap, has its dubious reputation, and is not generally highly regarded. The astute analyst realizes that so many of those aggressively working in the INDUSTRY have created this challenging environment and the negative attitudes.

There is a solution! The BUSINESS of NWM is awesome. It's the benefits of the BUSINESS that keep me involved. The solution is to advertise, market, sell and prospect in an ethical manner… and importantly, have companies and "heavy hitters" empower the masses to ***make money***. When a large percentage of the part-time contingent is successful in ***making significant money*** [no not necessarily "walk the beaches of the world money], but the extra $300 to $1,500 per month they seek, then the bad rap, the poor reputation, the anger and disgust can go away.

Huge Need

In our economic climate, there is definitely a huge need to provide alternative and extra streams of income. There are so many continuing layoffs and downsizings. There are too many dead-end jobs. To keep up, it requires more hours and at often lower hourly pay. We see fewer managerial opportunities. There is fading and/or eliminated retirement security. So many have seen their retirement programs severely cutback or totally eliminated. There is simply no employment security that was once a hallmark of the American economy. Oh, yes, people need to ***make money*** in NWM. But not just the select few "heavy hitters" along with the company owners. Assist in a majority of participants ***making money*** and the INDUSTRY reputation changes. People can learn to love and think highly of the BUSINESS. They need an opportunity to ***make money*** for current use and for retirement without any "glass ceilings" imposed upon them. We like to speak of no "glass ceilings" in NWM, but impose them upon the part-time participants just the same.

Just think of the financial crisis current gasoline prices place on developing an alternative source of income — of ***making money***. And it's felt more than just at the pump. The impact of more costly consumer goods because of the increased transportation costs is scary. Food prices are taking huge increases. Cost of travel and of required transportation is dramatically rising. The price of durable goods is escalating. There is a multiplication effect that is not positive. Inflation really is hurting people.

16 Principles for *Making Money*

The topic of ***making money*** in NWM is pertinent indeed! These 16 principles are written to help the part-time networker be successful in really ***making money*** in the BUSINESS. Yes, they are applicable for the full-time networker too. The full-timer should basically use the same principles — he or she obviously spends more time doing the BUSINESS.

This article is written for “students” of the BUSINESS. If you have only limited time and are not going to read, ponder and apply all of the principles, then go directly to number 12 and start there. Numbers 12 through 15 are the most important to implement . . . particularly if you are doing the BUSINESS part time, but for this article it’s more logical to start with the ones that precede 12 through 15.

#1 — Commitment

You must make a commitment to your product, your company, your distributor support team and to NWM. That commitment means that you have a “strong desire to win” [winning in NWM means ***making money***]. You cannot be hesitant.

> ***You must be passionate, energetic, and dynamic in order to attract people to your product, the BUSINESS and to YOU.***

Being committed puts you on the “frontline” of prospecting and talking and connecting with people. Being on the frontline of prospecting and then sponsoring drives the bottom line. You must take correct actions in order to drive the bottom line upward. Part of the commitment must be to tap into a group of committed team members — committed peer-group distributors of like mind. The synergy that comes from the association is critical to your success. It’s an alliance; it’s a support group; it’s more than just an upline or one mentor.

#2 — Results Oriented

We should discuss the importance of goals and dreams… and they are important. “Results oriented” means that the goals and dreams provide you the energy to be persistent, determined to pay the price required to ***make money***. The price? Of course there is a cost, an investment, a price to pay. But don’t sell yourself short by making the goal or result something other than monetary gain.

> ***Making money is the measuring stick. That is the purpose of***

doing the BUSINESS of NWM.

That is the desired result, so you can in fact live your goals and dreams.

Think BIG! Dream BIG! Act BIG! Be BIG! Produce BIG!

If you haven't been financially successful in the past, don't dwell on the past. Learn from it. Don't duplicate it. If you have made mistakes, please, don't continue making the same mistakes. If you haven't ***made money*** in the past and these principles seem to be providing a different slant to the BUSINESS, you need to ponder them and apply them. If your previous and/or current mentors have not helped you ***make money***, you need to evaluate and take corrective action. You simply cannot keep doing the same things that have NOT produced income for you and expect the results to be different. Your orientation for results must be toward the bottom line.

#3 — Personal Development

The most productive people are learning all of their lives. Personal development is critical to success in NWM, but is not the bottom line. Don't justify your involvement in the BUSINESS by thinking of the personal development you are making. The reason you need to engage in personal development is to enhance and increase your skills, talents and capabilities for ***making money.***

Most likely you already have many unique abilities and skills that you must hone toward doing NWM. Bring all of your "core competencies" and learn a few more that you direct toward the BUSINESS of NWM… and ***make money.*** Your personal development must develop a NWM expertise in you. Yes, you must become an expert. You can! You must become a mentor. You can. Remember this is a BUSINESS of leverage and duplication.

Direct your personal development time towards rapport-building and relationship-building skills. Learn the art, science and skills of prospecting and connecting with people. Learn, then practice and role play. Gain experience and increased skills with "on the job" training. That means you jump in and do the real thing; you don't just think about it and talk about it. Bring all the discipline you can muster to your BUSINESS to put the principles and skills that you learn into actual practice. It is not personal development to just learn them and never use them to product results!

4 — Personal Ambition

I love the concept of being proactive. To be proactive means to take initiative and responsibility to produce desired results. There's that results orientation again. What results? Obviously the results of ***making money***. Your personal ambition, your personal proactivity is required because NWM is not a spectator sport! You don't ***make money*** in NWM by just watching, or just listening to others do the BUISNESS.

> ***YOU must take action! YOU must talk to people. YOU must connect. YOU must prospect. YOU must follow up. YOU must do the work of NWM.***

The more ambitious you are, the more success you can create. You must give of yourself. There must be an urgency to your walk and talk. Your ambition creates the urgency. You must become highly aggressive. No, that's not a negative thing. Not aggression or anger in the negative sense, but aggressive as in forceful, assertive, hard-hitting, passionate, excited, positive, enthusiastic and persuasive.

That's not hype. It's not being deceptive. It's not pushing things that don't and won't work. If you think "it's too good to be true," it most likely is. It's not appropriate personal ambition to succeed through selling "smoke and mirrors" and systems that reward only those who create them. Learn and apply correct principles of NWM and develop and enjoy the quality and lifestyle of a full-time NWM BUSINESS.

#5 — Focus

Focus brings to mind concentration, center of attention, and single mindedness. Unfortunately, most people do not ***make money*** in one program, let alone more than one. For the part-time networker, it's virtually impossible. Part-timers particularly must focus on "a" program, be involved in "a" support organization, promote "a" compensation plan.

In NWM, you can't "serve two masters."

You must have a focus on your priorities.

To make money in NWM, you must have a focus on prospecting and sponsoring.

Focus on the required discipline it takes to do almost daily prospecting and contacting. You must focus on developing and maintaining good NWM principles and habits.

Here is our team's motto that provides the basic focus of action required for ***making money*** in NWM:

"Take the products! Talk to people! Show the plan!" Make those activities a focused priority and you'll make money.

Focus means to take care of the details while remaining attentive to the broad scope of your BUSINESS. Our team's slogan is a "secret" that can bring you riches in NWM. It takes a focused commitment and discipline to do it for the long term. The slogan is: "I have an ironclad commitment to personally sponsor one business partner every month." Focus on that and the activities required for accomplishing that and you can be rich in NWM.

#6 — Training

This is more than just your personal development. You need to work with your support team and your upline and your mentors. You must learn NWM skills and learn how to adapt your current valuable talents and skills to the BUSINESS of NWM. Learning the basics and the correct principles of the BUSINESS enables you to create financial success.

Training is more than just education. Folks in NWM need training, training, and additional training.

You must know about the products, the company, the compensation plan, and of course, NWM.

You need to learn and apply the principles of the theory of NWM. They are: 1) circles of influence, 2) part-time residual income, 3) a lot doing a little, 4) geometric progression, 5) duplication, and 6) attrition. (In the archives of articles of *The Network Marketing Magazine,* you can find an entire article devoted to the theory of NWM.) Then, one must learn appropriate strategies of building in order to maximize the correct principles of NWM and of ***making money*** in NWM.

The principle of training means to be on conference calls, at meetings, and to support company major events. It means that you get your BUSINESS partners, your team members to tap into the training calls and events. It means to train personally and to be trained personally, as well as in group events.

#7 — Use the Product

The first part of our team's motto is "Take the product." That means to use the product. In NWM terminology, it means to "be a product of the product." You thus become a creation, a result, an outcome, a consequence, or an effect of the product.

For years, I have consistently taught: "Be your own best retail customer." That simply means that you use the product. It also implies that you have other retail customers. NWM is a distribution BUSINESS. Therefore, we must distribute the product to other end-user consumers.

Using your product provides credibility for you. With an effective, high-quality product, you get positive results and develop a meaningful testimonial. As you do, your commitment to the product surely increases. We must understand and teach that people must stay on the products, taking enough and for long enough to get the tangible results. You dramatically increase your odds for ***making money*** when you use a high-quality, consumable, and preferably, a unique product. Don't sabotage your financial success by failing to use the product.

#8 — Prospecting

Prospecting is the lifeblood of the BUSINESS of NWM. [actually it's the lifeblood of any selling-type BUSINESS]. When you determine that you have the ambition, focus and commitment to ***make money*** in NWM, then you make the commitment and develop the discipline to constantly prospect. You can prospect with common sense and courtesy and be effective in ***making money*** in NWM.

This is a word-of-mouth BUSINESS. This is a networking BUSINESS, thus a business of connecting people to people in a BUSINESS opportunity. This is a marketing BUSINESS that often takes us into the "new" or the "cold" market of contacts or prospects. When you decide to ***make money*** in NWM, you will develop the skill, talent and knack for prospecting in your warm market, your existing circles of influence, as well as in the new or cold market. All of these markets are sources of excellent BUSINESS partners and customers.

You should be constantly making a list or securing a list of prospects to contact. If you don't have a list of prospects to call, you won't be prospecting. Most likely you need to move out of your "comfort zone."

> ***There is no such thing as "comfort zone prospecting" in NWM. But you can acquire skills of communication, rapport building, relationship building, qualifying, and persuasion that enable you to successfully prospect and sponsor, even though you still may have "butterflies in your tummy."***

Practice the skills. Practice with role playing, but more importantly, practice with actual prospecting experience. You will get better and better the more you prospect.

Napoleon once said: “I see only my objective — the obstacle must yield.” Too many networkers see prospecting as an obstacle. They see many obstacles in the prospecting process. When you “see” only your objective — that is to ***make money*** — the obstacles really do “yield.” You get past them and really make prospecting a habit.

You need to compete with yourself before someone else does… and he/she sponsors one of your prospects into NWM. A secret of success for more efficient and effective sponsoring: learn to qualify and qualify quickly so that you don’t waste your valuable time with those that cannot and will not do the BUSINESS.

> ***NWM is available for everyone, can potentially help everyone, but is definitely not for everyone! No, not everyone and anyone can do this BUSINESS.***

#9 — Listening

In order to prospect and sponsor more efficiently and effectively, you must listen and increase your capability to listen. You are looking to develop win-win relationships with people. You must know the needs and wants of those with whom you visit. You are trying to identify “hot buttons.” You can only do this by effective and careful listening. Make sure as you learn information about a prospect, you record the information for future use.

There is an art to asking and answering questions in the rapport-building segment of any contact.

> ***You cannot properly nurture relationships without listening***

and demonstrating empathy and understanding for the prospect's points of view, circumstances, desires, needs, and knowledge.

You have most likely heard that people are not going to listen to you until you demonstrate that you care for them. Listening is a "caring for them" activity. But remember about the critical skill of qualifying. If you determine that the prospect simply is not a viable prospect, don't just go on listening and listening and wasting your valuable time.

Even though you must be a good listener, at a certain point you need to "speak your mind." You need to sell the benefits of your product and/or program that you have determined match the wants and needs (the hot buttons) of the prospect. Sell the benefits, not the features. You must become proficient at educating, teaching, persuading …yes, selling your product, company and opportunity to others in order the ***make money*** in NWM.

10. — Stories / Testimonials

A fellow named Atchley said, "[NWM bonus checks] are built around stories. And stories of identity — who we are, where we've come from — are the most effective stories of all." You've heard that "a picture is worth a 1,000 words." You must learn to create word pictures. You do that by effectively telling stories and sharing valid testimonials.

Stories and testimonials attract attention, are easier to remember and recall, and create lasting impressions on people.

You need to learn to give a good testimonial. It needs to be clear and concise and have a resulting benefit that you communicate to others. You'll need a 20 second testimonial, and a 45 second one, and perhaps even a two to four minute testimonial. Develop solid testimonials regarding the product, the company, the management, your distributor support organization and the opportunity.

> ***A great tip for success in making money in NWM is to collect and record testimonials.***

You'll hear them on conference calls, at meetings, in person with other distributors and customers, and can read them in newsletters and updates. Make it a point to get names and locations, as well as the specifics of the testimonial. Keep all testimonials that you share FTC and FDA compliant. Protect your company and our INDUSTRY.

Ask your ongoing retail customers (and team distributors) for their testimonials. (Another topic, but I can't pass it up, is to ask your customers for referrals, too!) Dan S. Kennedy said, "In my experience, there is nothing more valuable than a great testimonial — other than *two* testimonials."

11. — Tools

Do not overlook the use of simple, powerful tools. Use the existing tools that are available to you. Don't think that you need to "reinvent the wheel" and don't spend time reinventing the wheel. Effective use of tools makes "sales people" out of non-selling type people. It certainly levels the "playing field" as good tools are professionally produced and very effective in persuading prospects.

Use tools such as DVDs, brochures, conference calls, sizzle messages, websites, and authentic Internet systems. The use of good marketing tools helps you sell YOU to your prospects along with the program and/or product! Using effective tools is a huge boost to duplication in your organization. It is much easier to learn to use and learn to teach the use of tools than it is to develop all the skills and talents associated with the tools themselves.

12. — Seek and Sponsor BUSINESS Partners

Yes, NWM is a distribution BUSINESS and we want to create retail customers and lifetime, wholesale product consumers.

> ***But if you seriously want to make***

significant money in NWM, you must seek and sponsor other BUSINESS partners.

That is how you get leverage of your time, effort and financial investment. That is how you obtain duplication. That is how you drive geometric progression. Retail customers and wholesale product consumers use the products and create volume. They may even make a referral or two. But they don't actively prospect, persuade and sponsor other BUSINESS partners and/or product users.

There is a lot of focus on the product and on "sharing" the product that comes from a majority of the "heavy hitters." They want the volume. They know it is easier for the part-timers to share the product than it is to sell the opportunity. They realize that it takes less effort in training and support to direct folks to the product arena rather than the opportunity side of the BUSINESS.

The reality is that those who ***make significant and BIG money*** in NWM really do seek and sponsor BUSINESS partners. They realize they need the assistance of a lot of people — BUSINESS partners — to prospect and sponsor customers and other BUSINESS partners in order to develop the required volume to ***make the BIG money.***

Get this appropriate focus. Implement this strategy for your BUSINESS. The BUSINESS of NWM can be extraordinary for ordinary people who develop leverage through duplication and geometric growth. The only way to do that is to seek and sponsor BUSINESS partners. So, develop and apply that "go-get-'em" attitude and personality that can dramatically empower you in attracting the ever so valuable BUSINESS partners that you need.

13. — Understand the Compensation Plan

You must know 1) **how** the bonuses are designed to be paid, and 2) if you can **qualify** for the payment of the bonuses, and 3) if you **can really do** what it takes to get to ***making money.*** You do this by learning about the compensation plan and policies of the company. No, it's not a "marketing plan." That's the plan for promoting or "marketing" the program.

The compensation plan determines how distributors get paid.

Most people would not accept a job in traditional BUSINESS without knowing how much and how they were going to get paid. So, don't fall for the line, "Don't worry about the compensation plan now. Just get started. That will take care of itself later." Common sense dictates that it won't take care of itself later and that is part of the cause of the "bad rap" that many in the INDUSTRY have created for the INDUSTRY. Far too many compensation plans do not accommodate part-time distributors in ***making money***. Consequently, the promoters of those types of compensation plans don't want part-time prospects to be able to identify and understand the compensation plan prior to getting involved and making a volume purchase that produces a sizable fast start bonus for themselves.

Be careful of "matching" bonuses. They are designed for the benefit of "heavy hitters." Watch out for the promise of "spillover." The selling pitch is that "the compensation plan has been designed to encourage massive spillover." Spillover is a figment of the imagination. Viable spillover doesn't occur for part-time distributors. Watch out for difficult qualification requirements, either as to the number of personally-sponsored distributors required or as to the dollar volumes required on so many specified levels. Beware of punitive BV to wholesale price ratios. If it takes 100 personal BV to qualify for bonuses and a $250 monthly wholesale purchase to generate the 100 BV, that's a 40% ratio. That's tough. Most part-timers have a difficulty doing the $250 each month to stay qualified. If the amount required to produce the 100 personal BV is close to or less than $100, it's a much, much more favorable price point. This helps with retention of distributors.

If you don't understand the whys and wherefores of these or other compensation plan issues, give me a call and I'll be glad to spend some time with you visiting about them.

Find a compensation plan and a program that can allow you to live a semi-retired lifestyle in NWM for the rest of your life. That means in retirement years you work the BUSINESS part time. That means that you don't have to learn to live on less money in your retirement years… yes, you can still maintain your high quality of life and enjoyable lifestyle in retirement.

14. — Timing

There are various phases of growth and development of a NWM company. These are timing issues. There are advantages and disadvantages for each of the phases of growth. The various phases of growth are defined as: 1) ground floor, 2) pioneering or concentration, 3) momentum, and 4) stability. Be aware of them and know that you have the "ability to choose" your timing.

Many entrepreneurs don't have the patience to work a ground floor program. They would rather wait for many of the "kinks" and problems to be resolved before joining the program. A program may be saturated in the U. S. market, but is aggressively moving into international markets. That may be very attractive for full-time professionals, but how about the part-time networkers or the newcomers to the BUSINESS who don't have international ties?

The stability phase offers stability. But it may be a slower build for someone new in the program. The time between the ground floor stage and the momentum phase is an exciting time and can be a time of ***serious money making*** potential. INDUSTRY guru Burke Hedges said, "The key to running a successful business… or to getting rich… is to get in at the right time… to get in on a business explosion just before the boom… to catch a wave just as it starts to rise."

15. — Ethics and Integrity

Ethics — moral values, moral code, moral principles. Integrity — honesty, truth, honor, uprightness, fairness, truthfulness. These are interesting and inter-related concepts. So often, very tough issues when it comes to ***making money*** in NWM. Actually, tough when it comes to ***making money*** in any INDUSTRY. We certainly don't have an exclusive on unethical conduct and lack of integrity in NWM. But that doesn't mean that we should not raise the standard.

If the major players in the INDUSTRY — as a whole — would

raise the bar, raise the standards and allow more participants to make money, the reputation of the INDUSTRY could rapidly change.

Raise the bar? Raise the standards? Stop promoting that one can ***make money*** in NWM without doing any work. We should all recognize that the false promise of "We do the work, you get the money!" is simply not true. Stop promoting that "ONLY sponsoring two brings riches." Don't accept, "Anybody can do this!" We should all be offended by "Our Internet system is a downline-building wonder. Simply join and the system does the rest." Denis Waitley said, "There is nothing for nothing in this world."

Let's not fall for and/or promote the "money games." They are usually easy to recognize. If it sounds too good to be true, it's most likely a money game and not true. Let's avoid temptations to "fudge" or take short cuts, or be deceptive simply for the lure of short-term profits. Let's be fair with others. We generally know what is right and what is not. We generally know what is real and what is not. We generally know what is appropriate and what is not.

The more of the positive and of rightness and of fairness and of good that we bring to NWM, the better our BUSINESS and our INDUSTRY can be.

Sure, this is an individual, as well as a group responsibility. Let's be genuine and authentic in our ethics and integrity.

16. — Have Fun!! Celebrate!

In all of this ***making money*** in NWM, it is so much superior when the BUSINESS is fun. People respond better and work more effectively when they are having fun.

You can develop and retain more BUSINESS partners by having fun. You'll attract far more BUSINESS partners as they see and feel you and your team having fun. Have fun with them and celebrate with them.

Some ways to do this are with picnics, potlucks, informal trainings and get-togethers, with personal conversations and an interest in team partners personally. Develop friendships and relationships through activities that are fun. Recognition is a part of the fun and the celebration. Recognition does not have to be costly. It can be done on conference calls, at meetings, by email, with snail-mail handwritten notes or greeting cards. Be the type of upline BUSINESS partner or mentor that creates a "feel good" experience for others.

A great suggestion is to create your own "feel good" file or bulletin board. Keep track of your accomplishments, the notes and communications of congratulations for successes, letters of praise, the certificates, pins and rank advancement "trophies." If you are having a challenging or a "bad" day, get into the feel good file and read and remember and celebrate.

Paul and Sarah Edwards counseled, "Too often we wait until we 'finish' or 'arrive' before we celebrate. We need to party periodically along the way." Take some of the money that you are making and go out to dinner or purchase something that you want. The celebration activity or thing acts as tangible reward that motivates toward greater levels of ***making money*** in NWM. I recall that one time I celebrated recent successes by buying my wife a new car for Mothers' Day. It was awesome! She loved it!

Closing

Applying these principles to your NWM BUSINESS can help you ***make money*** in NWM. My closing is to share Dean Alfage's "My Creed" and let you apply it to your unique and personal situation in NWM.

"I Do Not Choose to Be Common"
It is my right to be uncommon — if I can. I seek opportunity — not security. I want to take the calculated risk; to dream and to build, to fail and to succeed. I refuse to barter incentive for a dole. I prefer the challenges of life to the guaranteed existence; the thrill of fulfillment to the stale calm of utopia. I will not trade freedom for beneficence nor my dignity for a handout. I will never cower before any master nor bend to any threat. It is my heritage to stand erect, proud an unafraid; to think and act for myself, enjoy the benefit of my creations and to face the world boldly and say, this I have done. All this is what it means to be [a money-making professional in network marketing].

Shall we not go on in so great a cause? Let's ***make money*** in NWM!

David A. Nelson has been a full-time network marketing professional for some 20 years. He has a successful track record as a distributor and trainer. He has a total commitment to network marketing and the viability of network marketing as a home-based business enterprise for great numbers of people, and not just a select few. He has a book published called: *Create Your Fortune in Network Marketing: A Part-Time Distributor's Guide to Financial Success*.

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