

EVALUATING NETWORK MARKETING OPPORTUNITIES

If you're considering joining our industry, here's what you need to know to find success in Network Marketing and avoid the pitfalls of your first experience.

HAVE CLEAR GOALS

- Ask yourself - WHY are you considering becoming a Network Marketer?
- What are your intentions?
- What do you expect to achieve from the time and energy you are willing to put forth?
- Are you looking for extra household income, OR to replace your job income?
- Are you looking for financial freedom and time to design your life?

7 VITAL ELEMENTS NECESSARY FOR IMMEDIATE & LONG-TERM SUCCESS

The vast majority of new entrants into Network Marketing stem from a family member, trusted friend or business associate. They ask you to join their new found path to riches or purchase their company's product.

We all value and trust our personal relationships. But to succeed in Network Marketing, you have to make smart business decisions.

1 Thoroughly Evaluate the Company

If you are considering joining a brand new company. Be overly cautious. Start-up companies can generate a lot of 'ground floor' marketing hype. Historically, only 1 out of 100 are still in business after three years. These odds are not in your favour. It's not worth damaging your reputation.

Your reputation is key to attracting others if you find yourself changing companies in the future. It can't be overemphasized how important it is to look closely before you leap!

Looking for the right Network Marketing company can be a daunting task. There are hundreds of companies. And they're not all created equal.

You've got to ask the right questions, to get the answers you need BEFORE jumping in with both feet.

Falling in love with the product is definitely NOT enough to find long-term success. Great products are lost when companies cease operations due to bad management or lack of operating capital.

Track record. At least five years old with a record of dramatic, yet steady growth. This will show that the company has successfully navigated past the pioneering/ foundation phase - where most new companies fail.

Financial strength. As most companies are privately held corporations it is hard to determine if they are adequately capitalized. Acquire a Dunn & Bradstreet Report. If the company is publicly traded all pertinent financial information is fully disclosed.

Culture. Talk to distributors who have been with the company for several years. Attend a company sponsored event. Speak to female distributors to get a sense of management's integrity. Do they deliver on their promises? Women tend to only stay with companies that are in alignment with their core values.

DSA. It is important that the company is a member in good standing with the Direct Selling Association. Member companies must meet and adhere to a strict Code of Ethics.

2 Corporate Team

CEO / President. Must be a talented visionary with successful industry corporate experience. Be cautious if the CEO's only experience is that of a successful distributor / field leader.

The skill sets required to manage a Network Marketing company are significantly different than those of a successful distributor.

Executive team. Must have an executive team of seasoned industry professionals to support all company operations. Review the company's website and their posted bios. Google to see what other Network Marketing companies they have worked for in the past and if they have an unblemished track record.

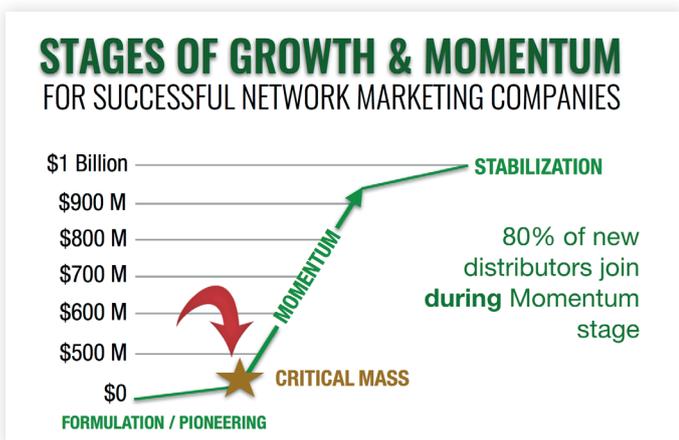
3 Timing

If you're only interested in earning a few extra hundred dollars a month retailing quality products, that's fine. Timing should not be a concern. There are many established industry giants to choose from, offering a great array of quality consumer products.

On the other hand, if you want to maximize the earning potential of Network Marketing you **MUST** effectively recruit a large distributor network in order to leverage your time and effort.

If your goal is to generate life-changing income and set yourself financially free within 5 years or less then timing IS a critical component when choosing a Network Marketing opportunity.

Stages of Growth. Every company goes through these stages.



Do your due diligence to determine what stage the company is at. Talk to corporate sales executives and field leaders. Ask the right questions to find out if the timing's right.

Formulation/foundation stage. Highest risk. The company may not succeed. Chasing ground-level opportunities is a big reason why so many Network Marketers fail. There is way too much emphasis placed on the promise of easy riches for those who are first to join.

Tipping Point / Critical Mass. There is a 'tipping point' where some (not all) companies experience hyper-growth.

Success leaves clues. Look for a Network Marketing company with predictable success. For example, it should not have more 100,000 active distributors, representing \$100-\$225 Million in sales operating successfully in less than a dozen countries.

This means you will be joining before the company has achieved 'critical mass' – the moment which leads to accelerated growth or the momentum stage – where fortunes are created.

Momentum. This hyper-growth period normally lasts between 2-5 years and where 80% of all new distributors will join the company. It starts with double-digit sales growth and can rapidly accelerate to doubling within one or two years.

This period is where company management and operating systems are tested for sustainable long term success as a legacy company.

Stability stage. Getting into a company after the hyper-growth period will severely limit your ability to generate any sustainable momentum within your personal organization. Professional Network Marketers understand this.

In decades-old well branded companies, 'awareness saturation' makes it much more difficult to capture the inherent excitement generated by newer opportunities.

It is definitely much harder to recruit and retain new distributors into a company that has been around several decades with upwards of a million distributors and more.

4 Products

Ask yourself, would you purchase and reorder the products strictly as a consumer, if there were no income opportunity involved? If not, you shouldn't join the company.

Category. Product category is vital. The Direct Selling Association provides documentation of the various product categories that continue to show steady growth.

Consumable / Competitively priced. The products offered must be efficacious, highly consumable and competitively priced.

First to Market. Entrepreneurs understand that first to market gives first mover advantage – especially if the product is a category creator with little or zero competition. The company should have acquired patents to protect its proprietary interest and that of its distributors.

Regardless of how great the product may be, if it doesn't have a **unique selling proposition** it will be lost in the maze of mimicry products in an over-crowded marketplace.

Recognize and understand that to your prospects, most all products sound the same in their claims or representations. You need to stand apart.

5 Trends

There are several mega trends that are shaping the world.

Wellness. Follow where the money is being spent. The wellness industry is rock solid and contributes to 36% of the consumer market. Cosmetics and personal care products are at 26%. (Source: DSA - 2020)

Ageing population. In the USA, 10,000 baby boomers turn 65 every day. Anti-aging products are already a \$300 Billion global market and predicted to become the biggest business in the world.

Displaced Workers. With automation, AI and the rise in e-commerce workers are being displaced at an ever increasing rate. By the year 2023 automation will take away 15% of global work hours from humans. (Source: McKinsey Global Institute). Long term steady employment is a thing of the past.

Retirement Concerns. 3/4 of Americans are living paycheck to paycheck. 1/3 of all working adults have no retirement savings. (Source: CNN Money) The baby boomer generation have found themselves unable to retire.

Millennials are hard pressed to plan for retirement due to having to work within the 'GIG' economy without consistent long term employment with benefits.

6 Compensation

Legitimate Network Marketing companies have a cap on what they can payout in distributor compensation and remain profitable. Normally it is between 40% - 48% of the 'commissionable value' (CV) of the wholesale price of the products.

Compensation plans may vary however their payout is the same. What is more important is what the various 'pin ranks' earn and what hurdles may exist in order to achieve the income you seek.

DSA members and publicly traded companies must produce a **Verified Distributor Earnings Statement**. This is a must read document.

Avoid the Lure of Fast Easy Money. Watch out for companies that have NO legitimate consumer market for their product or service. The regulatory agencies consider them 'money games' or 'ponzi schemes'.

These companies are eventually exposed if the majority of their sales come solely from distributor enrolments. They rarely last.

7 Duplication System

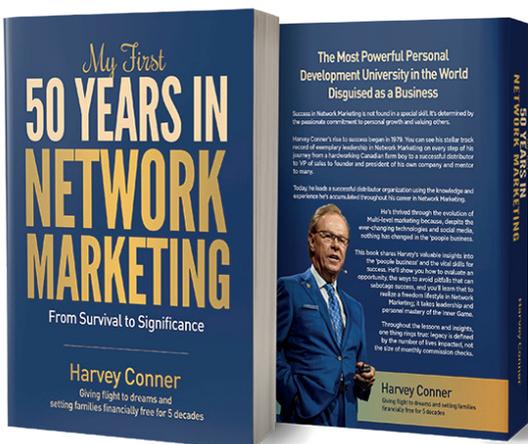
Network Marketing is a business model. What you are looking to find is an internal system that creates duplication. Your sponsor may not have had any previous success in Network Marketing therefore a 'plug and play' system creates a level playing field for all to succeed.

It is never a matter of what works. Does it duplicate?

Field leadership. Who is available to support your business building efforts? Ask questions and find out who the highest pin rank leaders are in the upline you may find yourself

Once you have made your decision to join the company introduce yourself. Share your intentions for growing a successful business. Leaders focus their attention on assisting new team members who are serious, committed to succeed and coachable. Be a doer and not a talker and you will have all the support necessary to achieve your goals.

Everything you need to know to succeed in Network Marketing



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