

Network Marketing... Taking A Step Forward

Discover how a student's comment about giving the Professor an "F" resulted in the student receiving an "A" and the NWM industry receiving a boost in credibility

an interview with **Professor Charles W. King**

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Professor King, how did you first become interested in Network Marketing?

In 1990-91 the Midwest had a severe recession as did the entire country. We started having real difficulty placing our students - interviewers stopped coming to campus and our alumni began returning to us as victims of downsizing. I started looking for other career paths beyond traditional business to help

these students.

I began examining entrepreneurial opportunities, but none were quite what I was looking for. Then one of my students said to me, "*What about Network Marketing?*" I said, "Son, I don't know enough about it to make it worthwhile." So he said, "*Let's go learn about it.*" I said, "Well, I know enough to know I don't want to know any more." He stopped me and said, "*Professor, if I gave you that answer, with no more information than you have, you would give me an F.*" I paused and I said, "You just made an A." In fact, I had no basis for my decision at all... It turned out he was an Amway distributor.

After six months of due diligence, the end result was that I started teaching Network Marketing in our program at the university. It was very popular but I didn't have all the answers because I had never done it. So I went out and found some people who did - Mark and Rene Yarnell.

They took my theoretical framework and applied it to their experience in Network Marketing - we made a great team. After teaching the classes together for a while, we decided in 1993 that we wanted to do something for the industry at large and designed the seminar.

Did you face any challenges integrating the seminar into the UIC curriculum?

Well, I went to the dean and told him about the seminar we wanted to offer. He said, "I don't know much about Network Marketing but some of your colleagues say you teach pyramids." So I said, "That's a joke because I don't teach pyramids and I put my Harvard education on the line every time I go into that classroom. So I'm not worried about that." He laughed and said, "I'm not either. If you want academic certification through the university, I can take care of that. However, I can't fund a big advertising campaign to get this thing launched. So what are you going to do?" And I said, "What I'll do is use Network Marketing." He said, "You really believe in it." I said, "Yes, I do." And so he said, "Okay, I'll make you a deal. I'll put up some money but you've got to break even and pay me back. If you don't pay me back I'm going to have to take money out of other programs. You're going to be a very unpopular faculty member with your colleagues." I said, "I get the picture, I'll make this seminar break even."

We sold that first seminar out in three weeks, a month and a half early. It was a huge success and we easily broke even. We ran the second one in March of '95, sold it out. Ran the third one in July of '95, sold it out. Ran the fourth, fifth and sixth, and sold out each one. That told us there was a real interest in Network Marketing, so whatever objections people had didn't matter anymore.

Professor King, can you tell me more about the seminar?

The seminar runs three different themes. On Friday, we teach how to build a business plan for a Network Marketing distributor, which includes goal-setting. When we're done for the night, we adjourn and go to the

bar. Those people who don't drink have coffee or Cokes but the point is not to go to the bar, it's to go network with everyone at the seminar. It works beautifully. We establish an absolute camaraderie among the hundred people in the group from all different companies all working on the same problem--how to be successful in Network Marketing.

On Saturday, we bring in an attorney who talks about where the industry is going in terms of legislation and what distributors should and shouldn't do. That is one of the most exciting sections because most of the people have never heard that. The rest of the day we spend on the theme for Saturday, which is implementation - how to build your business. These are paint-by-number proven procedures from Mark and Rene's experience and my research.

Sunday we work on how to manage the business once you build it. We teach how to manage and train a large organization as well as the legal issues attached to a Network Marketing business of that size. We have lawyers and accountants who consult us with the latest information from the IRS about direct selling deduction, for example, knowing how to document and deduct legitimate expenses from Schedule C on the 1040. Many people don't have a clue about what to do there. Now, we aren't telling them how to do it, but giving them ideas that they should take back, study and apply to their own unique situation. Based on participant evaluations, the seminar has been an outstanding success.

Professor King, what is your vision for the Network Marketing Institute and how do you see NMI affecting our industry?

Well, the broad goal of the Institute is to focus the experience and resources within the Network Marketing industry and the academic capabilities of the college on the issues most vital to the dynamic growth of the Network Marketing distribution channel. I first thought of it when I started my work in 1990-91, and had real difficulty finding what I call from an academic side, factual information about the industry.

I discovered the classic by John Milton Fogg and *The Lies of MLM*. I started going into these lies, these charges, these assertions, trying to find out what they were based on. In many cases, the "statistic" had been fabricated by someone. So I decided that what we really need is an in-depth third-party source of factual information about the industry.

Right now, there really isn't a way for people to research the industry and feel confident that the figures they're finding are accurate. The Network

Marketing Institute (NMI) will be an unbiased, third-party research capability that will collect information and determine industry trends, keeping the company-specific information strictly confidential, but making general industry information available to anyone who wants to research Network Marketing.

At the same time, NMI can provide the industry with a base upon which to deal with regulators, because the regulators are typically working from the same misinformation that the media has.

The Institute can provide a positive image for the industry as a legitimate third-party center. Although we are never going to be in the business of giving someone a grade; what we can do is provide a checklist. Then it's up to the person to take that checklist out and fill in the facts.

What I do want to do is provide information that people can make their own decisions about.

The industry *is* coming of age, I think there's clearly a 'wave four' coming. Network Marketing used to be dominated by people looking for part-time work or between career paths. Now we're looking at Network Marketing as a legitimate career path for people as they look for entrepreneurial opportunities. My vision for NMI is that it will serve the Network Marketing industry as a research center, as an educational center, and as a resource center for positive public relations. Through the Network Marketing Institute, I want to help perpetuate a healthy future for the industry.



**An Interview with Professor Charles W.
King, University of Illinois at Chicago**

In an exclusive Upline^{reg.} classic Interview, Professor King told us about his work, his vision, and his commitment to the Network Marketing industry.