

# The Dynamic Potential of

## Network Marketing

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By Dr. Neil Tessler



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## **1 | Why network marketing?**

There are many reasons that people join a network marketing business. You could be a wage earner that would like to own your own business but don't have that million-dollar idea. Maybe you're a professional that would like to develop a retirement path, or a retiree looking for an activity that provides supplemental income. Then again, you could be a single mother that would like a home-based business or simply someone that desires greater financial freedom and an opportunity that is not limited by wages or education or gender. There are many reasons that people become engaged with network marketing, but many, many more that fail to perceive the remarkable potential for personal development and financial success embodied in this unique industry.

## **2 | Network marketing is a form of direct selling.**

Direct sales marketing, of which network marketing is a sub-set, is a powerful way to move product directly to market through education, recommendation and testimonial. A strong network marketing business has a mixture of both customers and independent associates, who along with their use of the products or services have the privilege of creating an income stream by enrolling customers or new business associates. In a network marketing business, besides commission on your personal sales, you receive a small percentage of compensation on multiple levels of your business organization in recognition of your role in its success.

Robert Kiyosaki, author of the mega-successful *Rich Dad/Poor Dad*, calls network marketing, "... a very democratic way of wealth creation." He goes on to state, "Network marketing is more than just a good idea; in many ways, it is the business model of the

future.... Network marketing gives millions of people throughout the world, the opportunity to take control of their lives and their financial futures.”

### 3 | Network marketing is not a “pyramid scheme”

Strong industry-positive statements such as this are a stark contrast to what one so often hears when the topic of network marketing arises. One of the common misconceptions about network marketing is that money is pouring up to the top and everyone downstream gains little or nothing. The basis for this misconception is the simple fact of a structure with multiple levels of compensation. This has been mistakenly likened to pyramid schemes; fraudulent recruitment scams where the only real value being exchanged is money and there are no legitimate customers.

### 4 | Understanding geometry: the corporate pyramid



Ironically, the notion of money pouring to the top more fairly describes the classic corporate structure. The higher on the corporate ladder, the better the wages until finally, the average CEO in the U.S. makes over ten million dollars, while the average worker

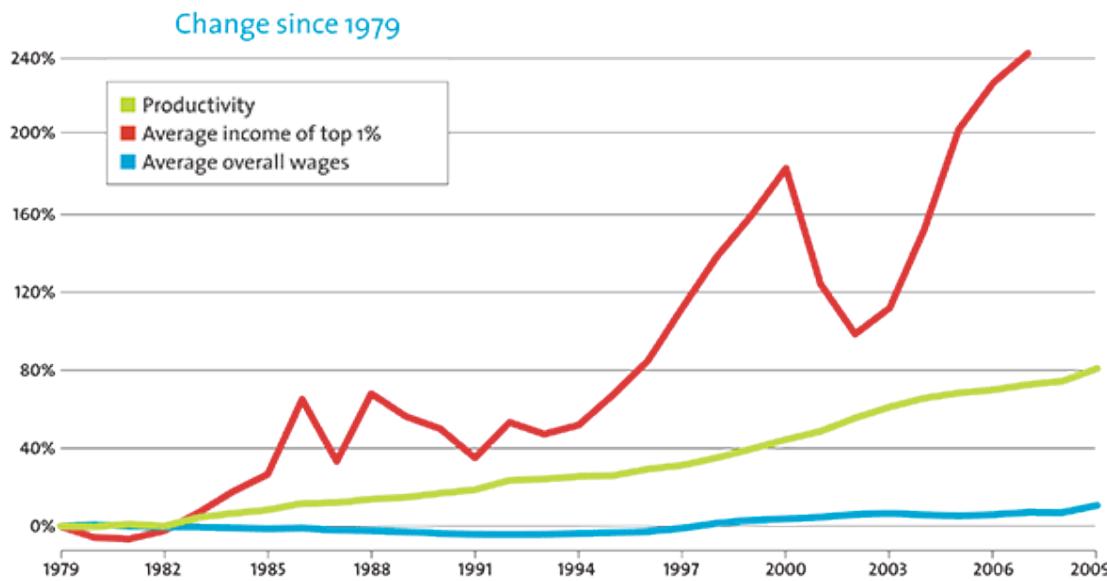
makes thirty-six thousand dollars.

The exceptionally high salaries of the corporate CEO occurs through leveraging the efforts of all of the hundreds or thousands of employees that are paid exponentially less as they are positioned further down in the corporate structure. In fact, as Robert Kiyosaki points out, the workers are building the assets of the company and its ownership in exchange for a limited wage and no job security.

Robert Kiyosaki writes, “I am often asked if network marketing is a pyramid scheme. My reply is that corporations are really pyramid schemes. A corporation has only one person at the top... and everyone else below. A true network marketing business is the exact opposite of a traditional business model. The network marketing business is designed to bring you to the top, not keep you at the bottom. A true network marketing business does not succeed unless it brings people to the top.”

Some critics of network marketing will point to the mathematical impossibility of multiple levels of compensation. In this projection of perfectly multiplying exponential distributor chains, the inevitable result would be market saturation, leaving many distributors short. This is an exceptionally weak argument. The reality is that distributors come and go, customers come and go, some distributors are more successful, others less so. Serious illness or death is another minus factor. Some network marketing companies have been around for decades and have not even remotely approached “market saturation”. Has Coca Cola experienced “market saturation”?

## 5 | The value of network marketing in the new economy



When considering the potential value of a network marketing business, one need only look at a chart of income distribution in the US! It vividly reflects the increasing flow of income to the top earning brackets while wages remain relatively flat. In both cases, that of the wealthy and that of the wage earner, income is unrelated to productivity. Wealth is flowing upwards disproportionately, while wage earners have seen little benefit from increased productivity. In network marketing earning and productivity are related. In order to rise above the flat-line of wages in the current economy, multiple streams of income are essential.. Network marketing provides a potential path to a secondary or even a primary stream of income.

## 6 | The principle of leverage

"I would rather have 1% of 100 people's efforts than 100% of my own efforts" - *John Paul Getty*

In reality, all businesses achieve success by utilizing *leverage*, the ability to magnify production and therefore returns through the efforts of others. In a traditional model, the owner employs people for various tasks who are paid a set amount of money, either as salary or wages. On the other hand, the income of the business owner has no ceiling.

Network marketing makes the incredible multiplying power of leverage available to everyone. In a network marketing business, each associate is the independent contractor of their own company, working together with other independent contractors in a spirit of cooperative entrepreneurship, earning a small percentage on the efforts of multiple levels of associates and customers. This provides incentive to effective leadership, training and support of one's organization. One of the many advantages of this type of business is that the product development and manufacturing, inventory, shipping, money handling, accounting and customer care systems are managed directly by the company, never personally by the associate. The task of the associate is to build networks of customers and associates, train associates at various levels of depth in correct business practices, and support them in their efforts. Yes, success in network marketing requires the willingness to become a leader.

Tim Sales, successful network marketer and trainer writes, "In Network Marketing, your productivity determines your income and if you're more productive than your up-line, you'll make more money. In a conventional business model, you've got to deal with office politics, seniority and other factors that often outweigh the

productivity factor. That's why I say that Network Marketing is the fairest business model of all."

If fact, it is not only your personal productivity that determines your income, rather the productivity of the network you've set in motion is the true income generator. To support the productivity of your organization requires learning diverse skills that are acquired from your own sponsor and other leaders that are in turn shared with your own team.



Success is based on serving your business associates devotedly in order to bring them to their own cherished goals. Necessarily the associate learns skills of business management, leadership and service, develops a sense of team and community, while creating an income that can become quite substantial over time. This culture of mutual support, in an environment that requires all of the personal growth associated with any business endeavor is a further indication

that network marketing is a unique and progressive business model.

## 7 | A business of your own (but not on your own)

Some of the most renowned financial writers such as David Bach, author of *The Automatic Millionaire*, Robert Kiyosaki, Harv Eker, Donald Trump, Paul Zane Pilzer and others, support and even promote network marketing as an outstanding path to an excellent secondary or primary income, that is, for those who are willing to treat it as a business.

Donald Trump and Robert Kiyosaki in their book, *We Want You to Be Rich*, discuss the potential of network marketing. Trump writes, “Network marketing has proven itself to be a viable and rewarding source of income, and the challenges could be just right for you. It can be done if you’re passionate enough to keep the momentum and motivation going at a high level. It requires an entrepreneurial spirit, and that means focus and perseverance. I don’t recommend network marketing to people who are not highly motivated.”

Harv Eker, author of *Secrets of the Millionaire Mind* and founder of the Millionaire Mind seminars, writes, “Network marketing can be a dynamite vehicle for wealth. But, and this is a big but, don’t think for a minute that you’re going to get a free ride. Network marketing will only work if you do. It will take training, time and energy to succeed. But if you do, incomes in the range of twenty to fifty thousand dollars a month – that’s right, per month –are not uncommon.”

So no, network marketing is not a get rich quick scheme. It requires all of the patience, perseverance, skill development and business activity that any true business requires, depending on your goals. If you have an entrepreneurial spirit, are passionately in search of

financial freedom, but don't have the million-dollar idea, or would like to avoid the myriad of details involved with setting up a business enterprise, network marketing has significant advantages.

## 8 | Financial freedom through passive income

What makes network marketing a unique opportunity for those seeking greater financial freedom? The number one reason is the potential to create a passive income stream. Passive income is defined as income that arrives whether you are working or not working. Harv Eker, author of *The Millionaire Mind*, writes, "The goal is to become financially free as quickly as possible. My definition of financial freedom is simple: it is the ability to live the lifestyle you desire without having to work or rely on anyone else for money." He goes on to say, "I can't overemphasize the importance of creating passive income structures. Without passive income you can never be free."

Once your network becomes large enough, with enough enthusiastic customers and business builders throughout your organization, significant income will continue to come to you whether you remain very active or not. While this may take five to ten years to develop, the rewards will accrue to you for years to come, providing you have selected a company that is built for longevity.

Harv Eker continues, "Network marketing is an amazing concept. First, it doesn't usually require you to put up a lot of upfront capital. Second, once you've done the initial work, it allows you to enjoy ongoing residual income, year after year after year. Try creating that from a regular nine to five job!"

The power of a network is the potential to generate passive, residual income from the growing number of customers and associates at depth in your organization. On your own, to generate a passive

income of six thousand dollars a month would require two and a half million dollars in the bank, whereas this and much more can be achieved in one to five years of efforts in a network marketing business.

## 9 | Choose the right company

Here are the fundamentals of a company that will serve your long term goals: excellent, consumable products, a strong and stable financial base, an experienced corporate team, a compensation plan that rewards associates at every stage, complete customer care services, global growth potential, a clear plan to follow, a culture of personal development and service, a great sponsorship team. When all these factors are in place, you have discovered a company that can support you in realizing your dreams.

## 10 | Thirteen reasons to consider direct selling

In the following excerpt, David Bach, in his book, Start Late, Finish Rich, offers a detailed synopsis of the benefits of a network marketing business.

### 1. The moment you join a direct selling business, you are in business!

Generally, when you start a new business, the first weeks and months sometimes years are spent developing relationships, finding reliable suppliers, testing marketing plans and the like. Not so in direct selling. Once you find a company that's right for you, it's all there, ready to go, suppliers, marketing plans, training, you name it. You can start earning after day one!

## **2. You don't have to reinvent the wheel!**

The hardest part of becoming your own boss is figuring out what business you're in. What are you selling? Who are your customers? What's the best sales approach? Will it even be profitable? A direct selling company that's been in business for a while and has a proven track record (which is the only kind to join) has long since figured all this out for you!

## **3. You don't have to do it all yourself!**

Trust me, as an entrepreneur who's created a business from scratch, it's hard! When you join a top-notch direct selling company, they provide you with an entire training system that usually includes "learning in a box" along with regular training and support.

## **4. You will be forced to STRETCH YOURSELF!**

Let's be totally honest here—you're not going to start a business at home in your extra hours without massive effort. And you're not going to succeed at direct selling without working hard.

There are occasionally a few exceptions and believe me if you join this industry you will hear about people who supposedly made tons of money without lifting a finger. But they are exceptions. Anyone who gets involved in direct selling is going to have some good and bad days. You will be presenting a product to people and some of them are going to want it and some won't. You will at times face rejection. At that point you will either quit or stretch yourself. All personal growth, and income growth, comes after you stretch yourself, not before.

## **5. You will find mentors and experts.**

When starting your own business it is sometimes difficult to find reliable mentors. This problem doesn't exist in direct

selling. Since the person who introduces you to the business gets paid only if you succeed, he or she has a vested interest in seeing you succeed. This means you should be very careful about the person you allow to sign you up. He or she will be your mentor.

## **6. You can create passive income.**

The hardest dollar you will ever earn is the one you are paid in exchange for your time. Whether you earn minimum wage or \$500.00 an hour, when you trade time for money, there are only so many hours in the day. The key to being rich, therefore, is getting money to come to you 24 hours a day without your having to be working all the time. In direct selling as you build a customer base, you not only earn money from your own efforts but, as you get other people to start their own business, you begin earning money from their efforts as well. This idea of earning money from other people's efforts is what is known as passive income. This is not unethical by the way; it's called being a business owner!

## **7. You may make a new circle of friends.**

Here's something you many not realize: A lot of the people you hang out with today are really about your past. You may have a ton of friends you made 5, 10 or 20 years ago who have no desire to do or be more than they are right now, and the moment you tell them what you are doing, whether it's going into direct selling, buying a house, paying yourself first into savings, or simply learning about all of this, they are going to put you down and tell you you're being stupid. This will hurt and upset you and you will find yourself tempted to "throw in the towel" in an effort not to alienate your old friends. After all, the only alternative is to make new friends. When you are older, making new friends is not easy. The beauty of direct selling is that you join a team of people who have similar interests and dreams to do

and be MORE. As a result, you find yourself building a whole new world of new friends!

## **8. You don't have to retire!**

The beauty of direct selling is that if you are successful and enjoy it, no one can force you to retire from it. You won't get downsized or out sourced into retirement. Many retirees find that direct selling is a nice way to supplement their pension checks or fixed income while staying active and socially involved.

## **9. You get to help other people.**

Direct Selling may be the ultimate "people" business. It's all about helping and being helped by the people you work with. Not only helping your customers but also your colleagues, whom you mentor and who mentor you. Not every line of work gives you the opportunity to do this and to make a good living at the same time.

This aspect of direct selling is one of its greatest strengths. Whether you get involved in direct selling or some other business, what will make you successful is your desire to help other people. If you work from that place with integrity and honest intentions, you will lead a life of significance and you will be a better person at the end of every day. You will also earn more money!

## **10. You make your own hours!**

Direct selling tends to attract women, couples and families looking for a way to balance their lives with their need for additional income. Because you decide how hard you want to work and how much you want to earn, you can create the life you desire in this business. No one is out there insisting "you have to do this full-time" While some direct selling people do work sixty or more hours a week, the choice is

their, and yours. (Indeed, according to the Direct Selling Association, more than 85% of direct salespeople work fewer than 30 hours per week)

The best advice I can give you along these lines is "don't quit your day job" or even think about it, until your direct selling income outstrips your regular income. This applies to any business you may start.

### **11. Tax Incentives!**

The tax advantages to owning your own business are HUGE. It's not just the great retirement accounts business owners qualify for. There's also the fact that many daily activities, such as travel, home office space and utilities, telephone conversations, entertainment, and the like, can turn out to be legitimate business expenses that are at least partly tax-deductible. One of the great things about direct selling is that the business is so intertwined in your life that many normal activities become business related and hence, deductible.

### **12. Direct Selling is less expensive to get into than any other business!**

Many direct selling companies sell start up kits for as low as \$200.00. There are not many other businesses where you can get started with such a small initial investment. Especially when you consider that you'll be associating yourself with a completely automated accounting and billing system, as well as introductory training, access to professional marketing materials, and business and personal development resources.

### **13. It's a family business!**

While working with your spouse and children might now be tops on your list, a direct selling business is an excellent way

for you and your family to spend time together.

Meeting new friends together, sharing products you love with others and taking the incentive trips many company's reward distributors are just some of the opportunities. And that doesn't include the extra time you can spend with your family once your business has been established. There is no boss to tell you when you have to work. Often, the children can help you in certain aspects of your business, giving you an excellent environment to teach them self-reliance and responsibility.

## Resources

Tim Sales' DVD, *Brilliant Compensation*, is a very valuable tool to help people understand the nature of the Network Marketing Model. *The Perfect Business* by Robert Kiyosaki, is another outstanding DVD presentation (can be seen on YouTube). Both can be purchased at the following website: <http://www.brilliantexchange.com/>. If you or someone you know would like a better understanding of the potential of the network marketing industry, Robert Kiyosaki's book, *The Business of the 21<sup>st</sup> Century*, is required reading.

**Dr Neil Tessler** is a naturopathic physician in practice since 1983. One day he woke up to the fact that he wasn't getting any younger, and that as a professional his income was limited to the patients who were in front of him; as soon as they were gone his income stopped. He was introduced to Univera in 2006, found value for his family and patients in the products and eventually embraced the business model. Today he is excited to work with a large team dedicated to health, wealth and purpose through providing outstanding natural health products, financial opportunity and a remarkable vehicle for personal development.

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