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Make Your Mark with MULTI-LEVEL MARKETING

*A Complete Reference Guide for new
MULTI-LEVEL MARKETING Entrepreneurs*

By Steven James

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About the Author - Steven James

I retired a few years ago after a busy career that began in a bicycle shop and finished in a corner office of a major company.

After all those years, I'm back on a bicycle!

But, I enjoy writing when I'm not riding and this is my first book.

I was involved with Multi-level Marketing for a few years but my prospective employers required me to drop all other commercial activities when they offered me the position which I filled until I managed to retire early.

I was just a part-time distributor because of family and other commitments, but a fairly successful one. If that administrative position had not been offered when it was, I think I would have enjoyed building an income-generating level of business in Multi-level Marketing within a few years.

I hope that my views and comments will be a help to those considering what I believe is a type of business with wonderful potential that is often misunderstood by the general public.

Most Multi-level Marketing companies provide good products and wonderful support. The industry is, unfortunately, tainted by the few that use hype and bluster to promote their dodgy scheme as if it is the next best thing.

I've tried to present a more balanced and positive picture while helping my readers to build their own Multi-level Marketing in a sustainable and profitable way.

Steven James

An Overview of Multi-level Marketing

Multi-level Marketing is different to the traditional model which most companies use to distribute and sell their products. Multi-level Marketing is a type of business distribution that involves a parent Multi-level Marketing company and distributors who are mostly individuals or couples who operate from their homes rather than a regular commercial location like a shop.

These distributors retail directly to the customers and also have the opportunity to recruit other people (mostly satisfied customers) to also market the products and services of the parent company.



You may introduce your friends to new products you find and like from the Supermarket.

You can do it at your home with your Multi-level products. Keep it low-key and give them samples and tips for best use.

The entire system is based on some of the satisfied users of the company's products or services becoming independent agents themselves and promoting them to people they know.

They also offer their customers and other people the opportunity to make some money for themselves by following their example; using and promoting the products.

The traditional model involves the use of wholesalers, who buy the product in bulk, add a margin to cover their costs and profit, then distribute the product in smaller, but often still substantial, quantities to retail outlets who add their margin and sell the products to the actual users.

Each company in this system has a substantial investment in their premises, equipment and staff.

They advertise their products and services through traditional media, including newspapers, magazines, electronic media (TV, radio and, increasingly, the Internet) and directories, such as your phone book.

Companies that use a Multi-level Marketing system to distribute their products, supply them through independent, motivated individuals who use the products and earn money for themselves by selling them to other individuals.

The companies will probably have a similar investment in premises, equipment and staff to companies which use the traditional system of promotion and distribution.

But, the people who join their Multi-level Marketing system do not have to invest in special premises and expensive advertising, or employ staff.

The distributors buy their product from the company directly, or through the person who introduced them to the company's products and the marketing opportunity.

They store the products in their own home and mostly promote them to people they know without the expense of commercial advertising.

They demonstrate the products on a one-to-one basis or in front of small, invited groups whom they also offer the opportunity to become independent distributors.

They also offer the opportunity to distribute the products to their best customers if they think that the customer might welcome the chance to make some extra money for themselves.

Multi-level Marketing is also known as Network Marketing because the company's products and services are distributed to the consumers through other users who have taken up the offer to build a business of their own from sales of the products and services.

Each distributor earns money from their own sales and they also usually get a small percentage off the sales of the distributors whom they recruited.

As the number of people you recruit for the company as independent distributors grows, most companies provide further commissions or incentives based on the total volume of sales through your group (you and your downline).

The way the company offers and delivers incentives and rewards to their distributors varies widely. I will give you some examples later in this book and discuss the advantages and disadvantages of each as I see them.

That will probably be different to the way which some companies and individual distributors portray their particular system.

You, like the other distributors, can increase your potential earnings by encouraging and supporting the people who you recruit (they are called your "downline") to make the most of the opportunity they signed up to.

The total volume of product which you and your downline use and distribute affects the level of commission and other rewards which you get from the company.

Also, most companies could offer you bonuses based on your level of performance.

It is important that you help the people in your downline to get the best results from the products and also encourage them to successfully sell the products and build their own downline.

All distributors of Multi-level Marketing products are unsalaried and independent agents. They do not receive the benefits that company employees get, but they set their own hours and their level of activity to suit their personal situation.

All kinds of people are using Multi-level Marketing to try to earn some extra income, including sales consultants, independent business owners, professionals (such as lawyers and doctors), people that have no regular job, franchise owners, independent agents, consultants; just about anybody.

Most companies require that you and everyone in your downline purchase a specified quantity of product regularly. Without this ongoing income, there is no money to pay distributors or the owners of the company.

Distributors are often also offered the chance to make extra money or receive prizes for reaching and maintaining specified levels of sales through their efforts and those of the people who they persuade to become distributors (their "downline").

The amount which the company pays out in this way may be less than it would cost them to distribute their products through traditional channels.

Multi-level Marketing pays you commissions for selling the company's products yourself and you may get a small commission from the sales of your downline but you do not get a salary or any of the benefits which a company employee would.

As a distributor of a Multi-level Marketing company's products, you are not an employee, but you will be seen as representing the company by those people who you offer the products to. You should always be clear in statements you make of the real situation.

Remember also that you, specifically, are liable for any statements promises or offers that you make and any legal consequences would be your responsibility in many situations.

As a distributor, you could receive commissions based on the volume of your direct sales. With the right high-quality products and steady effort on your part, you might develop a reasonable return from a group of enthusiastic customers that buy directly from you. Also, you can recruit some of your most enthusiastic customers as distributors to also sell and promote the products to their customers.

Your total income would come from the commissions you get from the company, according to the terms in their Plan, and possibly, a small commission that was generated by the efforts of the people whom you recruited into your downline.

Find a Multi-level Marketing Opportunity

There are a great many exciting Multi-level Marketing opportunities available. I'll try to help you find the gems which you can choose your path to prosperity from.

Use the Products.

It's important that you genuinely like and use the product or service yourself. The compensation plan, size of the potential market and other factors must be considered. But, trying to promote something which you don't think much of won't work very well in Multi-level marketing - your potential customers and prospects will see through your efforts quickly.

What if the people you sell them to have a problem with the product? You can call the company or your more experienced up-line, and most will provide you with prompt support but my experience is that most problems or questions come at weekends or in the evening when you'll find it more difficult to get help quickly.

When you have the hands-on knowledge, you can often remove their concerns, discuss the problem and, quite often, help your customer fix the problem more quickly. Also, as an experienced user, you will be able to show people that buy the product for the first time, the best way to use the products and that will reduce any possible problems before they occur.

When you use the products, you may find extra benefits that are not in the literature and which even the person that brought the products to your attention, your up-line, doesn't know.

Evaluating a New , Start-up Company or Product.

If you get the chance to join a fairly new company, you will probably become quite excited. The chance to be one of the first to offer a fresh product with little competition may give you visions of quick, large profits and a quickly expanding downline.

All that is possible, but you need to check that the claims for the product are valid and, preferably, are a little understated.

Does your upline and the company have the experience to help you when required or will they be focused on the “big picture” and leave you to work too much out by yourself?

Will you get the training and support you need while you are learning the best ways to use and promote the product?

Do you have the confidence to promote the product effectively when your upline is not around?

Offline or Online Multi-level Marketing Opportunity

With the rapid growth of the Internet, some companies have developed products and programs which are offered and, sometimes, delivered over the Internet.

You have to decide whether you want to go for an online business opportunity or for an offline business opportunity, depending on which type suit your experience and circumstances best.

Each can have their advantages. You have to check their suitability to your preferences. If you choose an online opportunity, you can promote the products and services of your chosen company on the Internet and attract



buyers from a much larger pool of potential customers and recruits than most of us will ever have the chance to meet face-to-face.

But, if you do not have any experience with computers and the Internet, you face the extra hurdle of having to come to gain that knowledge and some confidence before you will be ready to contact and sell to the customers online.

If you have the knowledge and feel more comfortable dealing with people from your computer, then you should perhaps look seriously at an online program.

If you are good at dealing with people that you don't know well face-to-face, you may have a great future with an offline Multi-level Marketing opportunity.

Review the Company's Management

Before choosing your Multi-level Marketing opportunity, look into the management. The Internet makes it much easier to gather information about their past business ventures and other people's opinions and experience of them, both good and bad. But, you probably already know that you shouldn't take everything you read on the Net as reliable, without some cross-checking.

Take the same approach with the company's literature and the claims of the person who shows you the details of the products and the opportunity, your potential future upline support.

Interview Your Potential Upline

Your upline needs to be able to give you support, encouragement and advice in proportion to your commitment to the products and the business.

If you don't intend to contribute sufficient focused effort and some time to building your business, you should not expect a lot of their time and attention.

But, if you make a genuine effort, you've got to be sure they will be ready to help and encourage you.

I suggest that, while you are giving your time and attention to their presentation and they are evaluating you as a potential recruit, you consider these factors:

Can you trust them? You don't need to become best friends but you have to have respect for each other and be sure that they are dependable.

You need to be able to interact with each other with minimum chance of friction or misunderstanding.

Try to talk with other people they have worked with and how good was the support in the past, also about how successful or unsuccessful they have been.

Do some research because your future could depend on what you find. Don't take everything at face value research.

Do not join any Multi-level Marketing opportunity if you have any doubts or concerns.

Politely ask them about any bad reports which you find. Their reaction will give you some further information about whether they are someone you could work with and rely on.

Training and Support

Look into the training and support provided by each Multi-level Marketing business that you decide to give serious consideration. Do they offer proper guidance and sufficient detail for you to use the products and also be able to show your customers and the people you recruit how to do what they need to do if they are also to succeed.

Some companies concentrate on glossy brochures and high-power presentations with less emphasis on training and supporting their independent representatives.

Compensation Plan: This is the way that you are rewarded for your effort and level of success in the Multi-level Marketing program.

You must satisfy yourself that you understand the details of the Plan and how it works. You also need to be able to explain it to your potential downline recruits.

Remember that you are responsible for statements which induce others to buy products or invest their time, money and effort in the program, even if you just read them the text provided by the company.

Passion: A Multi-level Marketing business is just like any other business; you must stay focused and committed. You know that reward follows effort and achieving the potential which you see in the opportunity that you chose will require ongoing effort.

A Multi-level Marketing business can bring you wealth and comfort but it won't come instantly or without effort. If anyone tries to give you that idea, run – don't walk – away from whatever they are promoting.

You may find your Multi-level Marketing business more enjoyable than a regular job but you must apply yourself and, for the best chance to prosper, carefully chart out your course and stick to your timetable to achieve the targets which you have set for yourself.

Evaluate a Multi-level Marketing Plan

Every Multi-level Marketing company uses some sort of Plan to control the distribution of commissions and other incentives to their independent distributors.



Get comfortable and study the Company's information.

But, remember, becoming a success with your own MLM business will involve effort and continued diligence.

There are four main types of compensation plans in Multi-level Marketing and an enormous number of variations which different companies produce to differentiate their offers from others and also in response to changes in regulations and new rulings when some Plans and the companies offering them are brought before the courts.

Numerous other compensation plans have been developed by mixing various elements of some of these four main types of compensation plans.

When you are choosing a business opportunity, the detailed working of their compensation plan offered by a Multi-level Marketing business opportunity is of paramount importance. The plan should be balanced and offer fair incentives for sales and promotion.

Be wary of any offers where the potential rewards are far above the average. There may be good reasons for the generosity, but promises of unrealistically high returns for minimum effort are often used by people that are really only interested in quickly recruiting many people and getting their money, but don't intend to be around when the promised rewards are due!

If all the emphasis is just on recruitments of more and more personnel, rather than the benefits flowing from using and promoting the product, you and the program may attract the attention of regulatory authorities.

It may be a pyramid scheme where people who join and promote the program are rewarded with some of the money paid by the people they recruit rather than from profits earned on the sale of the company's products or services.

All companies' Plans offer commissions if you sell their products and services. With many plans, you may earn further commissions or incentives for the success of your efforts to help people you recruit build their own sales and promote the opportunity too.

The incentives may be in the form of:

- ✓ Bonus (free) products from the company's range
- ✓ Cash
- ✓ Awards
- ✓ Holidays
- ✓ Desirable goods (clothing, white goods etc.)

..... or a combination of any of these.

There are a few basic Plans, but you must remember that even if two companies call their compensation plan by the same name, there may be significant differences between them.

Multi-level Marketing companies should offer incentives and rewards only for improving and increasing sales of products and services. Part of this increase may come from promoting the products and the marketing opportunity to more people, whose purchases and sales swell your total product sale volume.

But, look very critically at any offer where the rewards relate mostly to recruitment.

Many of the companies that attract action by the legal authorities, such as the Federal Trade Commission, offer plans that are based on reward for recruiting more people into the "opportunity" rather than for selling and promoting the company's products.

Those companies which use the older Plans or their own special variation of them will say the concept is proven.

Companies which use their own special variations of other, more recently developed Plan types will say they are more modern and were produced to address perceived problems with the traditional Plans.

What really matters is whether you can:

- ✓ Understand the Plan and the responsibilities and possible penalties it may impose on you
- ✓ Clearly see the amount of money and time you need to invest to reach your goals with that system
- ✓ Believe that you can explain all this in simple terms to your potential recruits.

Some common types of Compensation plan structures include:

Stair-Step Plan

This type of Plan dates from the earliest years of Multi-level Marketing.

The basic idea can be very easy to illustrate; producing more sales of the products brings more commissions and other incentives to you.

Also, as your total volume increases you take a "step up", are recognized by the company with a grander title and get an increased level of commission.

With most Plans of this type, your position at a certain level is not permanent. You have to maintain or even increase the volume of product sold and used.

With many Stairstep Plans, if you don't maintain your sales volume, you could be demoted again, losing significant income.

You may lose the right to count the volume produced by part of the Group you have built before your demotion when your total volume is calculated in the future.

So, it's important to ask the person explaining a particular company's plan, "what happens if I don't maintain or increase my total volume of sales etc., in the next period?" and study their answer before you sign up for any sort of Plan.

Sometimes, they may tell you that higher achievers make a specific, mind-blowing amount when they reach a certain level. Remember that continuing to get that income will be dependent on maintaining and increasing the sales volume.

If the product is a high-cost one with slow repeat sales, then you will need to spend significant time on presenting the opportunity and helping those you recruit to do the same and keep their groups going.

Breakaway Plan

As you build your volume and increase the number of marketers that join your group, some of them will build sufficient volume to reach a level where they and the people that they have helped to recruit break away from your group and the new leader gets a raise in their commission. That is a great incentive for every marketer to try to reach that level but it imposes a penalty on the person whose group they started with and also means that the previous leader has to devote some time to drawing more people into their Group to compensate for the ones that break away.

That does help prevent leaders from becoming complacent and easing off in their efforts, so there is better support for those in their group.

Some companies recognize the perceived downside of this type of Plan and set theirs up with provision for the previous Leaders to continue to get a smaller percentage from the volume produced by the breakaway Group.

Unilevel Plan

This Plan is as easy to lay-out as the Stairstep even if you have no drawing ability. Once you qualify with a minimum sales requirement, your return from your effort and consumption of the company's products will, theoretically,

continue to rise as long as you or your downline keep adding to the number of people in your Group and the volume of product moved through it.

Many versions of this Plan include a required minimum order from each distributor each month.

Some people don't do enough promotion and retail sales to use up each month's shipment and start to accumulate extra product around their home.

They probably won't tell their upline about this and eventually decide to resign.

That's bad all round. Their best option is to talk to their upline who will probably help them, perhaps by helping them with a presentation so that they gain more confidence and, over time, become more successful.

It's not always a lack of effort, but rather knowing and doing each thing in the best way.

A possible downside to this sort of plan is when the Distributor becomes complacent (a nicer word for "lazy") and relies on the efforts of the more motivated people he's recruited and the required monthly purchase by everyone in their Group to maintain their income rather than actively supporting and building their Group themselves.

Some perceived disadvantages in earlier versions of unilevel plans have prompted many users to include few structural changes in this compensation plan.

Some of them put restrictions on the number of frontline distributors; recruits beyond the set limited number automatically fall into the next downline.

Distributors change ranks on achieving certain set targets and may be entitled to additional bonuses and incentives. This measure is designed to encourage cooperation between the distributors and reduce any damaging competition.

Binary Plan

This type of Plan requires the distributor to set up their downline with two streams or legs and many companies require a specific ratio (50/50 or,

perhaps 66/33) between the monthly volume from each leg to get the best level of commissions.

Each distributor has to recruit the first two distributors and all future recruits are placed under them in a “two who sponsor two who” pattern.

But, when an unmotivated or selfish person is recruited, they will not do much – just wait for their upline to find two recruits and put them below the lazy recruit to maintain balance in their two legs so that their commissions will not be affected by the lazy person’s non-performance.

If too many people adopt this approach, that puts a lot of pressure on the commitment and the time of the upline which makes things much harder all around.

The mandated balanced proportion is also sometimes hard to maintain unless you, as the upline, have good recruiting skills and the ability and time to teach them to your downline, while re-enforcing the point that the people they teach must also pass on the information to ensure the health of their own group.

This compensation plan of Multi-level Marketing allows for only two people (or two legs) as the first level, frontline distributors of each upline distributor. One distributor can sponsor only two others. Further recruits are placed at levels below your first frontline. This plan requires you to balance your two legs to receive commissions. This balancing requires that sales from each downline leg should not exceed a specified percentage of the total sales.

In some forms of a Binary plan, the “legs” are defined as a Power leg or a Profit leg. The Power leg allows for automatic placement of new members from their upline and people above that. The Profit leg consists of members specifically recruited by the member.

Advantages

- Spillover, as available in matrix plans, is also present in Binary plans. You get to enjoy the benefits accruing through the sales volume of the ‘spillover’.

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- A Binary plan may allow you to choose the position of some of your recruits in your downline. This helps in effective mentoring of the new recruit to deliver their best results.
- Levels may not matter as much in binary plans. The volume of sales matters the most.

Disadvantages

- Binary plans may be very confusing and difficult to comprehend, apply and explain to prospective recruits.
- Most new recruits follow the plan or those of their sponsors blindly. This may be the cause of rifts and disagreements.
- You have to actively balance both your legs to receive the best commissions. This requires concentration on the technical details and strong management of the percentages of both legs. This takes time away from selling, support and promotion of your own business.
- The width of this plan is always restricted to only two.
- Some people could take advantage of the spillover option and continue to earn without actually working for it. This is probably only temporary, but it may affect the enthusiasm and then the returns of many active distributors.

Matrix and Forced Matrix Plans

With these Plans, people are slotted into a pattern, which was pre-designed when the company introduced the Plan, wherever there is an opening, no matter who recruited them.

The success of this Plan is directly dependent on the activity and focus of the whole group.

If someone starts to take it easy and rely on continued effort of the other members, then it will not work as well. Some companies require that no commission will flow upward beyond a certain number of layers, so the people most directly responsible for the volume from that position will share the commission rather than see a lot of it drift up out of sight to people that did not directly contribute to recruitment or training at that lower level.

This type of Plan could, theoretically, extend down to infinity but, of course, that won't happen.

These plans have a limited width, normally ranging up to five people at the distributor's first level.

People that join after those first few are placed into lower levels of distributors and not into the first level of the person that actually recruited them.

This is what designers and promoters of Matrix compensation plans call "spillover". It builds the number of people lower down the Matrix and helps the people there. It may encourage some of them to reduce their own efforts!

The users of this sort of Plan claim that it has great scope for expansion. Your total compensation is affected by the number of recruits under you.

But, the possibility that potential spillover will encourage people to sit back and have their downline created for them has to be addressed or everyone's chance of significant upward progress may be reduced sharply.

Advantages

- The promoters claim that this type of Plan suits people that have limited time available when they start their Multi-level business. They say that new recruits can implement this plan even with a low initial monthly volume of sales.
- The limited width may make it easier for experienced distributors to invest more time in encouraging and helping those in their downline which may, eventually, translate into higher returns for the organization and also promote greater teamwork.
- In some versions of this Plan, distributors may be allowed, under certain circumstances, to choose where they want to place further recruits in your downline instead of them being placed automatically in the next designated level of distributors. This offers greater control and, ideally, helps the experienced distributors to forge more understanding and cooperation between distributors and recruits.

Disadvantages

- The ability to place new recruits where they want to, may sometimes lead to inequalities in the level of reward that different distributors on

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- the same level receive, if the upline distributor plays favorites and selects those they want to help without good reason.
- The variable commission rates make it more difficult to explain the compensation plans to potential prospects. This drawback can make it difficult to recruit more in your downline, even if your parent company is very reputable and successful.

Your Possible Choices

The eventual choice of compensation plans will be affected by the different advantages and disadvantages for you in each Multi-level Marketing company's Plan. It, finally has to be your choice, selecting the plan that you believe suits your requirements in line with your personal circumstances, and desires the best.

However, the compensation Plan is not the only factor to base your decision about joining a particular company on, although it is a major consideration. You should review the company and, especially the person who introduced the opportunity to you (your future upline) for both positive and detrimental factors.

Understanding a Multi-level Marketing Compensation Plan

The compensation plans available through Multi-level Marketing businesses differ mainly in the level and type of bonuses and commissions paid.

You must, for your own protection, take time to study each Plan and offer which you consider. Get clear explanations, preferably in writing of any special terms which the presenter uses. You must try to understand the compensation plans and other aspects fully.

The commonly-used terms include:

- **Sponsor:** Your Sponsor is the person signing you up with their network marketing company. Your sponsor is responsible for making sure that you get all necessary training and support so that you have every chance to succeed in your Network marketing business.
- **Associates and Distributor:** These terms are mostly interchangeable. When you are recruited, have signed the paperwork and it has been accepted by the Company (not just your new upline), you become an independent Distributor or Associate of the company. These terms do not signify or confer the rights and benefits that employees would get.

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- **Upline and Downline:** Upline refers to all sponsored distributors and associates functioning above you in that particular network marketing business. Normally, upline distributors and associates provide you necessary training and support to become successful, but their sponsoring efforts do not have any impact on your commissions. Downline refers to distributors and associates you sponsor those that they recruit in turn. You need to provide them with appropriate support and encouragement like you were promised when you signed up, so that they also have the chance to become successful in their businesses. Always remember that every member in your downline is an independent businessperson, but can call on you for support and encouragement.
- **Level:** This refers to the position of a distributor in a the organization's structure, as it relates to you or another distributor. Frontline distributors positioned directly below you are the first level of your downline; your first level distributors. Distributors below them are the second, third (and so on) level distributors but still very important to the level of success you can achieve.
- **Width and Depth:** These two factors are usually major determinants of the amount of compensation you receive from your network marketing business. Width refers to the maximum number of distributors you can have under you on a single level in the compensation structure. Depth refers to the number of levels from which you can earn commissions that depend on the efforts of those distributors in your downline. The depth of any compensation plan can be taken only to a specific level, beyond which it is not possible to split a dollar. Exceptions may include binary compensation plans with unlimited depth and Unilevel or Stair Step Breakaway plans with infinite width.
- **Cross line:** Different distributors working on the same level and for the same networking company would be on a cross line with each other. Although such distributors work on the same level, they belong to different organizations (Groups) and therefore are not in any way responsible for influencing the level of each other's commissions.
- **Point Value:** The main goal of your network marketing business is to sell the products and services of your parent company. In many company's Plans, every product has an assigned point value and your

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compensation depends on the volume of points accumulated by your organization. There may be more points allocated for slow moving products than you get for selling products that are easier and quicker to turn over. This may help in formulating an equitable compensation plan irrespective of the place from where you operate and encourage you to promote a wider range of the company's products.

- **Legs:** Every first level or frontline distributor you sponsor in your organization will form a new leg as they build their own downline.

If your network marketing business functions according to a 4 x 6 plan, there would be four legs consisting of two outside legs and two inner legs. Each leg represents an independent organization owned and operated by your frontline distributors. As you support and help your frontline distributors, you ensure the strength and growth of your organization.

- **Rank Advancements:** You start as an associate or a distributor in your network marketing business. As your organization grows and you reach a certain level of volume, your parent company gives you a new title that recognizes your new level of achievement. Rank advancements may also be accompanied by bonuses and/or other incentives and rewards. Common titles used to indicate rank advancements beyond a distributor or an associate include Leader, Director, Bronze Director, Silver Director, Gold Director, Ruby Director, Emerald Director and Diamond Director.
- **Bonuses:** Bonuses are incentives offered by your parent network marketing company to encourage sustained and greater effort from the distributors getting the bonuses and those that aspire to get them. Bonuses may take the form of bigger paychecks, car and travel bonuses or white goods etc. Bonuses are built into your compensation plans but become available only after you achieve a certain level in your business volume.

Every compensation plan has its own special features and requirements. Many have penalties when a distributor does not continue to achieve or exceed their previous results. You must evaluate each of them when you compare the compensation plans offered by various network marketing companies and before you sign up with any particular program. It is not possible to categorize any specific compensation plan of Multi-level Marketing

as the best. You need to carefully analyze it alongside the offers from similar companies.

Important Factors when Evaluating a Multi-level Marketing Plan

Make sure that you become familiar with the advice of The Federal Trade Commission and the published reasons for actions it has taken against various companies.

Here is an extract from some of the valuable information on their website. Check for any recent additions before you sign up with any program.

The Federal Trade Commission does not lay down any guidelines to assure the legality of any specific Multi-level Marketing plan. Additionally, there are no guidelines or sure decisions, which can indicate the legality of the issue. You have to take decision of any specific Multi-level Marketing plan all by yourself.

The following guidelines can help you evaluate any Multi-level Marketing plan properly.

(I) Pyramid schemes

You should never take up any Multi-level Marketing plan that offers payment for recruiting new additional distributors. This is illegal and it could constitute a pyramid. Pyramid schemes function by focusing on the profits to be earned by selling the right to recruit others. The primary reward from being involved in these Multi-level Marketing plans is not a consideration for sale of a service or merchandise. These schemes aim at recouping investments in products only through ever-increasing demand for newer recruits.

People indulging in such pyramid schemes often organize seminars and meetings. These meetings and seminars tell you about how easy it is to get very high returns on your investments. The plans could seem exciting with options of easy living, early retirement and an extreme shortcut to riches. You may be tempted to put in your money.

The plan would seem further complicated as it may not highlight any need for purchase of goods or services. However, the main theme behind it is to get many more people to invest.

In an imaginary example, you may have to recruit seven people, each of whom would have to recruit seven each. Only then can you get the desired results and personal rewards.

The sequence just does not function in reality and even a single defaulter can bring down the entire pyramid. Further, this is considered illegal.

The easiest targets for such pyramid schemes are people with limited means and poor knowledge of business procedures and risks.

(II) Purchase of Inventories

Some Multi-level Marketing plans require you to purchase expensive inventory for taking part in the schemes or business plans. Any request for purchase of inventory or any similar thing to make your business functional is considered illegal. In a way, these plans are also disguised pyramids.

Some Multi-level Marketing promoters insist on you purchasing specific sales literature with other start-up kits. You also need to have a commitment of making a specified amount of sales every month. You could be told that you have to spend on training programs, securing leads, and selling various kinds of products.

Usually, all these are extra expenses and you would never be able to recover their costs or make good profits through such schemes. Also, confirm and inquire if the Multi-level Marketing company would buy back unsold inventory. Otherwise, you might incur huge losses for such unsold inventory.

(III) Miracle Products

Some Multi-level Marketing companies offer what they promote as miracle products for sale. They suggest that you can earn huge amounts just by the sale of such miracle products.

You should get sure and proven evidence before embarking on any such plan. You should check with the Better Business Bureau about the authenticity of the company, its senior managers and its programs.

(IV) Pressure Situations

Sometimes, some promoters of business plans organize meetings and offer lucrative incentives for signing up at the meeting itself. Do not be taken in by such programs, sign, or issue checks under such pressure situations. It is always best to take time off to sit and discuss future financial plans with your family and friends.

You can also ask for the advice of reputed persons with established integrity and financial knowledge. You can gain through their expertise and knowledge or, at least, save yourself from an unwise investment.

(V) Research

You have to thoroughly research any possibilities of earning through proper legal means. Before venturing into any Multi-level Marketing plan or company, research through all their brochures and other published information for all possible information about the schemes or plans from all available sources like books, magazines and the Internet. Talk to your neighbors and friends about how far this program is feasible and whether they are aware of such programs and plans.

If you are representing your Multi-level Marketing company as a distributor or associate, you should remain aware of everything regarding the company. You should make an honest representation and refrain from making any false claims.

How to Choose the Right Multi-level Marketing Products

The success of your Multi-level Marketing business depends largely on the quality and performance of the products of your business. You cannot just choose any product for your Multi-level Marketing business on an impulse. You have to estimate the potential appeal and sales of the product to ensure long-term success of your Multi-level Marketing business. The history and reputation of the product may be important factors for your consideration to help you choose the correct product.

Market Trends

Market trends play an important role in choosing the main product(s) for your business. You should not choose old, less appealing products or products that cater to only a small group of people unless you can easily reach them and know they will be prepared to buy from you.

Similarly, choosing products that could become popular in future may slow the development of your Multi-level Marketing business, especially when you are just starting to establish your reputation and customer base.

A simple example are the fad diets which mostly have a short impact in the market place before they are overtaken by the next fad diet. People often move on from such diets within a short time. Starting your Multi-level Marketing business by depending on such fads would be a hard road to success.

But, that does not mean that a scientifically supported diet program with a high public reputation might not be worth considering.

The best way to cash in on market trends is to take on recognized products targeted at high demand areas in the current market.



When you have started to establish your circle of customers and get enquiries from possible recruits, you may have time and resources that allow you to take advantage of developing market trends while you and your downline build your current income.

Stability

A stable, widely recognized product may help to ensure long-term success of your Multi-level Marketing business.

The newest, largely untested products may be more risky to take on, especially if you are still learning the best way to build your business.

Your product should have a large potential consumer base. You also need to use your own product where applicable because there is no better testimonial than one from a happy user.

Offering products of Multi-level Marketing businesses that have been functioning for long periods may provide some added public acceptance to your business.

Another possibility is to choose Multi-level Marketing business products that are innovative and with a demonstrable edge over other products currently available.

Simplicity

Your Multi-level Marketing product should be simple and appealing to all. It should be an easy-to-use, effective product that has a strong repeat demand. Exclusive and rare products may not have a regular demand. In that case, your Multi-level Marketing business cannot prosper unless you have reliable entry to the people who buy those products.

Another important consideration is that you should be able to deliver the product to your customer, even at short notice.

Company Details

When choosing your ideal Multi-level Marketing product, you should closely examine the parent company. Some Multi-level Marketing companies are

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exposed for pyramid schemes, either deliberately or by mistakes in the operation of their Plans, every year. Being associated, however innocently, with anything like this, may cause long-lasting damage to your reputation and your business.

Be wary if a company puts much more stress on getting more and more recruits in your downline rather than promoting the sale of products.

Your chosen company should offer enough support, including sales aids such as brochures and sales literature and professional training sessions (either live or on DVD or the Internet) to help you and your recruits to develop your Multi-level Marketing businesses successfully.

How to Build a Downline

One of the most important factors that decide the success of your Multi-level Marketing business is your downline.

Helping Members of your downline with questions or introducing the products and plan to prospective recruits can be low-key and enjoyable – no stuffy offices!



You should focus on building and supporting an active and enthusiastic downline who are prepared to put in the necessary effort to earn the rewards that come with a successful Multi-level Marketing business.

You can only make sustainable profits when you help and encourage your recruits to seek the profits which flow from focused effort.

A tired or lazy downline may spell disaster for your Multi-level Marketing business but a strong downline can help take your Multi-level Marketing business to the heights of success.

A smart Distributor tries to help keep all members of the downline happy and enthusiastic which increases the chance of a steadily growing income from your Multi-level Marketing business.

A hardworking, well-supported downline may deliver fantastic financial results.

You should never underestimate the importance of your downline.

Building Up Your Downline

Downline building is partly a numbers game. Not all members of your downline function at the same level. Some have high performance levels and deliver superb results while others perform at moderate levels or just consume the minimum product each month. You must devote some time and

effort to building your downline and supporting their efforts to recruit into their own groups.

Simple ways of building your downline include publicity. Most companies have strict policies about all promotional material including articles and other writing, being pre-approved by the company before being submitted or made public in any way.

You may be expelled and any commissions refused if you break these sort of rules. Check first by submitting the exact text and any pictures you intend to use to the company through your upline well before you plan to use it.

Article Writing: Article writing may work very well to attract people into your downline. Write relevant and interesting articles about your Multi-level Marketing business, your product and anything else that's interesting or novel about your business opportunity. Offer details of your products but focus on making the article very interesting and intriguing to an average reader who may not be very interested in your business but may have need of your product.

You should explain the unique or superior benefits of your program provided you have permission from your upline and the company who will need to know that you can do a good job with the articles.

This might attract readers to inquire more about your business methods and products. This may help build your personal profile so that more people recognize you by your name and come to trust you. This improves their belief in your Multi-level Marketing business.

Ezines and Newsletters: You can start an ezine or newsletter (with the approval of your upline and the company). You might also want to submit some of your best articles to the ezines that relate to your area of Multi-level Marketing business.

Include a small resource box at the end of the article giving your personal details. Don't be too commercial and you have a better chance of your article being published so that people can approach and reach you easily.

Sometimes, you will be asked to advertise in the ezines and newsletters. This expands circulation of your Multi-level Marketing business to reach more people that may be interested in being a part of your Multi-level Marketing business. But, you need to research how many people get and how many actually read the ezine, then whether the cost represents good value for your money.

Keep track of the responses through your advertisements and articles so that you can weed out the advertisements that do not deliver.

Pay-Per-Click: This can be a superb way of attracting affiliates but you have to carefully prepare your keywords, advertisements and keep a close eye on your expenditure against the return you get.

You need to bid on a specific phrase or word to attract the specific category of people that might want to join your Multi-level Marketing business downline and/or use the products.

Later, you can organize some motivating hands-on training sessions to improve the knowledge and enthusiasm of your downline and their recruits so that they build the desire to work hard and excel in their own businesses.

Forums and Discussion groups: There are specific forums and discussion groups that allow mild advertising but act quickly to remove any hype or spam-type messages.

You may be allowed to include your referral or affiliate link when posting helpful responses to questions at these groups. This may attract serious enquiries to you.

If you feel you have some newsworthy aspect of your business or products, such as a widely applicable and unique use, you can write press releases. If it is circulated and accepted, this may help spread information about your program so that you might get responses showing interest in your product and, maybe, your Multi-level Marketing business.

Product Reviews: Making an unbiased review of your product or service available through your web site or newsletter may be another way of

attracting more enquiries. You can choose to write these product reviews as articles or engage the services of a ghostwriter to write your articles. Anyway, include a link to your web site so that interested people can contact you and, maybe, eventually become a part of your downline.

Search for Safe lists: Safe lists are lists that promote easy e-mailing without them being labelled as spam. They are not as popular or regarded as being that effective today as they were a few years ago. If you try them, vary your ads every day so that your ad remains interesting and does not become monotonous.

Downline Tips

Choose the Best Recruits: Building up an efficient and motivated downline requires focused and concerted efforts. You have to choose the best recruits from those answering your advertisements and promotions to have the best chance of building a great Multi-level Marketing business. However, it is definitely not easy to locate the best prospects in your downline. You have to choose and select ambitious and self-motivated individuals.

Mentoring: Recruiting the best to your downline cannot, alone, spell success for your Multi-level Marketing business. You have to supplement your recruitment with suitable mentoring and encouragement. Mentoring can be in the form of encouraging words, active support at times and offering useful help to make your downline function better.

Most people feel overwhelmed by the demands of setting up their Multi-level Marketing business and often quit even before attempting to succeed.

You can make your downline feel most comfortable by offering welcoming e-mails and offering directions and help at every step. Maintaining a personal contact can go a long way in establishing your downline on firm ground.

Encouragement: Encouragement is another important aspect in developing your downline. You should offer encouraging words whenever appropriate, not just when their actions have helped increase the return you get from your own business.

Encouraging a small step forward by someone in your downline can go a long way in making almost everyone in your downline feel happy and enthusiastic to work and strive harder.

You could send encouraging e-mails on the first sign-up of your recruit. The effect if you write and send a real letter to their home address may be even better when so many people get lots of emails and very few handwritten, non-promotional letters.

Similarly, it is not always possible to maintain the same level of momentum with your business. You should not make your downline feel bad about any tough days or even weeks. You can encourage them by offering words of wisdom and relating few of your own experiences during your early days starting your own business especially if you feel secure enough to relate some small mistakes or even big setbacks you may have encountered. This motivates your downline to overcome the setbacks and work with a greater enthusiasm and zeal.



Almost anyone, whatever their background gender or other circumstances is welcome in the Multi-level Marketing industry and there are few barriers to success

Seminars and Interactive Sessions: It may be best not to create strict lines of demarcation between your upline and downline. You should allow easy interaction between members of your upline and downline so that downline members can, if ever necessary call on their help if you may be unavailable and learn from the best examples of successful marketers you have direct access to.

It should be clearly understood that upline members have reached the stage only through hard work and persistent efforts. This motivates your downline members extensively and may help their own results.

Easy interaction and planning can help downline and upline function collectively for the success of the Multi-level Marketing business as a whole.

Incentives: Incentives play an important role in shaping your downline. Do not offer incentives for their work alone. Instead, encourage your downline members to practice their hobbies and interests.

Also, prizes and incentives can be for different areas of the business like reaching the target in record time, achieving high sales, implementing innovative techniques, and sometimes for improving their personal best results so that almost all of your



downline are, at some time, eligible to get some personal recognition and not just the regular high achievers.

Prizes could be motivational books, sample products, or tools that help to improve their performance.

Develop a Personal Atmosphere: Downline recruiting is essential and



important for the success of your Multi-level Marketing business. However, in your enthusiasm to recruit more and more in your downline, do not forget the basic interactions of a successful business.

Maintain a friendly personal atmosphere and deal easily with your downline. Allow them to approach and talk to you anytime they feel the need for it. Similarly, make it a point to offer small gifts on important personal occasions like birthdays, anniversaries, and similar days.

Sharing and Caring: This important aspect builds up a familial atmosphere within your Multi-level Marketing business. You do not have to restrict your working arena to just building up on the efforts of your downline. You can get

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to their meetings if invited and share your opinion, information and tips to enhance their work levels.

This increases the retention rate and you might soon have a solid residual income from the continuing success of your Multi-level Marketing business.

Training Your Downline

Your downline is of utmost importance in building your Multi-level Marketing



business. The process of building your downline starts from the recruitment stage. You should circulate information about your Multi-level Marketing business through articles, ezines, free reports, free e-books, and include, if possible, some quality testimonials.

Blogs and forum posts also offer ways to publicize your products and business but be careful to always play it low-key or people will ignore your efforts and you may get verbally abused and even banned from reputable forums where your best prospects might be found.

But, it is not sufficient just to recruit your downline. You should build up the potential prospects of your downline through proper training and support. This can help your downline understand the essential skills for building up their Multi-level Marketing business which can only help yours too.

Downline training helps your downline understand your company and the most important aspects of Multi-level Marketing business better.

Training is essential even if you have a very small downline. The initial training could consist of a brief introduction of your company, your products and services, techniques and strategies, commissions and payments.

It is not possible to offer individual training for every member of your downline, but you can record your training sessions and provide those recordings to other people that join your group as well as promoting the use of company supplied training resources and systems. These systems would offer personalized training modules for each member in your downline. Training systems could consist of podcasts, mini article series, webinar trainings, blog posts, and articles.

Your website should ideally be the greatest training tool for your downline. Have a website dedicated just to your products with a small section about the opportunity.

Make sure that you get ALL material related to the company, its personnel and products pre-approved in writing by the appropriate company representative before even thinking of using it.

Install and include all these training modules within your web site. This will help your downline access and undergo training at your web site at their convenience.

Formulate your training system in such a manner that a new member can access the relevant training material soon after recruitment. Make use of automatic e-mail systems to deliver all training modules to the concerned downline members at convenient intervals from when they join. This is better than delivering training modules manually as there is always a possibility of missing some downline members.

Formulate and offer regular and ongoing training programs to the existing members of your downline. Training is a consistent process and there is no specific limit for training to end. Continuous training sessions ensure your downline remains aware of all needs of your Multi-level Marketing business at all times.

Conduct continued research into possible training programs. Regular research would help you understand what more you can offer as training to your downline. Also, gather information about what other network marketing companies are offering as training to members of their downline.

Downline training should offer easy access and thorough knowledge of all promotional materials, company updates, brochures, conference call sessions, and everything else that can make your downline remain fully aware of your Multi-level Marketing business. This can help them offer the best suggestions to your customers when required.

Another important technique of downline training is to introduce them to a few upline members of your Multi-level Marketing business. The upline members would offer beneficial hints and tips on how best to use and sell your Multi-level Marketing products. This would reflect positively on you as well as increase your sales.

Organize regular teleseminars for members of your downline with a few members of your upline and other downline members. These interactive sessions can help all members share and learn from the experiences of others.

These networking sessions might also prove beneficial to offer your company's products to potential prospects.

Multi-level Marketing training need not be expensive or too complex. Make use of simple technology tools, video clips showing the credibility of your Multi-level Marketing Company and other technological tools that can make the training effortless and have a positive impact on your bottom line without great expense.

Downline training should assist to inspire your downline to perform better. You should prove to be a role model to your downline and show your thoughts through your actions. You should do and show what you expect them to do. Your actions should help to put them on the path to success.

Motivation is an excellent training tool. You need to motivate your downline members. Such motivation could evolve through regular praise and appreciation for all positive efforts of your downline members.

Appreciation is a key element of encouragement and can be as powerful as cash when applied sincerely and not overdone. You do not have to deliver motivating lectures or organize huge seminars to encourage your downline.

Simple words of praise at the correct moment and an easily approachable attitude can help your downline feel more at ease. This encourages and prompts these members to strive to work better.

Organize empowerment seminars to prop up your downline, distribute innovative and expressive CDs, help downline members meet and interact with millionaire upline members. These seminars and actions help motivate your downline members immensely.

Last but not the least, remain aware of the personal interests of your downline members. Make kind inquiries about their interests, hobbies, jobs outside Multi-level marketing and families without being intrusive. This helps establish and maintain a more personal relationship with your downline members.

Opportunity or Scam?

Multi-level Marketing is not largely understood or appreciated by the general public.

Many are wary about taking part in Multi-level Marketing because of the media reports of a few bad companies that are pulled up but the Federal Trade Commission and similar organizations in other countries.

The Press publicize the unusual and newsworthy; they tell their readers about the occasional bad egg in the basket that is MLM and don't say much about the many reputable and flourishing companies that pay and promote their distributors, develop prime products, often through their own in-house research and enable more Americans every year to earn a great income, sometimes at a level which can support an enviable lifestyle usually reserved for senior bureaucrats and heads of industry.

The Competition Act lays down clear guidelines about legal Multi-level Marketing programs. This Act defines essential responsibilities for operators and participants of this program. Any Multi-level Marketing program functioning well within the prescribed limits of Competition Act is legal. You can take part in such programs.

The Competition Act requires presence of a specific business activity in the plan. The compensation earned through the plans would only be clear and there would be no ambiguity in such earning levels. Any misrepresentations would be illegal and inappropriate.

All representations and information about Multi-level Marketing plans should ideally give full details about:

- The amount of money earned by a typical participant
- The different levels of earnings or compensation received by participants in the plan
- The time and effort required to reach specific levels of income.

How to Build Your Multi-level Marketing Business

Multi-level Marketing is a structure composed of various people. The success of any Multi-level Marketing business depends extensively on coordinated efforts of all concerned.

The business starts with associates or distributors, each of whom need to consume and promote the company's products. They also recruit further people in their downline.

As an associate, you have to provide essential training and support to people in your downline. This is needed to help to ensure continued and focused success of your Multi-level Marketing business.

Building Relationships: Multi-level Marketing opportunity is all about building and maintaining relationships. That is the way long-standing relationships instill trust and ensure success. Before starting with any business opportunity, you should remain clear of your objectives and preferences.

You should not join Multi-level Marketing with the sole aim of earning lots of money. Money does not come easily and unless you remain committed to the issue, you cannot produce results. You should be able to relate to your customers properly and effectively.

Before starting with any Multi-level Marketing business venture, you should do thorough research into all possibilities and gather details about the venture in totality. The product should be ideally such that customers would purchase it repeatedly. Only then, you can have a good chance of ensuring a successful business.

The following aspects would help you build a solid Multi-level Marketing business:

Presentations: Attend all sales presentations and member meetings. Interact whenever appropriate with other members of your Multi-level Marketing business.

These meetings and interactions help you gather valuable information from the experiences of others and also to offer them your support.

Also, gather media reports about this particular Multi-level Marketing business. Talking to competitors can also yield useful information.

Promotional Materials: Always check the promotional materials and see if they provide genuine and give correct information. Read them so that you can locate if there is any ambiguous or dishonest information within.

While building up your Multi-level Marketing business, you need to circulate these promotional materials among your downline and to your customers. Any wrong or dishonest information can reflect negatively on you and your business. Similarly, read and understand all training materials to reap the utmost benefit from them. These materials are the guiding sources for your Multi-level Marketing business.

Annual Reports: Check the annual reports of the Multi-level Marketing business to determine their revenues, assets and liabilities, investments, and expenses. You can also collect information brochures from trade associations to get authentic information about the company's performance record and reputation.

You should also check with government agencies like State Attorney General's office and Better Business Bureau or Federal Trade Commission to collect genuine information about the Multi-level Marketing business.

Product: You should be thoroughly familiar with the company's product(s). The product should be genuine and as described in the promotional materials. Only then, you can safely sell them to customers and build a successful Multi-level Marketing business.

Avoid Pyramid Schemes: Many Multi-level Marketing businesses are like pyramidal schemes. These schemes do not focus on the sale of product. Instead, these schemes emphasize increasing recruitment and including more in the downline.

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Eventually, pyramid schemes always collapse and most gain nothing. Further, pyramidal schemes are illegal.

Other Necessary Formalities: As in any other business, Multi-level Marketing business also requires you to procure all essential permits, licenses, and other business legalities. You should maintain proper records of all transactions and pay all appropriate tax and charges from when you start to build up a successful Multi-level Marketing business.

More Tips for Increasing Your Multi-level Marketing Profit

Multi-level Marketing businesses are extremely competitive and it is essential to adhere to the best procedures to ensure continued profit and growth in this type of business.

I hope that these simple tips can help to improve your Multi-level Marketing business and increase your profits:

1) Professionalism: Your Multi-level Marketing business may start very small, but, you should maintain a professional approach towards your business. You should maintain proper records of all expenses, incomes, profits, taxes, and everything else concerning your business. Learn essential business skills to establish and maintain your professionalism.

2) Planning: Planning is an important and essential aspect of your Multi-level Marketing business. Success and profits do not accrue all of a sudden or from nowhere in your networking business. You have to draft and formulate a suitable plan to make things happen. Further, you have to stoically stick to your plan under all circumstances. This alone can ensure continued success and growth of your Multi-level Marketing business.

3) Creating a Niche: A niche product caters to an exclusive market. You have to undertake enough research to understand the needs of your customers. Thereafter, you have to market your products to them exclusively. This will help create a niche demand for your products. Your customers might patronize you continuously and prove to be your word-of-mouth advertisers.

4) Building your Web site: You should build and launch your own website with it focused exclusively on your Multi-level Marketing business. You can educate yourself on all aspects of online network marketing and use them to put together a personal

web site for your Multi-level Marketing business. This site would cater exclusively to all your niche customers and provide comprehensive details of all your products.

5) Identify Competition: Intense competition is an integral aspect of Multi-level Marketing business. You should therefore remain aware of all your competitors, small or big.

6) Your competitors could be small traders or big companies. You should also be aware of the product and advertising tactics of your competitors. This can help you plan and chart out your advertisements to be different and more appealing by more closely focusing on the desires and needs of your potential customers.

7) There are simple tactics to attract and woo customers and thereby increase your profits. Conducting your business in a competitive atmosphere makes it a healthier business.

8) Pricing: The cost or pricing of your Multi-level Marketing products and services may play an important role in deciding your total profits. You should fix the price for your product only after thinking about various factors like the value of your product, market competition, financial or purchasing power of your customers and your financial goals.

9) Fixing a high price for your product may not bring in high profits. Your customers would restrain their purchases and you might have to either make smaller sales or later reduce the prices to remain in the market.

10) Establish a Marketing Budget: Your Multi-level Marketing business could turn into an expensive business if you do not assign a specific dollar amount for promotion for every quarter or month. You should, ideally, have an efficient marketing budget that caters to all requirements of your business.

11) This budget should allocate funds for your advertising, hiring of sales representatives, and keep track of every expense. Only then can you adhere to your marketing budget, make and build up on your profits.

12) Distribution Channels: Your Multi-level Marketing business may require you to develop suitable channels for distribution of your products and services, so that you can comfortably reach all your customers. Look for suitable avenues to reach your customers.

13) Organize brainstorming sessions with all members of your Multi-level Marketing business so that you are able to gather many creative and innovative ideas. Choose the most suitable and viable ideas for implementation in your Multi-level Marketing business. Eventually, you can benefit extensively from these types of distribution.

14) Recruitment: You should employ and follow a regular recruitment plan to keep sufficient members in the downline of your Multi-level Marketing business. If you find your downline decreasing steadily, study the deficiencies in your system and check them immediately. Follow planned recruitment drives for maintaining your downline at a steady number.

15) Unless you have a supportive and working downline, it is not possible to carry out all functions of your Multi-level Marketing business. A small downline or decreasing downline would cause a decrease in your profits. Ongoing downline recruitment is essential.

16) Training Seminars and Workshops: Sometimes, your downline may not be able to offer their best, as they are unaware of specific business tactics and techniques. You should therefore organize seminars and workshops to educate them in all the latest Multi-level Marketing business training tactics and techniques. Interactive seminars help them meet and talk with other downline

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and upline members. This equips them with sufficient knowledge, skills and improves their ability to deliver better service to their customers.

How to Excel at Multi-level Marketing

The main key in understanding network marketing lies in understanding the concept of product distribution. As a network marketer, you have to distribute your products among your customers efficiently.

This helps to ensure that your customers become your repeat customers and continue to bring in more customers through word-of-mouth advertising.

It is very important to have good leads to expand your network marketing business extensively. Presently, it is sometimes possible to expand your customer base better than ever before with the easy availability and reach of the Internet.

Earlier, you had to market products by selling to your friends and relatives and others in your immediate locality. Even today, most newcomers follow this sort of marketing but it is not the best method.

Key Essentials for Achieving Success in Multi-level Marketing

The key essentials for a successful Multi-level Marketing business are to generate many leads and convert them into customers. The very first step in this direction is:

Locate possible customers: Multi-level Marketing is similar to any other form of marketing. It is essential to find a viable niche for your product. Ideally, your product should not be a very common product.

Locating leads in an over-competitive market is difficult. Choose products that have a perpetual demand and cater to people's most important needs. Such markets may have fewer competitors and you might establish a niche for your product sooner.

Persistence: It is essential to remain persistent in your efforts to locate suitable leads for progressing your Multi-level Marketing business. Choosing a business opportunity that is linked to your hobbies and interests can make it simpler to locate leads.

In those cases, you remain persistent and put in any extra effort that is required to get the suitable leads for your product.

Advertising: It is no longer necessary to generate sales by going from door to door. The Internet has made it simpler and easier to reach prospective customers. You can email your order forms or contact prospective customers or members of the downline through the Internet.

The Internet also offers easy avenues to collect e-mail addresses and phone numbers of potential sales and team members. Follow-up of leads after that becomes very easy.

You can try contacting people over the phone or send an e-mail with all details of your products. You can maintain all necessary information with your targeted leads.

Automation and Duplication: Automation is possible through autoresponders. You can customize your website to generate automated replies to all queries and e-mails. Automation helps in attending to your customers 24/7. This feature reduces differences due to geographical barriers.

You can approach and attend to customers anywhere on the globe. You can also teach all such intricacies and technicalities to people in your downline. This can help you to create a greater customer base. Similarly, getting accustomed to duplication tactics can help you apply the same in all the Multi-level Marketing opportunities. These tactics save on time and energy.

Continued Know-how: Your Multi-level Marketing opportunity cannot succeed if you restrict your learning process or stop acquiring knowledge when you are just starting.

A Multi-level Marketing business is a continuing business and you need to keep updating your knowledge. If you want to expand your business further, you should be ready to take on more effort and update your knowledge often.

Diversification: Diversification within your Multi-level Marketing business may be essential to ensure its success. If you remain dependent on a single stream of income through your Multi-level Marketing business, you might be depriving yourself of better prospects of earning through Multi-level Marketing.

Although diversification could add some expenses in the early days, it might deliver better financial gains once the market for your diversified goods picks up. It can also protect your ongoing income from any fluctuation in demand for what might have been your most popular product in the past.

Planning: Multi-level Marketing business does not prosper within a single day. You have to put in serious efforts and allow sufficient time for things to pick up according to your plan so that your Multi-level Marketing business to prosper. It may take months or even a year for your Multi-level Marketing business to get established. Then, you can analyze your achievements and continue to build up your business on a firm foundation.

Hard, Focused Effort Alone Delivers

It is essential to realize that there is no shortcut to riches. Only hard work and determination will pay you in the end. You have to pay and earn more money.

Every penny that you earn is through your perseverance and well-thought-out plans. You cannot make many shortcuts or just dream of becoming rich overnight.

You can increase your potential earnings by encouraging and supporting the people who you recruit (they are called your "downline") to make the most of the opportunity they signed up to.

The total volume of product which you and your downline use and distribute affects the level of commission which you get from the company.

Also, most companies could offer you bonuses based on your level of performance.

A Complete Reference Guide for MLM Entrepreneurs

It is up to you to ensure that the people in your downline get the best results from the products, and also help them to succeed with building their own downline.

How to Generate Multi-level Marketing Leads

Leads form the foundation of your Multi-level Marketing business. In a Multi-level Marketing business, you have to generate and expand your leads.

This is little different from normal businesses. In an ordinary business, customers would come to you, as they are aware of your product but you would advertise to increase your customer base and total sales volume.

However, in your Multi-level Marketing business, your potential customers may be unaware of your product and there may be a stronger need for you to make them aware by following up on your leads.

Generating leads is not as simple as it sounds. It is both a skill and an art. Generating and pursuing leads has to be done in an acceptable way as you are interacting with real people.

You have to start and build up a relationship with your customer. Therefore, your approach should make them feel comfortable and easy. Only then can you transform your leads into real customers.

Personalized Web Site: Create a personalized web site and promote everything about you and your product on the web site.

Your web site should put everything about your business in clear perspective. It should encourage easy interaction with your customers so that they feel free to talk and ask you about your product anytime. Your web site should point out your uniqueness and sell your expertise.

You must get permission from the company you represent before putting anything about their products and opportunity into the public.

Plans and Goals: You have to make careful plans of how you will proceed in converting your leads into prospective customers. Set up focused and positive goals and adhere to them strictly.

Draft a proper plan and take concrete steps to follow it. Being in line with your goals and plans helps build your Multi-level Marketing business on a strong foundation.

Auto responder: Put an auto responder on your web site. Your leads could visit your web site anytime and, if they are unable to get proper answers to their queries, they probably would not come back.

It is not humanly possible to monitor your web site constantly. Using an auto responder system helps provide necessary feedback and proper replies to all queries of your customers anytime that they visit.

Free Newsletter: Include a free newsletter at your web site. This will help build your subscriber list and could give them vital information about your products.

Use all information available through company literature (after getting permission) in your newsletters to help your customers and to get to know them better.

You can try contacting and improving on your leads through such newsletters.

Articles: Article-writing is a powerful medium of reaching your customers. It helps build your presence on the Internet. Submit articles to ezines and newsletters for greater and wider circulation of information. Also, include a back link in your articles for other writers to get back to you for further information.

Alternatively, interested readers can get to you through such back links.

Blogging: Blogging is an excellent way of increasing traffic at your web site. Create your own blog and post your thoughts and ideas. This attracts lots of traffic and there could be valuable future customers and recruits among them. Blogging allows you to write and post your thoughts freely.

Compatibility: This is an important factor while following up on your leads. There are many types of businesses and products in the market. Unless your

lead is compatible to your business or products, there is no point in trying for a conversion.

You should check all relevant facts before proceeding to elaborate about your niche product or Multi-level Marketing business.

Age of Leads: You should remain aware of the age of your leads. Old leads would have been used many times and probably may not get you a good response.

But, old leads may not always generate the same response at different times. There is no harm in checking your old leads before starting to establish contact with them.

Experience: Learn how to develop and maintain your leads from your Multi-level Marketing upline. Ask relevant questions to your more experienced and successful Multi-level Marketing contacts and make sure that you understand the answers well.

You can gather lot of knowledge by learning from the experience of your upline and other distributors. Use such information for developing your Multi-level Marketing business better.

Create Multi-level Marketing Leaders

Once you establish a Multi-level Marketing business, you need active support of more people in your downline to expand your business. Your Multi-level Marketing business may, over a period, prove to be a good source of residual income.

Such a business requires and is worthy of your active support.

Soon after your Multi-level Marketing business is on firm ground, you should start grooming a few members of your downline as prospective leaders of your Multi-level Marketing business. Your Multi-level Marketing business is likely to prosper as long as you work hard and review your results, then make any necessary changes.

But, you can benefit even more when you get the active support of people from your downline.

You should select just a few passionate members from your downline and give them proper mentoring and training, even invest in providing them with suitable resources as well as more of your time and attention.

This could help shape them into prospective leaders. You then do not have to worry about the ensuing success of your Multi-level Marketing business. Even if you remain busy elsewhere or have greater expansion plans, you can be assured that these active members of your downline would prove their leadership mettle and help the success of your Multi-level Marketing business at the same time as you help them to build theirs.

Mentoring and training your downline proves beneficial for both you and your downline members. Your downline are happy with your support. Your training modules expose them to the possibilities of Multi-level Marketing business. They are ready to experiment and strive to work more towards the success of your organization.

Additionally, such concerted efforts improve the level of your business extensively. Your distributors and others in your upline are happy about the success of your business.

This reflects well on the methods of the parent company. Further, most members in your organization will work together as a team and not as competitors.

This feeling of togetherness and bonhomie may help to ensure greater success for all that actively participate.

Your ideal goal, to try to ensure the long-term success of your Multi-level Marketing business would be to develop one leader for each leg of your business. Then, these leaders can, with your help, support each other.

Strategies for Creating Multi-level Marketing Leaders

Identify the best goals and offer specific incentives for achieving these goals.

Provide all essential support and positive mentoring. Organize regular training schedules, workshops, and seminars.

Keep proper records of all developments and progress through use of progress sheets or tracking records.

Set appropriate rewards for achieving goals.

Recognize individual achievements and offer suitable rewards to encourage people.

Relate to developing leaders as a team and try to build a better social relationship.

Gather valuable inputs from those in your upline and implement them in developing your downline.

Set realistic goals for your downline and help them to realize the goals they have set through proper commitment and practice.

Organize regular meetings and interactive sessions to understand and assist with any difficulties of your downline. Offer proper solutions to help them overcome the obstacles and progress.

You might conduct brainstorming sessions with the active members of your downline. This will help you to arrive at novel solutions for almost any problem.

Share your experiences with your downline and explain how they can make good use of your experiences to get the best results from their own Multi-level Marketing business.

As it is not always possible to identify the best members from your downline to groom into prospective leaders of your Multi-level Marketing business, you should apply such strategies on all members of your downline. Over a period, you can easily identify the true, emerging leaders.

Are You a Potential Multi-level Marketing Star?

Proceed carefully

You should not buy more products beyond your capacity to consume and sell them in your early efforts. The excess, unsold products reduce your profits substantially.

They may also wear down your enthusiasm and activity level with your business.

Try to ensure that no-one in your downline starts to accumulate excess product around their home. That creates friction with their partner and other family members. It detracts from the credibility of any promotion they do, especially for the business opportunity.

People that have recently joined an opportunity and some that have been involved for a while but not been very active, may mistake further recruits as their own competitors. This is not true.

Every distributor gets the appropriate percentage of the profits of the recruits in the downline but, it is not possible to go on endlessly.

There are usually boundaries and some restrictions and limitations in the design of the plan so that everyone is able to get the best possible return from their efforts both directly and through helping the people that join their downline.

Complaints and concern about this will come up from time to time even in the most well-run companies but it is often from people that are not very active and relying mostly on drip-feeding from the greater activity and success of other distributors in the group to which they belong.

Viability of Multi-level Marketing

Your Multi-level Marketing business can still be successful if you focus your activities exclusively on products and product sales alone. But you can only sell retail product to people you personally deal with and that is a natural brake on the potential volume which you can produce.

It is also the most labor-intensive method.

Building your Multi-level Marketing business with a mix of retail sales and recruiting and supporting an active and enthusiastic downline means that you are not completely dependent on your own efforts. We all may get sick at some time or want to attend to a family matter or even go for a vacation.

Having a mostly retail business might conflict with these desires at the most inopportune times, causing stress and loss of income.

But, when you build your business, in part, by creating a vibrant and successful downline, your commission from that can help to smooth out the bumps in your income from straight retail sales.

Not every recruit can be expected to fulfill their dreams or yours. It is not possible to clearly pinpoint the specific nonperforming or underperforming downline or recruit.

You should concentrate on finding recruits that are seriously looking for some legitimate way to add another income stream to their lives.

They are then more likely to perform to the desired level and eventually the volume of sales increases along with the satisfaction level of all your downline.

There is always a practical limitation about the number of recruits with real potential, although some Multi-level Marketing companies proclaim otherwise.

Some recruits only function under extreme persuasion and never develop any real interest in the business. So, their performance level is equivalent to zero. Also, such recruits can become a burden on the viability and success of your group and even the whole Multi-level Marketing program.

Multi-level Marketing Myths and Facts

Myth: Multi-level Marketing offers easier ways to make huge money than other businesses.

Fact: Multi-level Marketing does not offer any avenue for making “easy” money. Less than one percent of all Multi-level Marketing distributors ever make a profit. The percentage making a substantial living out of Multi-level Marketing opportunity is still low. But, the better Plans and companies are ready to provide suitable rewards, financial and otherwise, for people that take the opportunity seriously and contribute their efforts.

Myth: Multi-level Marketing opportunities will wipe out all retail stores, catalogs, advertisements and shopping malls.

Fact: Multi-level Marketing sales account for just around one percent of the total retail sales which includes purchases by recruits and distributors within the industry for their own consumption. Multi-level Marketing can be seen as a different but compatible method of distributing products.

Myth: Multi-level Marketing offers a fast shortcut to all the good things in life like extensive riches, all material benefits, and thereby total bliss.

Fact: Multi-level Marketing business opportunities are a method of achieving wealth for those that apply themselves and learn the correct way to approach prospective customers and recruits. You don't get to be a millionaire by just day-dreaming. Not even Hollywood tries to push that so much these days. But, there are people who make substantial amounts from proper application of solid business principles to growing their Multi-level Marketing business and genuinely helping their downline to do the same. It takes effort and focus which turns off some people.

Myth: Most consumers do not enjoy shopping through Multi-level Marketing.

Fact: This depends on whether the potential customers are approached in a respectful and professional way or sales are extracted by undue emotional or other pressure.

People do not prefer purchasing from friends, neighbors, or relatives who use their personal connections to badger them.

But, they will happily buy from friends, neighbors, or relatives who treat them well, providing great products at good prices and never stooping to pressure tactics or pushing the business part of their relationship into their personal activities.

It can be very convenient if your friend across the road can supply you with one of your favorite products when you run out and it's not convenient to travel to the store just for something similar.

The most important factor that helps to ensure that you never push your contacts too hard about your business activities is to wait for them to ask you why you seem to be smiling so much more lately and "is that a new car?!"

A genuine Multi-level Marketing opportunity is a form of business activity, not a gamble.

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