

The following special report is an excerpt from  
Robert G. Allen's bestselling book,  
***Multiple Streams of Income:***  
***How to Generate a Lifetime of Unlimited Wealth,***  
available in any major bookstore.

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## CHAPTER 12

*I'd rather have 1 percent of the efforts of 100 people  
than 100 percent of my own efforts.*

**J. PAUL GETTY**

## YOUR SEVENTH STREAM

# Network Marketing— The Ultimate Money Machine

**W**elcome to the marketing mountain. On this mountain we'll discuss four powerful twenty-first-century streams of income. It's hard to imagine four more representative businesses for the new millennium than *network marketing*, *information marketing*, *Internet marketing*, and *licensing*. They all embody revolutions in marketing that have changed and will change the face of the business world forever. Each will impact your life in a major way. That's why you need to participate in each of these massive trends, to sense the different dynamics of each stream, to experience for yourself the unique profits pulsing through each one.

Let's start with network marketing (also known as *multilevel marketing*, or MLM)—being an intrapreneur—an independent distributor for a company in the burgeoning network marketing industry. *Network marketing*. Just saying the words conjures up lots of emotions for most people. You either love it or you hate it. Sometimes both. But just what is it?

Have you ever been to a great movie or a great restaurant and told a friend about it? That's called *word-of-mouth advertising*. Businesses love word-of-mouth advertising because it's much more effective than all the money they spend on any other form of advertising, promotion, or marketing. Network marketing is a way for businesses to leverage the power of word-of-mouth advertising.

Let me give you a hypothetical example. Suppose you recommend a great restaurant (let's call it *Chez Bob*) to your sister. Your sister and her

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**WIT & WISDOM**

**You will always gravitate to that which you secretly most love. Men do not attain that which they want but that which they are.**

JAMES ALLEN

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husband make a reservation for dinner and, during the meal, the waiter asks them how they heard about Chez Bob. They mention your name. How would you feel if the owner of the restaurant sent you a thank-you letter and a coupon for a free meal in appreciation for your recommending his restaurant? It would probably make you feel wonderful. The restaurant owner also explains in the letter that because of your recommendation, Chez Bob has gained a new long-term customer. This

customer didn't result from Chez Bob's Yellow Pages ad or its radio and newspaper campaign. Therefore, the owner wants to reward you for this new word-of-mouth customer. Anytime your sister visits his restaurant in the future, he will send you a check for 10 percent of the value of the meal as a continuing thank-you. Sure enough, every several months you receive a small thank-you check. You're so impressed that you encourage others to visit Chez Bob. This generates more free-meal coupons plus more 10 percent word-of-mouth checks. After a year, you are receiving several small checks each month. After several years, you've help to create dozens of monthly customers, which generates hundreds of dollars of extra, no-hassle income to you. That would be nice, wouldn't it?

This is the theory behind network marketing, as it is now called. I prefer to call it *relationship marketing* because the word-of-mouth concept derives its power as a result of the relationship. Businesses these days spend up to 50 percent of the price of their goods on advertising and marketing expenses. Instead of sending these advertising dollars to wealthy newspapers, magazines, and television stations, several smart businesses have begun to share this money with their best customers. Every time one of their best customers influences someone to buy one of their products, they send this loyal customer a check—sort of a referral fee.

One of the most recent success stories in the power of relationship marketing is Amazon.com. Soon after launching this groundbreaking Internet web site, the folks at Amazon.com came up with a bright idea. Why not

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**WIT & WISDOM**

**Money isn't everything, but right now it's the only thing I can think of that I'd really like.**

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pay a referral fee to anybody on the Internet who sends customers to Amazon.com? They launched an "affiliate program" encouraging millions of web page owners to provide links to the Amazon.com site. If a web surfer visits an affiliate site, clicks on the Amazon.com link, and eventually buys a product, Amazon pays a small 3 to 7 percent referral fee

to the affiliate. This created tens of thousands of satellite minipartners who have a self-interest in the ongoing success of the Amazon mother ship. This strategic marketing move was one of the major reasons for the explosive success of Amazon.com. Now this model is rampant on the Internet. Even my own web site, [www.multiplestreamsofincome.com](http://www.multiplestreamsofincome.com), has an affiliate program. Network or relationship marketing works! Its time has arrived. It's the cool thing to do.

However, the first time I heard about network marketing I didn't think it was very cool. I'm embarrassed to say that the first time I heard about it, I turned it down flat. Here's what happened.

## The Awesome Power of Leverage

It all started with my wife's best friend Collette Larsen. She had just gone through a bitter divorce, which left her with five kids, a huge attorney bill, and no money. She needed work, so I hired her as my executive assistant. After a few months, she came to ask my advice.

"Bob," she said, "I've been talking to my brother about a company he's involved with. He's been showing me how I could make some extra income. I think I'm going to do it."

"What kind of company is it?"

"It's a company that markets nutritional supplements through a network of distributors."

Well, that's all she had to say. . . . My mind snapped shut and I told her, "Don't do it!" Despite my objections, she went ahead. She said she had a "good feeling" about it. And sure enough, in a few weeks, she'd earned her first \$100 check. Then her weekly check increased to \$500 or \$600. Then \$1,000 a week. Of course, I still thought she was crazy, but I wondered, "How is she doing this?" Then she informed me that she was resigning from my company: "Bob, my check was \$2,000 this week."

Now *this* impressed me. I said, "\$2,000 a week! How did you do that?"

"I keep telling you, Bob, this really works."

I said, "Maybe it works for you, but I can't see myself peddling little bottles of supplements from door-to-door. Dingdong, your pills are here."

And she answered, "It's not like that at all. In fact, I just share my story about how these products have changed our lives. People get curious and want to try them. They call a toll-free number and order products, which the company ships to their front door. I don't deliver a single product to anyone. The company does it all and I get a check."

She continued, "Now, here's the best part. This product is powerful. People fall in love with it and keep ordering it every month. And every time they do, I get more checks. But that's not all. These same people just can't help sharing how much better they feel. And when they do, I get a small sliver of profit from those transactions, too. And so on. And so on. Now there are thousands of people all over the world using these products—people I've never even met—and every Monday, I receive thousands of dollars as a result of my efforts and the efforts of hundreds of other people."

Now this *really* got my attention. I understood the power of leverage from my experience in real estate, where a small amount of money can put

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### WIT & WISDOM

A single conversation across the table with a wise man is worth a month's study of books.

CHINESE PROVERB

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**WIT & WISDOM**

**Hard work pays off in the future. Laziness pays off now.**

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you in control of a large amount of real estate. But this was even more powerful. Collette was leveraging herself through the efforts of hundreds of other people. Since these people are located all around the world, she's earning income 24 hours a day—even while she's sleeping.

In a previous chapter, I shared the following quote by David George, M.D.:

*“Poverty is when large efforts produce small results.  
Wealth is when small efforts produce large results.”*

That's a perfect description of what Collette was doing—small efforts, huge results. Earning \$2,000 a week amounts to about \$100,000 a year. Only a small percentage of the families in the world earn that kind of money. It usually takes decades of full-time effort to reach that level of income. Yet Collette had done it in less than 18 months. And it was going higher: \$3,000 a week, \$4,000 a week, \$5,000 a week. More impressive still, this income was residual.

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**WIT & WISDOM**

**I've never been poor, only broke. Being poor is a frame of mind. Being broke is a temporary condition.**

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**MIKE TODD**

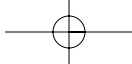
“Bob, I'm telling you, this company is different!” One day Collette left a video at our house, and my wife and I popped it in the VCR and started watching. I'll never forget what happened. As I watched, my intuition kicked in, whispering, “This is the one!”

Have you ever had a hunch? When part of you knows that something is right even though another part is still skeptical? Well, I usually listen to my intuition. It was a hunch just like this one that inspired me to start investing in real estate in the 1970s just before the huge boom. Remember those days? I made a fortune. It was another hunch that inspired me to leave my career as an investment counselor and write my first book, *Nothing Down*. The odds of a new author getting a book published are 10,000 to 1. Part of me just knew that if I followed my hunches something good was going to happen. How could I have known that *Nothing Down* would become a number one *New York Times* best-seller? My second book, *Creating Wealth*, was also a number one best-seller. Then I had a hunch to start several seminar companies—and they grossed over \$100 million in the next 15 years.

So you see, when I have a hunch it's usually a good one. And when it came to that video, my intuition was screaming, “This is the one!”

Collette phoned the next day and asked, “What'd you think of the video?” Despite my strong intuitive hunch, I replied, “Sorry, Collette, I just don't think I'm interested.”

To her credit, she didn't let my negativity stop her. She took my wife to lunch, and they decided to go ahead without me. I was so closed-minded, I wouldn't even sign the application. But before long, the checks started to flow in, just as Collette had said they would.



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Now, several years later, a very, very large check is automatically deposited into my wife's bank account every Friday, but it doesn't have *my* name on it. It's my wife's check. Mr. Skeptical here didn't want anything to do with it! So she gets the check and occasionally shares some of it with me.

In the next few pages, I'm going to show you how to get your name on a check like the ones my wife gets every week. But only if you're more open-minded than I was.

### Blinded by False Information

Why do you think I voted against my own intuition? Perhaps it was because I had heard some negative things about network marketing . . . and without checking things out for myself, I made some snap judgments that turned out to be completely wrong.

My first mistake was to assume that Collette's company was like some of the old-style multilevel companies from the 1960s and 1970s. In these earlier and ancient forms of network marketing, distributors had to stockpile their garages full of products and then try to peddle them to friends and relatives. To recruit new people, they were encouraged to drag everybody they knew to endless weeknight pep rallies. Needless to say, very few people made any money, and almost everyone else quit in frustration, their garages full of stuff that they couldn't give away. It left a bad taste in a lot of people's mouths. Collette assured me that this new company was *nothing* like that.

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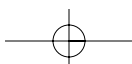
**WIT & WISDOM**  
**Most folks' financial problems are really quite simple—they simply don't have any money.**

Around this time, I learned of a book by a former editor at *Success* magazine, Richard Poe. It's called *Wave Three: The New Era in Network Marketing*. He writes,

. . . The Wave-Three Revolution . . . began over 50 years ago, when Carl Rehnborg invented network marketing—a business system designed to make it easy for anyone to become an entrepreneur. MLM's rough-and-ready days lasted 40 years, a formative period that I have named Wave One. Wave Two took hold in the 1980s, when PC technology made it feasible to start an MLM company from your garage. That created a groundswell of new companies. But Wave-Two network marketing still tended to work best for those who needed it least—aggressive, sales-oriented entrepreneurs. It is only Wave Three, now making its entrance, that finally offers the masses a realistic promise of financial freedom. Through new systems and technology, Wave Three enables average men and women—not just super sales people—to enjoy the fruits of entrepreneurship while avoiding many of its hardships.

Obviously, Collette had stumbled across one of these Wave-Three companies.

Based on the impressive research in this book, I reluctantly allowed Collette and my wife to introduce the concept at one of my smaller seminars.



I was still very skeptical, but within weeks, some of these same people were calling back to tell me how much better they were feeling.

I was amazed. You see, I hadn't been taking any nutritional supplements myself. I felt I was in pretty good health and didn't need anything. Only later did I learn that our health really is in danger and that every one of us should consider daily nutritional supplementation.

When it came to making money through network marketing, my seminar graduates were calling me and saying,

"Bob, this is the best moneymaking idea you've ever recommended."

"I made \$1,000 dollars this week."

"I've tried network marketing before, but this is so much easier."

And I'm thinking to myself, "Hmmm! Maybe there really is something to this."

It all clicked for me when I watched a quadriplegic in a wheelchair earn his first \$1,000 network marketing check. I thought to myself, if he can do this, anybody can. That's when I decided to focus more attention on "our"



#### WIT & WISDOM

**Obstacles cannot crush me.  
Every obstacle yields  
to stern resolve.**

LEONARDO DA VINCI

nutritional business and to definitely add it to our portfolio of income streams.

We've been involved in a lot of businesses over the years, and network marketing has been one of the most rewarding things we've ever done. We have no overhead. No debt. We maintain this powerful stream of income with zero employees. We don't even have a secretary. And it's completely

portable, which means I can run this business from my own home in my bathrobe, from my car phone, or from a mailbox in Tahiti. It has very little downside. And the income is residual.

When people ask me today if I'm involved in network marketing, I reply with a resounding *absolutely!*

I don't know what your experience with other network marketing companies has been, but my experience has been *fantastic!* Once the income starts to flow, it's like an oil well in your backyard. It just keeps pumping out profits. Looking back, I wonder how I could have overlooked such a powerful moneymaking idea for so many years. And I'm saddened because those same misconceptions are holding back so many other smart, reasonable, intelligent people.

#### **Put Yourself on Neutral Ground**

Well, let's suppose that you aren't as skeptical as I was at first. Suppose you take me at my word and at least put yourself on neutral ground to consider adding another stream of income like this to your life. Let's discuss answers to the three most common questions that people ask:

Question 1. Is this really legitimate?

Question 2. Why should I consider this type of business versus a traditional franchise?

Question 3. What do I really have to do to make this work?

**Question 1: Is this industry really legitimate?**

Frankly, this was one of *my* first questions. I didn't want to get myself, or my loyal readers, involved in some pyramid scheme. I checked out the industry and found it had combined sales of tens of billions of dollars and more than 10 million active distributors worldwide. Yes, it is not only legitimate, but it's being recognized as the growth industry of the future. It has attracted the attention of many Fortune 500 companies, including Colgate-Palmolive, Gillette, Avon, Coca-Cola, and MCI. Just recently, AT&T, the worldwide telecommunications giant, also began marketing its long-distance services through network marketing.

Do you remember the days when Japan had the reputation of making inferior products? When I was a kid, a product marked "Made in Japan" was usually cheap, inferior junk—a joke. Today the perception of Japanese products is 180 degrees opposite—only the finest products come out of Japan. This same shift in perception is happening to the network marketing industry. The public is quickly finding out that some of the finest and most reasonably priced products are marketed through the vehicle of network marketing. If this weren't the case, do you think AT&T would even have considered it?

If AT&T is willing to bet its reputation on it, then so am I. And so are a lot of other smart, intelligent, successful people: Doctors, teachers, astronauts, Fortune 500 executives, famous actors, best-selling authors, health professionals, university professors, coaches, Olympic athletes, world record holders, chiropractors, nurses, scientists, bankers, and attorneys, along with tens of thousands of other reasonable, intelligent people from all walks of life, are flocking to this industry. Many of us who wouldn't even have considered network marketing in the past are now wholeheartedly embracing the Third-Wave companies that are emerging.

**Timing Is Everything**

The timing is perfect for the future growth of this industry. It coincides with the massive layoffs and downsizing of the early 1990s, the huge explosion of home-based businesses throughout the decade, and the bursting of the stock market bubble in the early 2000s. Over 77 million baby boomers are searching for ways to earn income to supplement their upcoming retirement needs.

**Question 2: Why should I consider this type of business versus a traditional franchise?**

Your goal in launching streams of income from the marketing mountain is to select businesses that market products that you can get excited about. Suppose you love nutrition and health. You like the thought of earning

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**WIT & WISDOM**

An expert is a man who has made all the mistakes which can be made, in a very narrow field.

NIELS BOHR

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**WIT & WISDOM**

A billion dollars isn't what it used to be.

NELSON BUNKER HUNT

money helping people get and stay healthy. You decide to check out several business models.

You see an ad in *Entrepreneur* magazine for a top nutrition franchise. For only \$58,500, you can own your own business with the support of a worldwide company using a proven business system. The odds for success are high. However, there are some disadvantages. It will require that you sign your name to a lease, hire and train employees, purchase inventory, equipment, shelving, and so forth. However, after a short, intense training period you can open for business and be your own boss. It sounds irresistible—if you have \$58,500. Should you mortgage your home?

In the same magazine, you notice an ad for a company that markets quality nutritional products through network marketing. You check out the company, the products, the people you will be working with. You find out that for less than \$1,000 (usually a lot less) you can become a distributor and be up and earning income in a matter of days, not months.

Perhaps the most compelling advantage is the fact that this has the potential of creating residual income—multiple streams of income from your growing group of downline distributors. It's feasible that with a few short years, you could even retire with a substantial, recurring stream of income that takes minimal involvement on your part. You have none of the hassles of taking inventory, doing books, and managing employees. But there are some disadvantages. You'll be operating out of your own home, so you have to be self-motivated and disciplined. It might get lonely. But that's okay. You can occupy yourself by counting all the money you've saved by not mortgaging your house.

#### **Franchising**

Large up-front franchising fees

Leasing office/retail space

Hiring, training, managing employees

Stockpiling and inventorying products

Shipping and/or delivering products

Locked into retail business hours

Linear income (you must be present)

High overhead

#### **Third-Wave Network Marketing**

Small initial distributor fee

Work from home

Recruiting, training other distributors

Little or no inventory

Company ships products directly to customers

Flexible hours

Potential for residual income

Low overhead

When I compare my network marketing income to the businesses I've owned and operated during the past 20 years, our network marketing business is the hands-down winner. I've owned restaurants, clothing stores, a chocolate factory, apartment buildings, commercial buildings, seminar companies, newsletter businesses, and direct-mail, multimedia,

**\$\$\$ Start-Up Costs for 25 Well-Known Franchises \$\$\$**

	Low	High
Taco Bell Corp.	\$3,000,000	\$3,000,000
KFC Corp.	\$1,100,000	\$1,700,000
Denny's Inc.	\$971,000	\$1,800,000
Pizzeria Uno Chicago Bar & Grill	\$778,000	\$1,700,000
Hardee's	\$770,800	\$1,100,000
Popeyes Chicken & Biscuits	\$600,000	\$1,200,000
McDonald's	\$489,900	\$1,500,000
Days Inns Worldwide Inc.	\$400,000	\$5,400,000
Burger King Corp.	\$294,000	\$2,800,000
Dunkin' Donuts	\$255,700	\$1,100,000
Dairy Queen	\$234,200	\$640,800
Cinnabon Inc.	\$232,500	\$333,500
AAMCO Transmissions Inc.	\$187,500	\$207,000
Jiffy Lube Int'l Inc.	\$174,000	\$194,000
Baskin-Robbins USA Co.	\$145,700	\$527,800
The UPS Store	\$141,100	\$239,700
GNC Franchising Inc.	\$132,700	\$182,000
Pearle Vision Inc.	\$115,800	\$372,800
Supercuts	\$90,900	\$164,100
Subway	\$86,000	\$213,000
Blimpie Int'l Inc.	\$72,800	\$338,200
RadioShack	\$60,000	\$60,000
Curves	\$30,600	\$36,100
RE/MAX Int'l Inc.	\$20,000	\$200,000
Century 21 Real Estate Corp.	\$11,600	\$522,400

Source: Entrepreneur.com, November 2003

and software businesses. I've invested in Broadway plays. I've even owned a piece of a professional basketball team, the Utah Jazz. Network marketing beats them all. My overhead is minuscule compared to my former company that had 250 employees. Just the thought of going back to managing employees makes me cringe. I no longer need to pay salaries, benefits, social security taxes, workers' comp, health care, retirement plans. To an ex-employer like myself, it seems like a miracle.

But, you say, “I don’t want to end up with a garage full of unwanted products.” Neither would I. And frankly, this used to be a problem with some Wave-One and Wave-Two companies that used high-pressure tactics to induce new distributors to buy thousands of dollars’ worth of product to get started.



**WIT & WISDOM**

**Discontent is the first  
necessity of progress.**

THOMAS EDISON

That’s what makes Wave-Three network marketing companies different. Gone are the days when distributors needed to stockpile products in their garages, deliver products door-to-door, fill out endless paperwork, and package and ship products nationwide. All of this drudgery is handled by the company. All you need to do is find customers, fill out some minimal paperwork, answer questions, and do some training. And you’re in business.

But, you say, it seems like everybody is into this. Won’t I run out of people? Don’t be silly. There are 300 million people in North America alone, of which less than 10 percent have ever been involved in network marketing. Plus hundreds of millions, even billions, of people in other countries. Although network marketing was invented in America, it’s even bigger and more popular in Japan and is booming in the Far East.

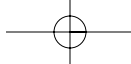
In fact, that’s the exciting thing about network marketing. You will be personally involved in the recruiting, sponsoring, and training of the first few dozen distributors in your organization . . . but then it starts to take on a life of its own. These first few people recruit others, who then recruit others . . . until it spreads to other parts of the country and even to other countries. If you persist, your organization soon consists of hundreds, even thousands, of people all over the world who are buying products—people whom you have never met, whom you never will meet, but people who nonetheless are helping to build for you a nice residual income of hundreds of even thousands of dollars a month. This is what I call leverage. It’s truly amazing.

**Question 3. What do I have to do to really make this work?**

First let me tell you what you *won’t* have to do.

*You won’t be delivering many products to anyone.* If you were looking forward to delivering products to your neighbors door-to-door, you’ll be very disappointed. Third-Wave network marketing companies don’t work that way. What will you do? You’ll just tell a few people about how much the products have improved your life, and, after some simple paperwork, they’ll order the products directly from the company over a toll-free line. The company even handles the delivery for you.

*You won’t have to attend a lot of boring weeknight meetings.* If you were looking forward to donating two or three nights of your week to attending a bunch of boring meetings, you’ll probably not like this business. What will you do? You’ll just share one of your chosen company’s powerful audio- or videocassettes with people who show an interest, and these tools do all of the work for you.



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*You won't be doing a lot of face-to-face selling.* If you love to sell, if you like to handle tough objections, if you live for the thrill of the close, then I'm sorry but I have some bad news. You'll probably do very well in one of those ancient network marketing companies where you have to find 50 or 100 customers to make any decent money. But in many of the new Third-Wave companies, you need only a few new customers a month to start on your road to success. There are 5 billion people on this planet. Do you think you could find two people a month who are interested in adding extra streams of income to their life?

Here is how it will probably work at first. You'll share an audiocassette with someone you meet, who will listen to it and say, "I'm interested. Tell me more." You'll set an appointment for your prospect to have lunch with you and your sponsor. The three of you show up at the appointed time. Your prospect listens while your sponsor does all the talking. You just observe. (This is your on-the-job training.) Your prospect signs up and starts ordering the product. You get a check.

Does this sound too hard? This is the exact model Collette used to sponsor my wife. She showed us a video. My wife said, "Tell me more." Collette said, "Let's have lunch." And my wife said, "If that grumpy husband of mine isn't interested, we'll go ahead without him." And that's what they did.

Using this model, Collette makes more money during her lunch hour than most people earn in a month. And she continues to be paid over and over again for that same effort. Wouldn't it be nice to get paid over and over again for time you spent at lunch six months ago?

What if you don't have time for lunch? Easy. Do it over the phone. It's actually faster and cheaper. Be sure to involve your sponsor in the phone call (a three-way call, to include you, your sponsor, and the prospect). Your sponsor does the presentation while you "observe" (on-the-job training). The prospect joins your team, orders some products, and you start to earn a small stream of income.

Does this sound too hard to you? You listen. Your sponsor talks. People order products. You get checks.

With just a few hours a week on the phone, you can create a wonderful stream of residual income. Would you donate a few hours of your flexible time each week if you knew you could be earning \$2,000 to \$3,000 a week in residual income in two to three years?

### Are You Crazy?

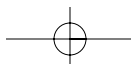
When I explain how simple this can be, some people look at me as though I'm crazy. So I give them the financial-freedom test:

"Do you have multiple streams of income flowing into your life?"  
(They usually answer no.)

"Do you get paid multiple times for every hour you work?" (Again no.)

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**WIT & WISDOM**  
A waiter: Someone  
who believes that  
money grows on trays.



“Are your hourly earnings potentially unlimited?” (Still no.)

“Do your income streams flow 24 hours a day with or without you?”  
(No.)

“Do you own or control these streams of income?” (No.)

“Will your income streams continue to flow after you die?” (No.)

“Can you give yourself a raise any time you want?” (No.)

“If your main income stream dries up, could you survive for a year without income?” (No.)

Then I say, “Because of network marketing, I can answer yes to each of the preceding questions.” I wonder which of us is the crazy one?

*This is my definition of crazy:* **Crazy**, n. Work for peanuts at various jobs you hate for 50 years. Then die poor.

*This is my definition of smart:* **Smart**, n. Work hard for a much shorter period of time. Retire with multiple streams of residual income.

We’ve been earning regular, residual streams of income from network marketing income for years now. This is smart. This is intelligent. This works! As you can tell, I’m not a skeptic anymore. Sometimes I get so excited I can’t sleep at night. Not because of the money I make, but because of the good that is done, the lives that are influenced, the personal growth that I see. This is fun. Yes, fun!

But it’s not without its sadness, too. Here’s the hardest part for me. I see people struggling financially in their lives. I see people in poor health. I see people whose lives are not working. I say to them, “I’ve got an answer for you that works!” But because they’ve tried other forms of network marketing that didn’t work, or because they know someone who tried and failed, their minds snap shut. I can’t blame them. That’s exactly what I did. Still, I wish I had the power to persuade them to take a closer look. They might just like what they find.

### **Sometimes You Need Someone to Show You the Way**

Most people live their lives unaware of the incredible opportunities that exist all around them. I’m reminded of the story of a woman in the early days of this century. She saved for many years to come to America, and she finally had enough money to afford passage on a large ocean liner. Because money was so tight, she stayed in her cabin most of the time, rationing the food she’d brought on board with her. With one day left on her journey, she decided to splurge on a meal. She showed up for the final banquet buffet, and, bracing herself for the bad news, she timidly asked the maître d’ how much a meal like this would cost. “But madam, didn’t you know? All of the meals are included with your ticket. You can eat as much as you like—for free.”

Life is like that. You don't want to get to the end of your life and realize that you could have had anything you wanted if someone had just shown you the way. With the same effort you're now expending, you can be enjoying the banquet of prosperity that life has to offer. *Well, enough motivation. Let's get started.*

Let me show you a specific system for building a lifetime stream of income in network marketing.

First the bad news. It's been reported that as many as 90 percent of the people who get involved in network marketing fail at it. Here's why.

The vast majority of people who get started are not committed. Because they had little to risk in starting (a \$50 distributor kit and a few hundred dollars' worth of products), they also have little to risk in quitting. (They eat up their personal inventory and they're out of business.) At the first sign of resistance, they quit. Easy in, easy out.

Because of the ease of entry, the industry tends to attract a get-rich-quick crowd. They play the network marketing game like they play the lottery. Buy a cheap ticket and, if it doesn't work out, no big deal. Some people bounce from company to company like MLM junkies.

In my experience, once you weed out the flakes, the people who stick with network marketing as a serious business endeavor are among the most dedicated, hardworking, wonderful people I've ever associated with.

Still, there are many who work hard at network marketing and can't seem to find the right combination. After 10 years of studying this industry, I've figured out what works and what doesn't work. Just as I did with real estate, I reduced the entire business to three basic principles. If you'll follow these basic steps, you, too, can be successful at this:

Principle 1: Select the right company.

Principle 2: Use the right marketing system.

Principle 3: Use the right leadership system.

## **Principle 1: Select the Right Company**

There are between 200 and 300 legitimate, long-term, viable companies involved in the network marketing business today—marketing everything from toys to skin care to long-distance telephone services to financial services to legal services to nutrition. When choosing the right company for you, you should examine the following three criteria:\*

\* I can cover these items only briefly in this chapter. My favorite in-depth analysis of how to choose a network marketing company is by Daren Falter. It's called *How to Select a Network Marketing Company*. It's excellent. He has exhaustively researched over 200 companies and analyzes the top 50. If you'll go to my web site at [www.multiplestreamsofincome.com](http://www.multiplestreamsofincome.com), I'll tell you how to obtain your own free copy (keyword Free Falter Book), or call my office at 801-852-8700.

— \$\$\$ —

### **WIT & WISDOM**

**Can anybody remember when  
the times were not hard, and  
money not scarce?**

**RALPH WALDO EMERSON, 1870**

1. The products or services of the business
2. The compensation plan: How will you get paid?
3. The company and its management

### **Choosing the Right Products or Services**

Pick a product you are passionate about or would like to become passionate about. If you do, it will be easy for you to talk to other people about it. It will become your hobby, not just your livelihood. Personally, I picked the health industry. Whether your passion is health, cosmetics, or jewelry, there is most likely a company that markets products you could get excited about.

The most important consideration when selecting a network marketing company is the type of products that the company markets. By “type” I mean the frequency of consumption. Does your customer use the product daily, weekly, monthly, or infrequently? You want a product with high-frequency consumption. Why? Because it generates frequent reorders . . . usually on a monthly basis. Frequent reorders mean constant, residual business. Therefore, and this is extremely important, your business can grow with fewer customers. If, however, the product is used infrequently, orders will be sporadic and infrequent. Therefore, it will mean that you will have to attract more new customers to be able to build enough residual monthly orders to earn regular checks.

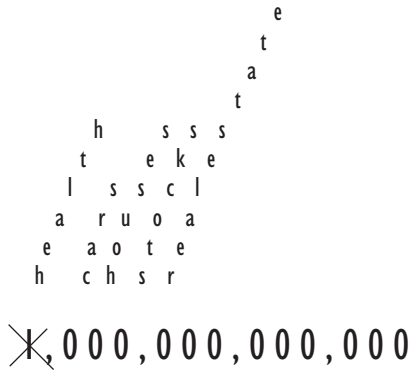
The growth of any business is dependent upon an influx of new customers and continuing orders from a base of existing customers. If your base of existing customers reorders your product only on an infrequent basis, then the major source of growth will have to be in attracting large numbers of new customers. Any businessperson will tell you that attracting new customers is the most difficult and most expensive way to build a business. If, however, your existing customer base must reorder frequently, you will be able to build a stable foundation for your business.

To earn residual income, you want a product that lends itself easily to residual reorders. That’s the main reason I love nutritional products. People consume them on a daily basis and reorder them every single month to replenish their supply. I also like nutritional products because people can feel the difference in their health—which is one of the most important areas of life.

To illustrate, let me share with you the ancient Arabic formula for wealth, shown in Figure 12.1. In this formula, 1 represents your health, and all the zeros represent everything else in your life—cars, houses, stocks, jewelry, real estate, and so forth. As you can see, if you take away the 1 at the beginning (your health), then everything else is truly just a bunch of zeros!

**1,000,000,000,000**

When you select products to represent, try to choose those that are



**FIGURE 12.1** The ancient formula for wealth.

more like 1s and less like 0s. It fits the money tree formula you learned in Chapter 3: *essential to everybody every day*.

### Choosing the Right Compensation Plan

There are five or six different and competing systems that network marketing companies use to reward their intrapreneurs/distributors/associates/affiliates. They are the *breakaway*, the *unilevel*, the *matrix*, the *two-up*, the *binary*, and various hybrid or combination plans. Sounds confusing already, doesn't it?

Let me make it simple for you. Over 75 percent of the companies in the industry use a breakaway or stair-step breakaway plan made popular by such industry giants as Amway, Shaklee, and Nu Skin. In my opinion, they represent old-style network marketing. Recently, these older plans have been losing ground to newer, more equitable, simpler pay plans . . . like the unilevel and the binary used by a rising star such as USANA. Older companies have a challenge keeping up with innovations in compensation plans because their huge distributor base is locked into a single-pay plan.

The most important consideration when choosing a pay plan is the number of people that the average person needs to enroll to begin earning income. Here is the question you would ask before you join a company:

*How many customers do I need to enroll to be able  
to earn \$500 a month in extra income?*

The lower the number, the better. If it's relatively easy for the average person to earn a steady income, it will be easier for you to grow your business.

### Choosing the Right Company and Management Team

As in any industry, the majority of network marketing businesses fail in the first five years. Therefore, you need to be extremely careful in selecting a company that is going to stand the test of time. The easiest way to

do this is to select only a company that has a track record of increasing sales and profits for at least five years. This narrows the field drastically.

On the plus side, if the company you're researching is publicly traded, so much the better. It will be easy to scan the financial statements and quarterly earnings reports. You're looking for a company that is well managed, solvent, with little or no debt, that has reached a critical mass of distributors to sustain growth and that has been around long enough to have worked out the beginning bugs.

**\$\$\$**

**WIT & WISDOM**

**You will become . . . “as small  
as your controlling desire,  
as great as your dominant  
aspiration.”**

**JAMES ALLEN**

Check your local Better Business Bureau to see if any complaints have been filed against the company either in your state or nationwide. It will be an indication of the ability of the company to keep out of trouble. If you find problems, you might also check with your state attorney general's office to see if there are any legal actions pending that might affect the ability of the company to do business in your state.

If you are so inclined, you might even make a visit to the headquarters of the company to check things out. Because your income relies on the ability of the company to survive long term, you might even visit with members of top management.

Once you've selected a product, a company, and a compensation plan, you're ready to launch your business.

## Principle 2: Use the Right Marketing System

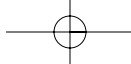
By *marketing system*, I mean how you will attract your customers. Here is the system that most people use to get started in traditional network marketing:

- Make a list of at least 100 names, including everyone you know.
- Call each of them and try to sell them your product or opportunity.

What a formula! It's simple. It's cheap. It's duplicable. But 90 percent of the people who follow that system fail!

Why? Because, the odds of finding a truly qualified customer in any average group of 100 people is very low. Maybe only 1 to 2 percent are actually seeking your product or opportunity *at this moment*—5 percent if you're lucky. Zig Ziglar himself couldn't find more than five good customers in this group. Ninety-five people would turn him down. That's a 95 percent rejection rate—and he's the best salesperson in the world! What's going to happen when our untrained beginner calls this same list? Massive rejection followed by failure.

It's not necessarily because the product is bad or the opportunity is not good or even because the beginner doesn't know how to sell. It's because



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the odds of finding two good customers in *any list* of 100 average people is very low. But the beginner doesn't know this. Armed with unrealistic expectations, novices call everyone they know, and after only a few calls, it *appears* as if *nobody* is interested. Because these people are supposed to be their friends, beginners take these rejections *personally*. It's painful. And that's why they quit. It sounded so easy when they signed up. But in reality, finding those first two good customers was much harder than they expected.

But here's the good news. Although a beginner feels defeated with only a 5 percent success rate, any mail-order marketer will tell you that a 5 percent response rate is fantastic! It's the stuff fortunes are made of. Mail-order marketers are ecstatic with a 1 or 2 percent response rate!

For example, suppose I'm trying to market a two-day seminar about network marketing. The cost is \$295. I write a direct-mail letter and rent a target mailing list of 20,000 prospective buyers. The cost of the letter, the list, and the postage are about \$15,000. If I get a 1 percent response rate—which is 200 people—I'm thrilled. It generates \$59,000 ( $\$295 \times 200$ ) in revenue. After all costs, a substantial profit remains.

Here is the fundamental principle behind any successful network marketing business:

*If you can find just one or two customers in every 100 contacts, you can build a fortune.*

Collette, my ex-secretary, invited 44 people to her first meeting. Four people showed up and two people left early. But the two who remained were excited and signed up. From the genesis of those first two people, Collette earns today an income in excess of \$1 million per year.

How can you find two good people like this? The problem is that most people are not good at selling. In fact, they hate selling. It's not the actual selling they hate, it's the rejection.

To be successful in network marketing you need a system that . . .

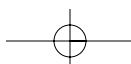
Dramatically lowers the probability of rejection.

Sifts through the 100 people to automatically find the five who are most interested.

Gets those five prospects to call you on the phone and tell you they're interested.

Automatically trains the two hottest prospects to sell themselves and give you the money.

Even if you hate to sell, suppose people *asked you* to sell them a product. Would you turn them down? I don't think so. Let me show you how to get people to call you and almost beg you to sell them something. In order to do that, we have to take the old *selling* paradigm and turn it around 180 degrees into a *marketing* paradigm. Here are the paradigm shifts:



### **Traditional Network Sales Model**

#### *Outbound:*

You call people and try to sell them stuff.

#### *Massive rejection:*

You make 10 calls and suffer 9 rejections to find one hot prospect.

#### *Sales model:*

You try to convince them that you have the best product.

### **High-Tech Network Marketing Model**

#### *Inbound:*

They call us and want to buy.

#### *No rejection:*

Only the hot prospect responds. The 9 cold ones don't respond. Good. We don't want to talk to them anyway. Who wants unnecessary rejection?

#### *Interview model:*

We "interview" them to determine if they are the right fit for our product and opportunity. We decide whether *we* want *them* on our team . . . not the other way around.

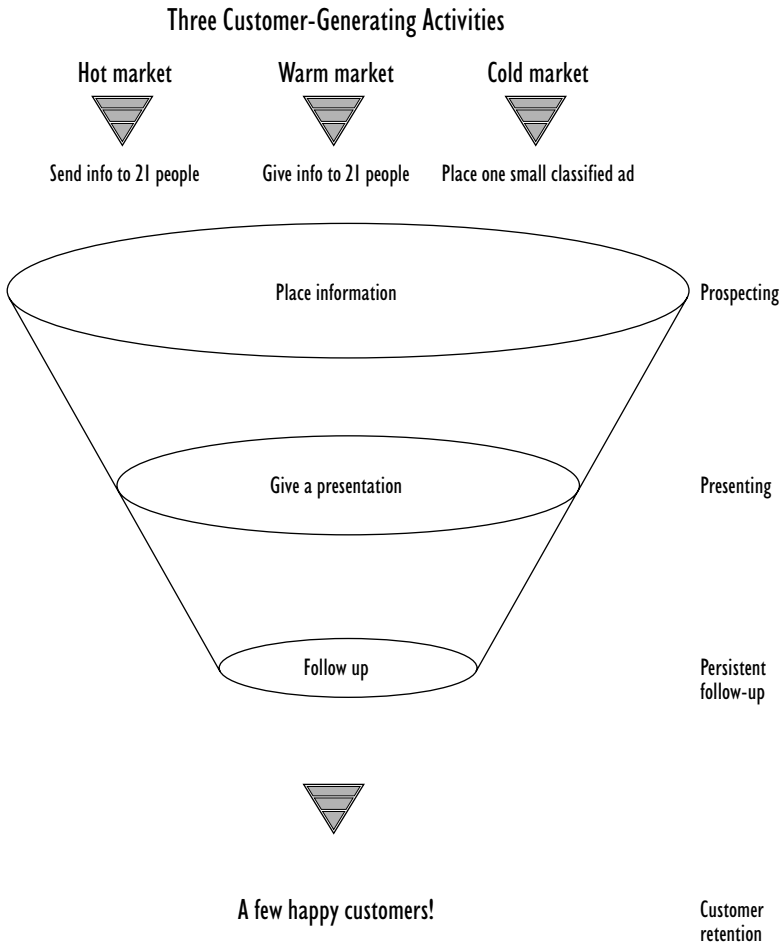
In other words, we don't do sales, we do marketing. We talk to only those who "raise their hands."

Well, enough theory. Let me show you how the system works. Study the funnel diagram in Figure 12.2. Then I'll walk you through a system to fill up that funnel with hot prospects.

Let's assume it's an ordinary Monday, the first day of the month. You've chosen your company, and your distributor kit has just arrived along with a small supply of your company's products and some marketing materials (tapes, brochures, etc.). Let's assume your goal is to earn your first networking check within 21 to 30 days from the moment you launch.

Just a reminder about the kind of income we're going to be earning: If all you want is to earn some extra money, you could always go into the working world and get a part-time job (\$10 an hour and 20 hours a week gives you a quick \$200). From that, of course, you have to deduct the hard costs: taxes, gas, insurance, and child care if necessary. Then you add the emotional cost of this part-time work—dressing up, getting stuck in commuter traffic, dealing with a grouchy boss and office politics, sacrificing your freedom. When you add it all up and subtract the negatives, there's not much left over. And all you have to look forward to is another week just like the last one—week after miserable week as far into the future as you can see.

The kind of income I want to show you how to earn is a recurring stream of income, one that can possibly continue to flow for years to come. Most people who toil in the working world have difficulty imagining this



**FIGURE 12.2** The marketing funnel.

kind of income flowing into their lives. But those of us in the networking world see it happening every single day. And the best part of this world is the lifestyle.

For me, it's not about the money. It's all about lifestyle. For example, my commute time from my bed in the morning to my office is 26 seconds (I know because I just timed it). This saves me an hour a day in commute time. That's an extra hour I can spend with my family. That's something you can't put a price tag on. When you're the boss, you get to choose the dress code. For me, it's my exercise outfit. And I rarely shave before noon. When I'm on the phone (where I do most of my business) people can't tell what I look like. And I like it that way. There are no office politics in my home office. And here's the exciting part: In contrast to the working world, there is no limit to the amount you can earn in the networking world. Low downside, huge upside potential. That's a good combination.

### **The 21-Day Challenge**

What quality of lifestyle do you want, and what price are you willing to pay to get it? It takes a special kind of person, a person with vision, to step back from the pressures of life and say, “I don’t want to live like this anymore,” and then to do something about it. Even though you may be earning good money, it can’t be all that good if it’s attached to a bad lifestyle.

Here’s the seven-step plan. Let’s call it the 21-day challenge.

#### **Step 1: Set aside at least 5 to 10 hours a week.**

That’s about an hour a day. For most people, that’s difficult, because our lives are already full. Luckily, I’ll show you how to earn this extra income by using a golden minute here, a spare moment there. You’d be surprised how, just by reshuffling some of your time and refocusing your priorities, you can grow a wonderful stream of extra income. Are you willing to do that?

#### **Step 2: Think small.**

You heard me right. Most opportunities boast of how you can earn huge amounts of money: \$100,000 a year for life—in three weeks! It’s just not realistic. So, let’s chunk down. Shoot for a few hundred to a few thousands dollars a month. When the checks have started to flow and you have proven to yourself that this is realistic for you—given your personality, your time, and your circumstances—then you can decide whether you want to go for the big bucks.

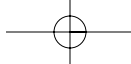
#### **Step 3: Make a list of 21 sharp, opportunity-oriented people.**

Twenty-one. No more, no less. Choose people you know who might be interested in earning an extra stream of income. Let me say that again: Don’t put anyone on that list unless you think that person might be interested in earning some extra income. I call these people *hot market contacts* because they are people you know—friends, coworkers, relatives, members of groups you belong to. You’re going to be sending these people a very nonthreatening package of information that is designed to find one person . . . only one in twenty-one . . . who might be interested in what we have. Let me repeat, we expect to find only *one* person from this list.

When you join your selected company, ask your sponsor to help you gather a package of the company’s top prospecting materials . . . audio-cassettes, videos, special reports, or brochures. Using your list of 21 people, address and stuff the mailers, affix the proper postage, seal them, and set the mailers aside. Don’t mail them yet.

#### **Step 4: Prepare 21 sets of prospecting materials to hand out.**

As you go about your normal day, there will be opportunities to meet new people, people you may not know but who might be interested in earning



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an extra stream of income. I call these people *warm market contacts* because they are people you meet on a daily basis. I'm going to show you a very nonthreatening way to hand out these 21 tapes to 21 interested people over the next 21 days. This activity is designed to find one person—only one in twenty-one—who might be interested.

### **Step 5: It's time for action. Drop the 21 mailers in the mail.**

As soon as you've dropped them in the mail, you now focus on handing out one tape a day. That should be your habit: one tape a day, no matter what. Do you think you could do that? For 21 straight days?

Here's how. Notice how many people you interface with each day. At lunch, while shopping, at the gym, at a school meeting, in a mall, at work. There are dozens of possibilities. Your assignment is to hand out one of these tapes to an interested person each day. How will you know they're interested? After breaking the ice, ask them, "Have you ever thought about adding an extra stream of income to your life?"

If you get a yes, say, "So have I. In fact, I've decided to do something about it. For the next 21 days, I'm going to hand out one tape a day to help me find someone who would like to create extra streams of income. I've got an incredible tape that I'd like to give you. Will you listen to it?"

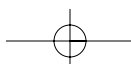
Get their name and number and set an appointment to call them back. Just before you leave, say this: "Whether you want to do this or not is not important. I'm just looking for one person who wants to improve his or her life dramatically. My goal is to help that one person start earning income within 30 days. When I call, I'm not going to try to get you to do this. . . . If the tape doesn't get you excited, then this isn't for you. I'm calling only to ask you what you thought. Just tell me frankly what you thought, negative or positive. . . . It makes no difference to me. The only thing that will really offend me is if you won't return my calls. When I call, just tell me straight, "This sounds good, let's do it," or, "You know, this just doesn't sound like me."

### **Step 6: Follow up.**

This is the most important step. It is the razor's edge between success and failure. You can't expect to just mail out or hand out some tapes and then have people start throwing money at you. We all are busy. Most of us need multiple exposures to a new idea for it to sink in. Here's how to follow up.

As soon as you've dropped the information in the mail to your top 21 people, call them all on the phone the same day, tell them you've sent them a package of information, and ask them to be looking for it. This will ensure that when they get it, they won't throw it away. Ask if it would be okay for you to call them after they've reviewed it to get their reaction. If you can't reach a live voice, just leave a message on their answering machine.

Some people hate to communicate with their hot market. Why?



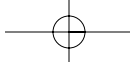
Perhaps they've already approached these same people with previous opportunities that didn't pan out. In short, they're embarrassed to contact them again. That is why sending letters is so nonthreatening. If they're not interested, they won't respond. If they are interested, they will respond. Let them make that decision, not you. It's been my experience that in *any* group of 100 people, there are *always* a few who will respond to an opportunity—if only out of curiosity. Since the last time you contacted your list, a few of them may now *need* an opportunity. Your letter might just be a godsend. Don't you want to be the answer to someone's prayers?

In 21 days, you'll be talking to a total of 42 people. Here's the question to ask when you make the follow-up call, "Well, what did you think?" And just let them talk. Don't be defensive, just listen. Listen as if you were an employer trying to hire a new employee. See if you can select the best person for the job. If you wouldn't hire the person for a real job, maybe you wouldn't want to work with them in your new business. I want you to cycle through those 42 people until you get a no, a maybe, or a yes from every single one of them. This may take several calls. I've included a sample follow-up chart to track your contacts (see Figure 12.3). Marketing executives have long quoted the statistic that 80 percent of the sales take place after the fifth contact. Why is this? Because nobody follows up! Those who persist get the gold.

Once again, it all boils down to finding two people *and* helping them to find two people. Do you think you could do this? Let me show you how to dramatically improve your odds of finding those two people *fast*.

**Step 7: Increase the probability that one person in twenty-one will say yes.**

1. *Do a three-way call.* I highly recommend that you ask your sponsor, the person who enrolled you in your company, to be with you during the initial call—not only for moral support but to add credibility to the process. (In networking, we call this a *three-way call*.) Also include your sponsor in the follow-up call. Believe me, it will dramatically improve your success rate. Something magical happens when the two of you work together.
2. *If you can, meet with them face-to-face.* Better yet, try to meet with your hottest prospects face-to-face if possible, perhaps over lunch. If you can, get them to a local meeting where they can rub shoulders with the kind of people your company attracts.
3. *Use high-tech recruiting systems.* You can also build credibility by directing interested prospects to any of your company web sites, hot lines, weekly or daily conference calls, and so on. If you would like to experience how a system like this might work, check out the hot line at 1-801-235-0600 and/or the web site at [www.successfulpeople.com](http://www.successfulpeople.com).



**Our Three Main Customer-Generating Activities**



Goal: To fill up your follow-up funnel with 21 interested people as fast as you can.

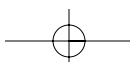
Name of Prospect	1st Follow-up	2nd Follow-up	3rd Follow-up	4th Follow-up	5th Follow-up
1.					
2.					
3.					
4.					
5.					
6.					
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**FIGURE 12.3 The follow-up funnel.**

All told, you'll be distributing sets of materials to 42 people in your first 21 days. This is designed to find two sharp, interested people—let's call them Bob and Sue. When Bob and Sue become part of your team and buy a supply of products for their personal use, you will most likely earn your first small check. This may not seem like much to you now, but remember, this could be the start of recurring streams of income.

In your next 21 days of activity, you will be working with your first two people to help them find *their* first two people using the same 21-day system.

Let's assume they do it. In your second month, there would be six people on your team in addition to yourself. Every time anyone on your team buys one of the company products, you earn a small referral fee. As the weeks roll forward, you continue to work with Bob and Sue to



help each of their two people find two more people. At the end of the third month, your team potentially consists of 14 people. Bob and Sue below you, four people below them, and eight people below them ( $2 + 4 + 8 = 14$ ).

In this third month, if everything goes according to plan, everyone on your team is consuming products and your checks are getting larger and larger . . . large enough to catch your attention. Bob and Sue's checks could be growing as well. And many of the people below them are starting to earn their very first checks. Your top people are starting to see that if they just follow the plan, consume these wonderful products on a daily basis, and find a few others who consume these products, then everyone can earn income.

By this time, you'll most likely have a product success story to tell. When you meet people you know, you'll be able to say with conviction that your part-time, home-based business is starting to work. Your enthusiasm will be contagious.

In the ideal situation, after six months your team could consist of over 100 people, of whom you have personally sponsored only a handful. The other people on the team have brought in the rest. Now you're starting to see the power of leverage. Then the magic begins as people below you start bringing in customers from other parts of the country and, eventually, from other parts of the world. Your influence is spreading all over the planet, and small streams of income are flowing from the four corners of the earth. And you didn't even have to leave home!

### **Placing Small, Classified Ads**

When you're ready to accelerate your business building, I encourage you to attract new prospects by using inexpensive classified advertising. This is the most exciting but least effective of the three approaches. For every 50 prospects who enter the top of your funnel, there may be only one or two who come through for you. It's hard to warm up these people, and they cool down very quickly. But they are an important part of the system.

The fastest, cheapest way to get your phone to ring is to place an inexpensive classified ad. Returning calls to these prospects is excellent practice. After all, these are total strangers—if they reject you, who cares? Knowing that there is a low probability of success with these cold leads helps remind us that this is a numbers game. Some will join your team. Some won't. So what? Next! But there can be gold in the gravel, so even if the odds are low, you should run ads regularly.

Here are some guidelines:

1. *Keep your budget small.* Don't spend more than \$50 to \$100 a month on this activity.
2. *Don't run your ad longer than a week at a time.* I prefer the ads to run for three to five days. Even though you might get a better rate by

running an ad for a longer period of time, opt instead for the short-term ads. Your job is to test which ads and which newspapers pull the best leads. Change ads often. Try different combinations of headlines and body copy. Try putting the headline in bold type. Put your ads in the income-opportunity section of the paper. Keep track of the number of calls that come from each ad and each paper. You will generally find a combination that outpulls the rest by a wide margin.

3. *Run your ad in the cheapest local paper possible.* Every city has dozens of inexpensive daily and weekly newspapers. Some are by subscription and others are free local rags found at gas stations and convenience stores. Start with the cheapest paper possible. This is not because the leads are better (they're not), but it's just a good, cheap way to get your feet wet. The quality of the prospect generally mirrors the quality of the newspaper—the cheaper the paper, the poorer the lead. But we're just testing and practicing.

Don't run your ads in nationwide magazines or newspapers until you have honed your skills. Stay local at first. It's easier to develop rapport with people in your geographic area. It's also easier to build a local support group. Once you've perfected your system locally, you can expand your horizons. There are over 7,000 newspapers in the United States alone.

Here is a sample classified ad:

**Perfect part-time home business!**

2 hours/day earns you financial freedom.

24-hr. msg. 800-668-7262

The best format is for your ad to contain a 24-hour recorded message so that a prospect can "taste" what you have to offer without having to commit. This type of toll-free ad will generate many more calls than one that gives a local number with the possibility of a live person. The script

**\$\$\$ Sample Three-Minute Script for a \$\$\$  
24-Hour Recorded Message**

**T**hanks for calling. Would you like to *add an extra stream of income to your life this year?* My associate and I are looking for a few people who really want to be financially free. Does this describe you? First, let me tell you who I am and why we're *selecting* people for a brand-new moneymaking program.

My name is Robert Allen. I'm the author of two of the largest-selling financial books of all time, *Nothing Down* and *Creating Wealth*, published by Simon and Schuster. Both were number one *New York Times*

mega-best-sellers. My current best-selling audio program is called *Multiple Streams of Income: How to Generate a Lifetime of Unlimited Wealth*. For the past 20 years, I've been helping people just like you to create financial success, and many of today's millionaires credit their success to the secrets that I taught them. And now it's your turn.

I'd like to send you some *free* information about a brand-new way of making money that has me more excited than anything I have ever seen. It's simple, it's powerful, and, more important, it really works. We'd like to show you how you can *start earning streams of extra income* almost immediately. And the best part is, my associate and I are willing to coach you for free. But we want to work with only the few who are ready to *take action now*.

How about you? Are you ready? Is this your year? Do you really want to be financially free? If you're the kind of person we're looking for, this could really change your life. I'm going to ask my associate to send you some more information. Included with the information is my latest special report containing the most important financial concepts I've ever learned. I know you'll enjoy it. But I only want to send it to those who can answer yes to the following three questions.

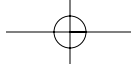
**Question 1.** Would you be willing to *spend 5 to 10 hours a week* working with me and my team using this revolutionary new system if you knew you could really be successful at this? If you answered yes, please continue. As you know, it can sometimes take thousands of dollars to start a new business from scratch. However, this new system can be launched for only a few hundred dollars. Fully guaranteed, of course.

**Question 2.** Is your financial future important enough that you'd be willing to *commit such a small amount of money* if you were convinced that *this could really take you to financial freedom*? If you answered yes, please continue.

**Question 3.** On a scale of 1 to 10, with 1 meaning, "I'm just window-shopping," and 10 meaning, "*I'm extremely interested and ready to act immediately*," how would rate your interest level at this time?

If your interest level is 5 or less, you can hang up now. We hope you have success in some other venture. If your level of interest is 6, 7, or 8 we invite you to *leave your name, address, and phone number* so we can send you valuable *free* information. Remember, no information will be sent without a telephone number. If your interest level is high, a 9 or 10, make sure you *say this when you leave your name, address, and phone number* so we can rush this powerful information to you ASAP. The only thing we ask is that you *review it within 24 hours*. Then let's talk again.

Oh, by the way, how does it feel to be one phone call away from having everything you've ever wanted? Please leave your name and number at the sound of the beep, *now*.



you record on the three-minute message should be compelling enough to encourage serious prospects to leave their name and number but strong enough to discourage curiosity seekers. The sample script starting on page 205 has worked extremely well for me.

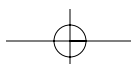
## Principle 3: Use the Right Leadership System

Earlier I told you that your success depends upon three basic principles: (1) selecting the right company, (2) using the right marketing system, and (3) using the right leadership system. It's now time to talk about leadership.

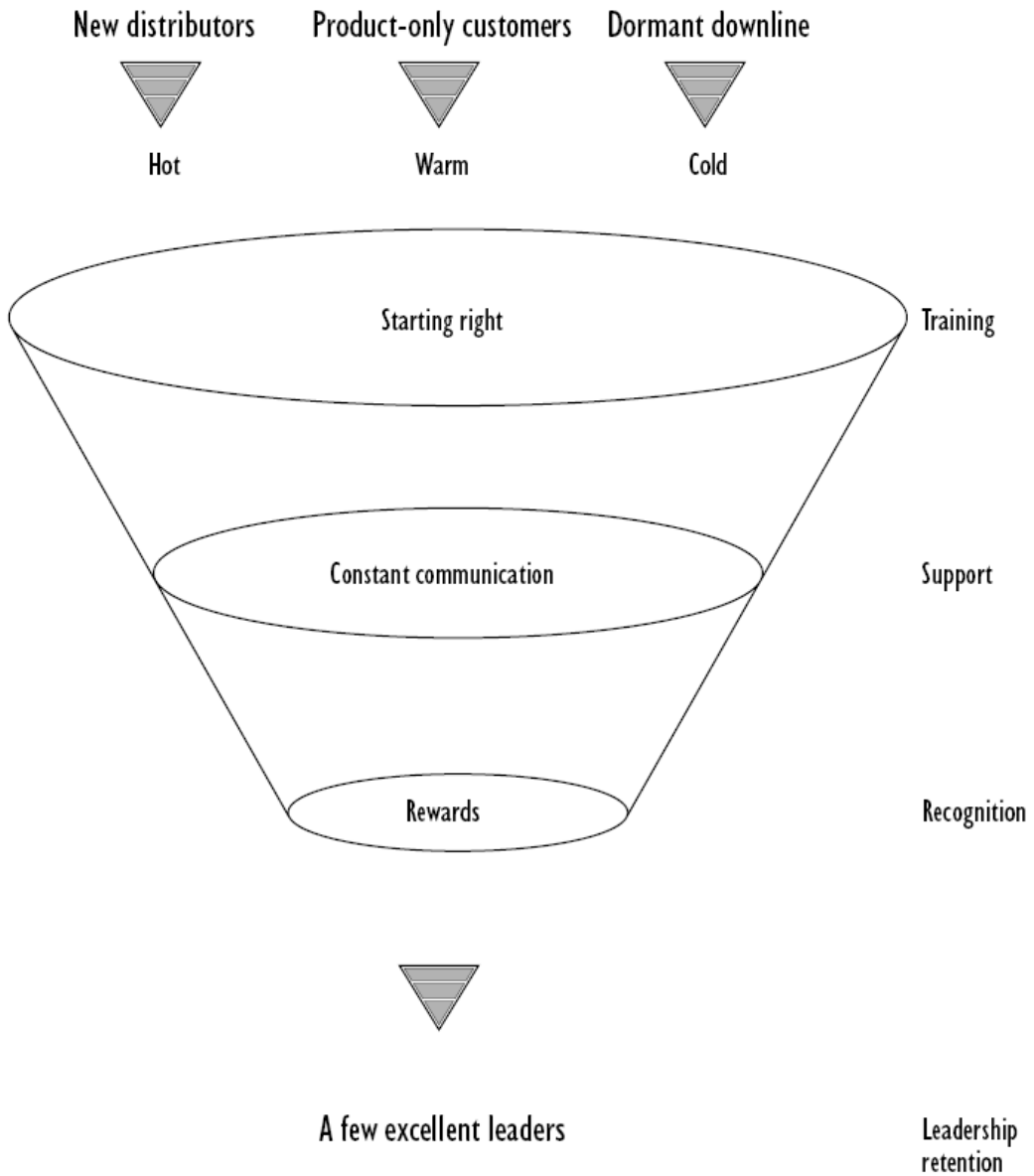
Each of the streams of income in this book emphasizes a different aspect of business. Stock market investing is about managing numbers. Real estate is about managing properties. The Internet is about managing technology. Infopreneuring is about managing communication. Network marketing is about managing people and developing leaders.

As your group starts to grow, you will begin to experience a whole new set of challenges. The real secret to creating residual income is to develop leaders in your downline who, because of their own self-interest, will have an incentive to grow your business as well. To develop leaders in your group, you will need to focus on training, support, and recognition. The leadership funnel is illustrated in Figure 12.4. This chart may not mean much to you now, but when you have a large organization, as I have, you quickly learn why each part of this chart is critical to growing a vibrant and long-lasting team. Therefore, I encourage you do to the following:

1. *Hold weekly training sessions with your key leaders.* These meetings can be held over the phone using inexpensive conference-calling technology.
2. *Hold weekly training meetings for all new members of your team.* You'll be amazed at how a 30-minute weekly teleconference with your group can sustain enthusiasm and teach critical skills. The only cost to link up team members is the long-distance phone bill. In this way, I am able to train hundreds of people simultaneously from any telephone in the world. I've conducted conference training calls from Singapore, Sydney, Auckland, London, Winnipeg, Toronto, Chicago, and from a cell phone on a halibut fishing boat in Homer, Alaska.
3. *Hold weekly recruiting conference calls to support your team.* For the first several weeks, new distributors are uncomfortable talking about either the products or the opportunity. I recommend that you hold a weekly recruiting call—a 30-minute, live discussion via teleconference—during which you discuss your products and your opportunity with your new team members and their invited guests. This serves two important purposes: (1) The new members of the team are trained in how a presentation should be done; (2) their guests



receive a presentation from the person who is the most qualified to give it. It is very effective.



**FIGURE 12.4** The leadership funnel.

Whether you are still skeptical, or you are ready to build a powerful team now, I encourage you to contact me at [robertg@robertallen.com](mailto:robertg@robertallen.com).