

Charles Burleigh's

Don't Get Lost...

**In The
Jungle**

**Of
MLM!**



Don't Get Lost In The Jungle of MLM!

**“Picking A Winning Network Marketing
Company For Success!”**

Presented By

Charles Burleigh

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THE SHOCKING TRUTH!

Dear Fellow Network Marketer,

Thank You for taking the time to read this ebook.

Congratulations! By reading this book you show that you are dedicated to success in Network Marketing. Thank you for taking the time to read this ebook and allowing me to share some of my experience in the world of Network Marketing, or MLM. Taking the correct first steps when starting in this industry will go a long way to assuring your success.

The reason I am writing this ebook is to help and provide people generic information that would apply to any company regardless on their marketing/compensation plan, product, team, country or even offline or online!

Network Marketing or MLM is a great opportunity. It is one of the best home-based business models that can allow you to achieve success in a short time. Network Marketing uses one of the secrets of success, leverage, to allow the average person to create an above average income.

However, there is a dark side to Network Marketing that not many people will tell you...

The shocking shocking truth of this industry is that over 95% of Network Marketers or home based business owners lose money and never see a profit!

That's a fact your upline doesn't want you to know. I'm sorry if this is the first time you've heard this.

However, please don't let this information scare you away from this wonderful opportunity. The truth is, if you do it right, Networking is one of the best ways an average person can earn an above average income.

My goal is to help you become one of the 5% who does succeed. Is that alright with you?

It is a sad fact that countless people become victims of the industry, are uninformed, and when they run into problems, they usually blame the company, their sponsor or even the industry itself!

That is why I'm writing this ebook, to help you avoid that and to help you succeed.

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Even if you have already been in one (or more) opportunities, this information could be invaluable to you, because it might give you some new ideas. Or, it may give you some training material that you can pass on to your downline.

So, let's get started...

Why MLM?

If you've been investigating MLM, or been involved already, you've probably heard the horror stories. Let's face it, it's a jungle out there. And sometimes more so in the world of MLM. Because of these horror stories, it would be easy to say just forget it (then this ebook would not be necessary at all). However, the only way you can fail is if you quit.

However, there is some good news. So we'll start on a positive note, here.

The purpose of this ebook is not only to teach you how to choose the right Network Marketing Company for you, but also how, by learning about the industry, you will be able to **succeed** in any opportunity you invest your time and money in. The information here will be completely generic and neutral. I am not endorsing any company over any other as **there is no such thing as a perfect MLM**. This information is about **choosing an MLM that is SUITABLE for YOU!**

So, why do people chose to join Network Marketing? People start in Network Marketing usually for one or more of following reasons:

- (1) To Make Money
- (2) To Save Money on Products
- (3) To Meet New people
- (4) To Grow and Develop

To Make Money

Probably the number one reason people join Network Marketing is to make money. Some types of income people might be looking for in MLM are:

- (a) Fast Money
- (b) Long Term or Residual 'Retirement' Income
- (c) Investing in the Product Itself

Some people come into MLM looking for the "fast money".

There are pros and cons to this kind of thinking.

Some people are WELL TRAINED salesmen. They have built relationships with their clients, customers and all kinds of people. People trust what they say and will trust whatever they are selling. They may sell the product itself (sometimes, in large

quantities), or they may sell the opportunity (the money making part of it) or both. Are YOU this kind of person?

Fast money is not impossible, but it COULD be short term only. Consider the fact that 80-90% of people in the world are NOT salespeople. If a salesman sponsors a non-salesman, would the non-salesman be able to do the same thing as his upline? Does that mean that you should spend most of you time looking for those 10-20% who are salepeople?

I venture to say, "No". There are a number of reasons why even people who are not salespeople can be very successful in Network Marketing.

The next type of money people may be looking for is residual or long term income.

When I say long term income, it doesn't necessarily mean that you might not see any money right away. It differs from company to company. But as a general rule of thumb, long term, residual income involves **BUILDING A NETWORK OR AN ORGANIZATION.**

The key to building a large organization is best illustrated in the quote by *Zig Ziglar*, "You can have everything in life that you want if you will just help enough other people get what they want." In other words, if you will help enough people help enough other people to succeed, you are on the road to Network Marketing financial freedom. The key is to help others succeed.

Some network marketing companies actually provide a product that can be considered an investment, such as precious metals or jewelry. Some people may then chose to join these companies in order to have their investment appreciate and grow in value. Others might **purchase the account or distributorship** from you (depending on the compensation plan of the company) while some Internet companies actually pay you to 'invest' in their company, sort of like **buying a share** of the company.

To Save Money on Products

Retailing products is very important to an MLM business. Lack of (or even non-existing) retail sales can be harmful to the distributor or the company as some states now have outlawed 'headhunting' and making income based solely on recruiting. Each state has their own laws and regulations, so be sure to check those out before getting involved.

However, saving money on products from Network Marketing companies could be one of the benefits of joining an MLM company if recruiting is not your forté.

In some compensation plans, setting up a repeat purchase (or autoship) of the products you buy each month from the company gives you certain rebates or bonuses. In essence, the more you buy, the cheaper it becomes. This becomes an even bigger bonus if you already love the products or you have already set aside a budget for those products (which means you are now buying from the MLM company or your upline instead of buying from the supermarket, pharmacy, grocery store, etc) This is sometimes called transference buying. We have personally been buying products from an MLM company like this for over 4 years, and haven't tried building the business at all.

Be aware of the product purchase requirements of your company. Some companies require you to purchase huge amounts of products in bulk (sometimes called front-loading) and require you to sell them retail in order to earn a commission. If you fail to make this purchase will it result in a **DEMOTION** in your achieved level in the company? Is there a **MAINTAINANCE** purchase required? How much are the renewal fees for membership. All these topics will be discussed in later chapters.

To Meet New People

One reason many people people join MLM companies (even if the first two reasons discussed above don't concern them) is to meet new people. There are all types of people in the world. Some like the positive environment. Others like the social events the company or team organizes. Some are even looking for a potential life partner!

Lots of people even go all out to join these kind of businesses to get more contacts for their OWN BUSINESSES (maybe even THEIR OWN MLM BUSINESS). Bear in mind one thing. There is this old saying that goes, you scratch my back, I scratch yours. If you participate in their activities but don't go full force in their company/team vision, don't expect them to join you or buy from you. There may even be negative repercussions (such as being banned from coming back to the company).

To Grow and Develop

One of the biggest reasons why I would recommend joining an MLM company and doing the business is opening your mind to positive thinking and achieving your full potential. There are many companies out there who have the best training courses, motivational rallies, sharing sessions and whopping transformation camps that will not only fire you up but take your business building to the next level.

Robert Kiyosaki has produced an audio specifically about Network Marketing in which he calls it "The Business School For People Who Like Helping People."

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I will not go into too much detail on this subject in this ebook. However there are a lot of companies out there that will provide fantastic success training as part of your distributorship. This is one of the best benefits to joining the Network Marketing industry and sometimes well worth the investment alone.

Remember that growth is a journey and not a destination.

What Kind of People Look For Network Marketing Opportunities?

Remember that people join MLM companies for their own reasons. However, the character or intention of a person will determine how far they will go in MLM. Here are some examples of different types of people

- (1) Genuine business opportunity seekers and builders
- (2) Product consumers
- (3) The supporters
- (4) MLM junkies
- (5) 001 syndrome

Genuine business opportunity seekers are the most important people in building a large business. They are the bread and butter. Not all are leaders but leaders are not born, they are developed. This group of people can also be product consumers.

Product consumers are people who join an MLM and buy from them because they like the product and enjoy the service of their upline. They are not necessarily genuine business opportunity seekers or builders, yet for many builders, a good portion of their income will come from this group. These people sometimes build the business passively by recommending the products to their friends because they enjoy them so much. The good thing about these people is that as they learn more about the product, the company and interact more with their upline, their exposure to MLM grows and they might convert to opportunity seekers and business builders.

The supporters category is quite a mixed match of people. When their close friends or relatives build an MLM, they will join under them to 'support' their business. However, the consequence of that action varies according to the individual. For example, I would join my friend's organization but it could be purely out of obligation and not for any genuine reason. This could potentially lead to resentment (when you mix business dealings with friendship), confusion and even loss of friends. Others might even join to see if their friend or relative is involved in a scam to try and pull him or her out. In order to prevent any potential disaster, make sure your intentions for joining an MLM are very clear cut.

MLM junkies are the sort of people who jump from MLM to MLM (some people even call them Multi-Level-Monkeys). They attend a talk, get hyped up about the opportunity, and build the business on euphoria. Sooner or later, they lose steam and find problems with the company (when the real problem is themselves most of the time) and jump to the next SMOKING HOT business opportunity. It is not wrong to be a member of many MLM companies (depending on your budget). Bear in mind, certain companies discourage or

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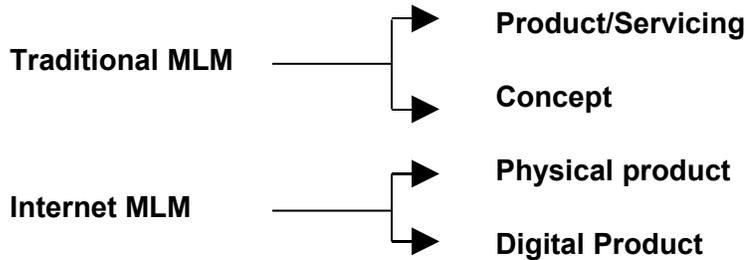
even forbid you to join other companies (then their business practices should be examined). If you are a member of many companies, it is ok to do a good survey and attend trainings, but the key to remember is you must focus on ONE good MLM for the long run and the others can operate on a referral basis (like recommending a friend to buy a product from another company while building one main one).

This leads us to one more category of people who could be MLM junkies as well – the **001 syndrome**. Basically they want to be the first to start building a business in a brand new start-up. They want to be the pioneer. There are many pros and cons to assess about a new company like their background history, financial status and product market rather than just focusing on the income potential. There are more challenges for people who are sponsored directly under the company and new companies don't usually have a time-tested workable system in place.

If you fall into one or more of the above categories, you should have a better idea how to selection an MLM companies that is right for you, before we go into the details about compensation plans and products. By assessing your strengths and weaknesses you can get a better idea of what kind of company you should be looking for.

What Does the MLM Jungle Look Like?

There are thousands of MLM companies out there! Here are examples of just a few. These will help you determine which company suits you.



The main difference between traditional MLM and Internet MLM is the method used to recruit, sponsor and promote products. Traditional MLM relies mostly on one-on-one prospecting (like at a McDonalds or Starbucks), home party, opportunity meetings or rallies. Internet MLM does the recruiting through e-mail, newsletters, forums, websites and sales letters. This minimizes the human interaction and may seem more suitable for those who are uncomfortable talking to others. However long term success is built on relationships, so it is important to break out of the fear of talking to others, and start building long term relationships.

Traditional MLM companies are usually heavily concerned with retailing, consumption or distribution of a physical product, which has a high volume of repeat sales (like vitamins or skin care products) and good testimonials of the product with high visibility (e.g. look at my skin, the product has cured all my pimples!).

Concept MLM companies are different from most traditional MLM companies in that they don't focus as much on products consumption. They usually do have a product, but it doesn't have as high a repeat sale as other product based MLM companies. Most of these businesses are like a club. Some are similar to lifestyle clubs. Others conduct their business with a high degree of professionalism (they all dress better than an office worker). Often they will sell their people a dream, molding them to a particular image in order to convey an attractive image of the company in order to attract more recruits. It's "the sizzle that sells the steak" with these companies.

A few years ago a new type of MLM company emerged, the Internet MLM. Internet MLM companies are involved in the distribution of two types of products. A physical product can be distributed through the Internet by using websites, emails and other Internet Marketing tactics to sell, recruit, and take orders. However, the shipment of the

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products are still done offline. Digital products remove the headaches of physical product distribution. This usually gives the company a better margin due to lower overheads (no warehousing or shipment costs). It also allows the consumer to get instant access to their product or service.

How Do You Choose A Company?

In the MLM industry, there are a few factors to consider when determining which company to build a long term business with.

Product
Marketing or Compensation plan
The Team
Current Trends

First off: It has been said in the past – your UPLINE chooses the first company you join, then you chose every company after that. What that means is that you generally join your first MLM based on being approached by a friend or relative.

If you've never been in MLM before, this might make you feel obligated to join with someone you know. This may often result in resentment and a bad first taste of this industry. This is why many MLM companies tout the fact that "You do not have to recruit your friends or family" to succeed.

With the amount of information available to everyone today, you don't need to be obligated to join with someone you know. You can do your research and then choose first without any sense of obligation. Do a good survey based on the guidelines mentioned in this guide. As a matter of fact, you don't even need to join a company with the first person who invited you into a company. You have a choice to choose someone else to be your upline within the SAME company. This is called Sponsor Hunting and because you are planning on building a long-term business, you want to make sure that the team you join will help you gain any advantage to allow you to build a successful long-term business.

About Products

Products are very crucial in MLM. Just because one company says our product is the 'best' doesn't mean that it is. Just like any other business, people seriously building an MLM will only say good things about their own product. They will even give fantastic and even outrageous testimonials about how the product has helped them.

Many are sincere and well-meaning, but the rule of thumb to remember is – yes, you can say that your product is the best, but that is generally because you haven't tried any other products and because you have a vested interest in promoting your company's products over others!

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I firmly believe that most MLM products are of exceptional quality. That is because there is generally a lot more research and higher quality materials put into products from Network Marketing companies. The products generally work, too. That is why there are so many good testimonials of the effectiveness of the products because most companies are build on *direct sales* (dealing directly with the prospect/customer). If the products weren't of high quality, it would be difficult to sell the products to the end customer due to the fact that products from MLM companies tend to cost more than cheaper products available in the stores.

BE AWARE However, that there are companies that DISCOURAGE their distributors from using products from other MLM companies. Some even ask you to stop buying from the supermarket and buy from your 'own business' instead. Some companies even go so far as to talk down the products of other MLM companies. Most people, in their zeal to recruit others, may use this tactic. This is often perceived as rather unprofessional.

Bear in mind: in MLM, if you talk bad about other MLM companies or their products, you are talking bad about the entire industry as a WHOLE. That is if you say that only your company, product, compensation plan, or team is the best in the world and the rest of all the other companies are of inferior quality, how does that reflect on the whole industry? Can you imagine if every network marketer did this? No wonder the industry has a bad reputation!

Marketing And Compensation Plans Explained

The plan is very important. It shows how much work you need to do to get paid so much. All marketing plans have advantages and disadvantages. Different companies offer different margins for their products. The key to remember in margin comparison, if the company pays the distributor too low, you might not survive; if the margin is too high, you might earn a lot, but your retail customers will suffer and the business might not be long term. It is important to analyze the pricing of the products to insure that you have, and more importantly the people you sponsor, have a chance to break even quickly.

Before I share with you a few of the more popular marketing plans to give you an idea about what some companies offer, I want to highlight two important components in every plan: **DEMOTION and MAINTAINANCE**

DEMOTION means dropping from one MLM position or level to a lower one (usually resulting in a loss of future potential income) or your remainder quota required to reach a certain target is increased or the volume achieved in the past does not count towards the grand total anymore. Demotion is an important factor to consider in every marketing plan as someone who suffers demotion may suffer a sudden loss in income and could be embarrassing to others.

MAINTENANCE (sometimes called autoship) is the minimum amount of sales volume (usually every month) a distributor or serious business builder has to buy, either his own personal volume or combined with group sales, in order to maintain his rank, be eligible for bonuses, overriding commission or sometimes even maintain his distributorship. Having maintenance or no maintenance has its pros and cons. Below are three scenarios which will serve clear up this concept.

A) MANDATORY MAINTENANCE

Some companies require you to purchase products every single month. This is good if you have built a large organization and it ensures you have guaranteed income every month. Not good if you are forced to maintain a certain dollar volume and you are not making money in your business. If you are in love with the product and don't mind paying for it every month then it is fine. But this can cause a person who is not seriously building the business or still struggling with his business some pressure and it is one of the main reasons many people quit MLM.

If the maintenance is too expensive, people might shun the company. However, the upline with a lot of people in his group can build a large stable income this way. Some companies may not require you to maintain at the early stages and increases the maintenance after they achieve a certain rank.

B) NO MAINTENANCE

This is very good for people who have just started their business or for people who are just 'trying out' an MLM. There is no pressure and a person can be in an MLM for years but still at the same rank.

The bad news is that it might not be good for a long term income (because no maintenance means no downlines need to buy anything) unless your group is in love with the product or if you and your downlines have built a solid customer base and the demand of the product.

The honest truth is that nobody earns any money until product is sold. People who join these opportunities are often drawn in by the "no purchase necessary" to earn "thousands". The only people that succeed in these opportunities are the ones who get paying customers or distributors in their business.

C) OPTIONAL MAINTENANCE

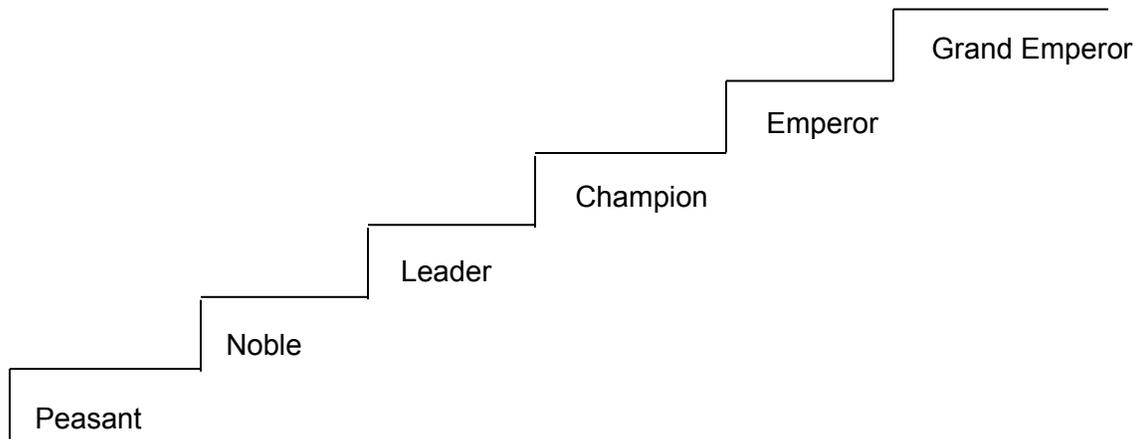
This is a good plan for people who are just starting or are casual about the business. The company will only ask you to buy a certain volume of products when you want to earn override commissions from the company. This is also good in the sense that you are **not pressured to pay maintenance** and **you only pay when you are making money**.

There is one problem with this, however. Among serious business builders if the downlines are not producing any sales, even having a large organization will not pay you well if at all. Just like the zero maintenance companies, no downline sales means those in the middle will not maintain, causing a chain reaction all the way to the top of the company. This is a hollow organization where your rank/title means nothing without income.

Next, I will go into detail about the more popular types of plans...

- 1) The Stairstep
- 2) The Unilevel
- 3) The Binary
- 4) The Breakaway
- 5) The Matrix
- 6) The Australian Two Up
- 7) The Hybrid

1) The Stairstep



* Purely for illustration purposes only, not an actual plan.

The Stairstep or step and ladder plan is the plan that is most traditional in MLM. Everyone has probably been exposed to this plan at some time in their MLM career. It is a simple plan that has requirements that you must meet to get up the "Stairs of Success". Every step is a promotion usually based on achieving a certain volume and each promotion or rank gives you a larger cut.

Demotion in stairstep plans ensure a distributor's group commits to a certain volume every month. The plan generally guarantees a certain level of income for the particular rank achieved. Demotion in this plan means that you must maintain a certain volume every month (or quarter or fiscal year) in order to maintain that rank or you will lose the income of that level. Let us say for example, *Anthony* achieves a sales volume of \$200,000 in his entire team (for a certain time frame) and that promotes him from

Leader to Champion, certain companies require him to keep up that same sales volume or during the next cycle he will be demoted back to a *Leader*. In certain plans, there is no demotion in rank, so the group sales are accumulated for reaching the next level.

Maintenance in this plan plays a key factor in how building a solid group will look. If there are low repeat sales for the product being marketed, expect the **minimum entry fee** to be higher than the average MLM. This is because low repeat sales means less maintenance hence the majority of the income comes from recruiting new blood. If nobody does maintenance in a Stairstep plan, having a high rank doesn't earn you money so don't be a fool if someone tells you that the 'minimum' income for a 'grand emperor' is \$100,000 a month – it all depends on the volume generated. On the contrary, plans with maintenance involved do guarantee an income or else you will not achieve that rank.

This plan is one of the oldest and longest plans around. The advantage of climbing the ladder gives major incentives for distributors to work harder and fight for the goal. The larger your group the more levels you can earn override commissions on even up to infinity levels as long as your downline is of a lower rank than you. There is also a fair system involved. Lets say if your downline works harder than you and sponsors more people, he can actually have a rank higher than you and that is when **breakaway** in certain plans come into play (discussed in the breakaway plan below).

The disadvantage however, is once a downline reaches a certain rank (lets say you need 3 directly sponsored *Leaders* to qualify as a *Champion*), one of them becomes a *Leader* while you focus on making the remaining 2 groups to *Leaders*, the first *Leader* might be neglected in the process. The other disadvantage is if the downline is too far deep in the organization (lets say your downline's downline all the way down 10 generations), some distributors may neglect helping them because the monetary incentive is too small.

2) The Unilevel

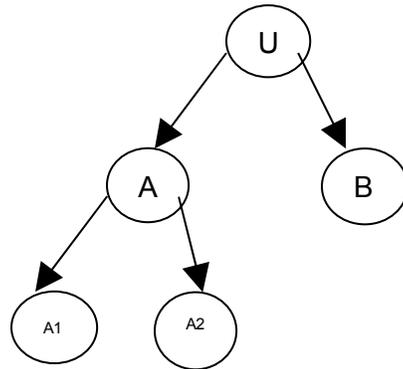
The Unilevel is a simple "Number of levels" that the company will pay you, and usually there is no promotion or rank. You make money by getting a certain override off of the volume, and usually there is a requirement of volume to qualify for a check.

The advantage here is you don't have work your butt off during certain seasons to fight for that rank. You can sponsor as many people as you can and your income comes from a large volume of people in your organization. For example, you can personally sponsor 5 people, and these 5 will look for 5. after 4 generations you will have 5 to the power of 4 in your organization (780 people) and the calculation of your sales volume will give you a straight forward income. If you've been in this industry, or are investigating, you must realize that the "5 who sponsor 5" is a myth that never happens. This is just an example of how you will be presented this particular plan.

The disadvantage to this pay plan, is there is no incentive for developing many different groups (called legs). In spite of conditions in a plan imposed by the company (that you have to sponsor a minimum number of legs) some unilevel people tend to let the 'strong' downlines do all the work by waiting for their downlines to sponsor MORE people than themselves, which is a poor reflection of leadership.

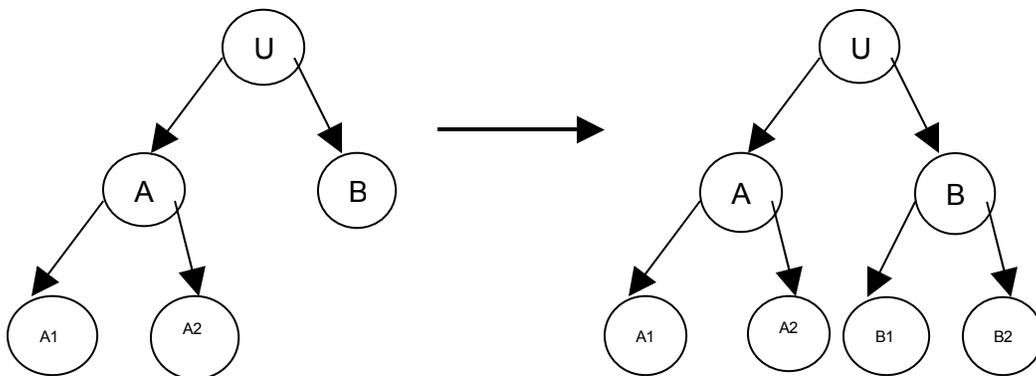
In the Unilevel, there is no demotion (the only demotion is leaving the company) and maintenance plays a key part in the long term income.

3) The Binary



The Binary is an interesting design for a Comp Plan. It usually has 2 “legs” that you can have “Business centers” in, and you have a volume requirement to get paid on each leg. Most binary plans have what is called “balancing” -- you must balance the volume from each both A and B group to make sure you maximize your commissions. Some plans may use a 1/3 – 2/3 balance instead, in which you must have 1/3 of your volume in one leg, and 2/3 in the other leg in order to complete a payment cycle. In the illustration above, the **A** group is the strong leg (or the giant leg) while the **B** group is called the weak leg (or the profit leg). A has more people than B (assume they all produce the same volume per person). B needs to find 2 more people in order for **U** to ‘balance’ hence maximizing **U**’s income.

The main advantage of this plan is spill over. Allow me to illustrate



U sponsors 2 friends. In a binary, the company limits each distributor to have a MAXIMUM of 2 people. **A** and **B** were previously recruited by **U**. **U** needs to ‘balance’ his group by helping **B** find 2 people. But let us assume that **B** is not actively building the

business at the moment, so what does **U** do? He finds and sponsors 2 people HIMSELF and places both of them under **B** and they become B1 and B2. This is called **SPILLOVER**.

The advantage of spill over is that when everyone works as a team, the tree will fill very fast as all uplines and downlines work together to balance each other's networks. It is also immune to the problems in unilevel or stairstep plans with downlines being too deep in the organization. A binary can be balanced depending on which **side** the downline is in and not how **deep**.

The disadvantage however, is that this plan is particularly attractive to lazy people who don't do any work and expect free handouts from their uplines. Imagine what will happen if everyone waits for their upline to place people under them? It doesn't develop strength. The other disadvantage to these plans is achieving balance. In most cases there is a strong or outside leg that your sponsor will build. Everybody on that leg is encouraged to build that leg straight down. Then it is up to everyone to build their "inside" leg. This makes it extremely difficult to achieve balance if you are not a recruiting master, and most plans don't pay until you reach balance.

4) The Breakaway

This plan has been said to have become somewhat unpopular in the industry, as you could lose the business you build, once it gets to a certain level of success, and it "breaks away" to no longer be a part of what you get paid on. It usually appears in stairstep plans. Let's use the example above in the stairstep illustration.

If I am a *Champion* and my downline builds his organization faster than me, and qualifies as an *Emperor* before me, 2 things might happen.

Depending on the company's pay structure, I will not be eligible to receive overriding commissions from my downline *Emperor's* group. Hence the 'breakaway' his bonuses will be 'passed up' to MY upline *Emperor* or *Grand Emperor*. In some cases, the ENTIRE group breaks away and join MY upline so even if I do qualify as an *Emperor* later on, I will not receive bonuses from his group!

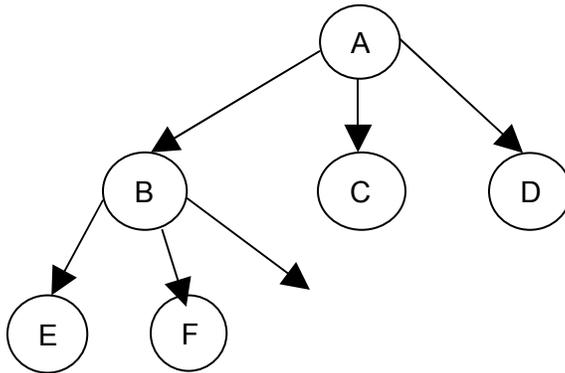
Today, more and more companies are acknowledging the breakaway problem and have started rewarding leadership development bonuses (such as a fixed bonus percentage over the entire group even those that have broken away). This system has still worked out well in the past though, because it gets people working harder to prevent the breakaway from happening.

In MLM (just like in life), companies reward PEOPLE who work hard to build their groups. If a downline works harder than his upline, he should get paid more – hence it is more fair to them. So in this case if an upline doesn't work hard enough, he shouldn't blame the company if the downline breaks away.

5) The Matrix

The matrix or sometimes called a **FORCED MATRIX** is like a pre-order tree. A computer driven plan puts people into your group by into the next available slot regardless of who sponsored them. These plans usually have a certain width and depth to them, such as a 3 by 9 or a 5 by 25 matrix. This means that when you have 3 people on your front line, regardless of whether you personally sponsored them, or they come from spillover, the next person to join the organization will go on your second level. These plans work well if there are a lot of people that are recruited and **WORKING TOGETHER TO FILL THE MATRIX**. When you recruit someone, the computer searches down for the next open slot, and positions them there. There are some plans that allow you to override the commission of those that you personally sponsor even though they are not positioned directly under you within the tree.

How the computer works is like this:



If **A** sponsors a new friend, he will go into the next available spot in **A**'s group, which will be the third spot under **B**. The next spot would then be under **C** and so on through the group. If **D** doesn't do any recruiting, then he'll have to wait for **A** to fill in his matrix. These plans sometimes pay only when an entire level is filled up, or sometimes a fixed amount per distributor by level.

Once again, the advantages here is that if every single distributor in the tree all work together to fill the matrix the duplication result is fantastic! Imagine if everyone finds 3 and everyone else does the same thing, the matrix will be filled very fast. This means that even if you don't look for ANYONE to join the company, you will get paid when the tree reaches a certain level.

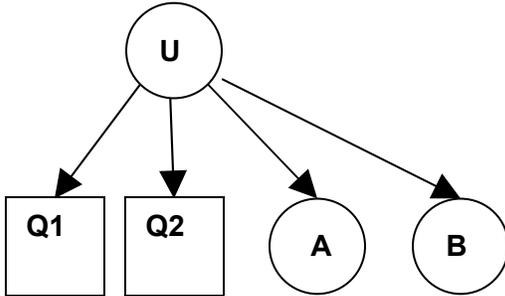
Which brings up the biggest and most obvious disadvantage. If everybody waits for everyone to fill the tree they will be disappointed. This kind of thinking is **EXTREMELY WRONG** and will ruin the company. Furthermore, unless there is a cut off system in the marketing plan, (for example, after the sixth level the person at the highest position will

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have to reinvest again at the bottom of the tree), the guy who 'came first' will get all the commissions and not do anything. By placing a cut off point, everyone who reinvests again will fill the tree faster as the deeper you go down the tree, the more people are needed to fill each level.

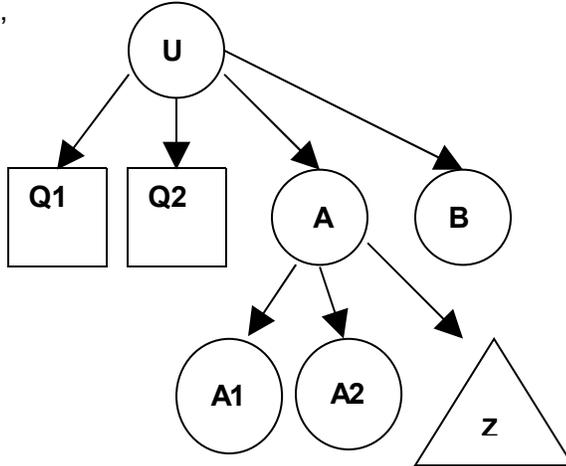
6) The Australian Two Up

This is a marketing plan that is very unique. Basically, the two people you recruit are "given" or "passed up" to your upline sponsor and the rest of the recruits are yours. Here is an illustration:



Assume that each person you recruit, you are eligible to earn \$100. **U** sponsors **Q1**, **Q2**, **A** and **B**. You earn ONLY on A and B but not on Q1 and Q2 as those sales go to your UPLINE SPONSOR. Q1 and Q2 are called your qualifying sales. Basically by finding Q1 and Q2, you have qualified to earn from A and B and subsequently C, D, E and as many as you would like.

Similarly,



A recruits **A1**, **A2** and **Z**. The sales of **A1** and **A2** go up to **U** and the sale of **Z** goes to **A**. As long as **U** keeps **Q1** and **Q2** going, he is eligible to earn as wide as he wants and as deep as he wants! (**A1** and **A2** are now part of **U**'s group. This will multiply by 2 each time it goes deeper enabling him to earn income up to Infinity levels!)

The biggest disadvantage of this plan is that sometimes people are selfish and will only leave **U** with 'weak' distributors (for example, Q1 and Q2 are slow learners) while capitalizing on the stronger ones in A and B (leaving the strong ones for themselves). Some might even purchase dummy accounts (known as 'cats and dogs' or 'potatoes'). This leaves their upline with non-moving legs and creates a hollow organization. Some companies deal with this problem by giving bonuses or special overriding mechanisms where you get special bonuses for building them, or even removing the 'qualified' status should Q1 or Q2 drops out.

Another disadvantage to this plan is the product generally isn't a physical product at all and usually very high priced. This makes it difficult to build a very large organization as the pricing is out of reach of many people, plus they have to sell two **before** they even start to see any commissions. Some localities have even declared any sort of Two-Up plan illegal, so be aware and find out the regulations regarding the plan being offered.

7) The Hybrid

A hybrid is a combination of any of the above plans. An example would be a Forced Matrix with Unilevel benefits (ensuring that those who actually WORK to fill the tree get paid even more), or an Australian Two Up with Stairstep advancement (to offset the disadvantages of distributors being too deep in an organization).

Many companies are combining the advantages of many plans to help distributors maximize their income.

REALITY CHECK: Regardless of how good any plan may sound, **NONE OF THESE PLANS WILL MAKE YOU MONEY IF YOU DON'T SPONSOR ANYONE AND DEVELOP THEM.**

Only YOU can make the plan work. Without you, the plan is dead.

DO NOT get too complicated about Compensation plans. Keep it simple while explaining to your prospects and make sure you understand that you CAN MAKE MONEY with it if you work your plan.

The 3 Ways To Make Money In Any MLM Plan.

1) Retail Profit.

You must show the prospect that they can earn a retail profit with your products and services. The margins are generally from 10% to 50%. This is the quickest way to start earning income in any plan. The phrase "Retail to Recruit" means that you not only turn your customers into distributors, but also when you make retail sales, you earn more money that can fund more prospecting activities.

2) Team Overrides or Downline Commissions.

This is where, just like a Real Estate broker, or Insurance agency, you get to develop your own sales team. 'Sales Managers' get paid a certain % of override off of the people in their group (downline), just like the Real Estate and Insurance Agents do. Your goal is to help your people do the same thing. People don't understand that you have to help people or help your team in order to succeed. If they achieve success first, only then will you succeed.

3) Leadership Bonuses.

This is where you help develop Successful leaders in your group, and you get an additional bonus or override based on their success. You get rewarded by helping others develop their leadership potential. Once your leaders are in place, your MLM business will grow on autopilot.

Why Choose A Team?

Joining the right team is crucial to your MLM success. No man is an island in this world. Uplines will always be there to help but the attitude to be adopted is that **I am in business for myself but not by myself**. Since I am in business for myself, I am the master of my fate, I create my own luck, and I am the author of my own book – it all boils down to ME. Having an upline to help you is considered a BONUS. If you were to run a traditional business, would you expect other people to open shop for you and close the shop for you? The same goes in MLM.

Likewise, you have to be a good, responsible upline as well. No one has succeeded in any industry without learning and MLM is no different. It is the upline's responsibility to guide, train, teach and motivate the downline. New people in MLM without guidance are like sheep wandering into a wild forest – what are their chances of survival? It is no wonder 95% of Network Marketers fail to break even. The upline must lead them and empower them but must never spoon feed them. Uplines must not be abused. **If you give a man a fish, you will feed him for a day. If you teach him to fish, and he will feed himself for life!**

Sidelines or Crosslines are people not in your line of sponsorship. Why should I bother with sidelines? They are all somebody's downline. Somewhere 'up' the line they are probably in one of your upline's group. Many companies now encourage sideline team support. Because you will always have more sidelines than uplines and downlines, it is crucial that side lines help one another. One upline has limited time and resources, but if sidelines work as a team, you leverage more people.

Developing a good relationship with the company staff is also necessary for success. Imagine if you are holding a team meeting and you need them to arrange or prepare the rooms for you. Getting shipment on time for your products? Check with the staff. If you have a good relationship with the owners of the company, it is also a great advantage for moving in the same direction together. This is even more so for pioneers with a new company, the first batch of distributors and the owners of the company must work closely together to bring the company to success.

Why Worry About Current Trends?

One last aspect to consider about a company is the state of it's current market trend. Many people at one time or another have heard about aggressive marketing and campaigns for certain companies based on the need for their product and how hot the opportunity is at the moment.

They could be in the pioneer stage, marketing the latest health products to a growing or maturing market (for example, aging baby boomers). Some could be in a mature stage after surviving in the market over 10 years.

The comparison of the new, smoking hot companies over the mature, or aging counterparts has its pros and cons. New companies are not vulnerable to saturation. Collaboration with new companies can put you in positions of power where you can negotiate with the management team on the direction of the company or even enhance the marketing plan. People who have heard of those new companies may jump on the opportunity and it is generally easier to create a large group in a short time.

This does not mean you should not join older companies. Older companies are more stable and have survived the times. They have run a time tested system which has helped many people to succeed. International companies are even more reliable as they have the manpower to tap the international market. Think of McDonalds. They have been around for so many decades yet people are still profiting from them today because they all follow a system. Older companies have already weathered most of the legal challenges that most new MLM companies face. There is safety and stability from an older company that you can't find with startups.

Nobody is Perfect, Not Even in MLM

In spite of the discussion in this ebook, certain companies may claim they are the best. Different companies market different products and they all claim to be the best in their line. Each claim to be selling the best skin care, nutrition, aromatherapy, insurance programs, investment opportunities or even online digital products.

Let's face it. There is no such thing as a perfect MLM, just as there is no such thing as a perfect government or perfect business. MLM companies are just like normal companies in the sense that there may be management problems, staff problems, cash flow problems, shipment difficulties and product faults.

Take the skin care industry for example. There are many skin care products that have long histories, extensive research, powerful testimonials, and so on. But no matter how good the skin care is, they will not benefit EVERY SINGLE PERSON ON THE PLANET. We are all different. Some have drier skin. Some are more sensitive. You can't prescribe a drug that will cure everything for everyone.

Likewise with teams. Certain teams are more suitable for younger crowds with all the excitement and the hoo-hah going on. Others are for a more mature crowd.

I'm warning you that nobody is perfect and that no MLM company will be perfect. You need to know that as we discuss our next topic:

Which MLM Company Is Right For YOU?

Understanding this principle could save your MLM career. Many people label everyone who joins more than one MLM company a 'junkie'. It is true that there are junkies that go around recruiting their friends when he tries COMPANY A, dies a natural death after a while and joins COMPANY B. He starts talking to the same friends about how good COMPANY B is and always talk bad about COMPANY A. Then he quits COMPANY B after running into some struggles and joins COMPANY C, does the same thing promoting C while talking bad about A and B and so on.

This is the one thing you want to avoid at all costs. DO NOT become an MLM junkie!

As I have explained in earlier, even the 'best company' in the world is not suitable for everyone. I may LOVE supplements for my health and buy it from the 'best health supplement opportunity in the world' but my passion is being on the Internet! Don't get me wrong, the supplement company could have a FANTASTIC TEAM, a SOLID COMPANY BACKGROUND, and even an UNBELIEVABLE COMPANSATION PLAN. But I prefer to sell digital products. I don't care if I don't get to meet or socialize with as many people in person through my Internet MLM, I don't even care if I don't operate from an office! I am making money at my Internet MLM.

I think you get the picture now...

Here is another scenario. What do you do when you are already in one MLM and a good friend approaches you for another? Do you refuse? Remember, you must not treat your MLM business like a RELIGION. I don't refuse because I will always find benefits in every MLM company that I join. I may like the products there. I can SHARE these products (for example, supplements) to friends who do not believe in buying on the Internet! No single company will cover the ENTIRE market so we have to be realistic. I may even join that company so I can build relationships with them and get them to try my own MLM products too! If I don't keep an eye out for other opportunities, I don't feel that I am a good business man. But you must FOCUS on one business, some may say. Yes, I focus on one, but I also open the door to many other potential customers too.

Always be open to new opportunities. That's where you put the 'network' in Network Marketing. But don't make the mistake of joining every opportunity just to get new people into your deal, because it costs you too much time and money. Cross recruiting is frowned upon by most companies and can get you kicked out of some. Only join different MLMs if you see a tangible benefit.

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If you don't make it in your first MLM, don't despair! People make mistakes and they (hopefully) grow wiser the next time through. This is my hope for all who read this ebook because you must never give up when you fail the first time. Most people don't make it in their first MLM but they might succeed in the second or third. Thomas Edison had hundreds of failures before he created the light bulb. If he had quit after the first, or first 100 failures, we'd all be sitting in the dark. The only way you fail is to give up.

What Are The Risks?

In any business dealings there are always risks – the same in life. Drive out the door today and there are always risks of accidents. However, you can minimize your risks by educating yourself and being informed.

Before joining a company, you must always remember in MLM that if you want to make serious money, you must be prepared to be in for the long haul. There are people who tell themselves, if I can make \$500 to \$1,000 part time/on the side, I would be happy. They do not set their goals high and what happens? They give only part time or half hearted effort which often doesn't even help them make the \$500 that they wanted in the first place!

Others think to themselves, that if they can find that ONE opportunity, all they need to do is sponsor 2-5 people, and let them do the rest of the work (network building) then they will be set for life. MLM requires HARD WORK. MLM is a business that appreciates in value OVER TIME. Which would you rather earn?

\$10,000 a day every month?

OR

\$0.01 doubling every day per month?

Ten thousand a day would seem like a lot of money on the first day compared with getting one cent on the first day? Most would choose the first option, but consider.

\$10,000 * 30 days is \$300,000. If 31 days, then it would be \$310,000
1 cent doubling every day would produce a whopping \$5,368,709.12!!!
If we add one more day the total will be over 10 million!!!

Don't despair if you don't make substantial money over the first 6 months. Those are your TRAINING months. Remember again, NO ONE SUCCEEDS IN THE MLM INDUSTRY WITHOUT LEARNING AND HANDS ON EXPERIENCE.

Learn to pace yourself. Rome was not built in a day. But do it at a proper pace where you know your financial limitations. Ask yourself:

(1) Can I afford the joining fees?

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- (2) Am I prepared for the obvious overhead like gasoline, training materials and promotion costs?
- (3) If I don't make money in the first six months, can I survive?
- (4) Am I prepared to cut down on my luxuries so I can work out my business?
- (5) Am I prepared to LEARN?

How Do I Get Started?

Once you have answered all the questions in the previous chapter, you can begin your journey to find the right MLM opportunity for you.

Attend trainings repeatedly and listen to your upline. If your upline is not qualified, then keep going upline until you find someone who can coach you or mentor you.

Once you have downlines under you, you must be prepared to be a leader and duplicate what your upline has taught you. **DUPLICATION** is the key to building a long term business because your downlines should be able to do the same thing you are doing. Many successful leaders in MLM are fantastic speakers on the stage and powerful trainers in the field and even write books on how to succeed. One of the biggest mistakes a new distributor usually makes is buying a ton of books thinking they will be well equipped to go 'out there' and create a sponsoring explosion. You may try to imitate your leader, talk like them, look confident or even walk like them. But the tricky part is duplicating the charisma or having the same influence. Even after reading all the books on self-improvement, the tactics might not work because you don't have the same charm as the author!

I am not saying don't read books or buy books. Information or education will give you an advantage and help you avoid some of the pitfalls that most fall into. I have compiled a reading list at the end of this book that will give you good training. But trying to become like another person and using his or her 'techniques' may often lead to disappointment! You may become disillusioned and go on to buy another 'key to success in MLM' book and the vicious cycle repeats itself again. Eventually some people may become disillusioned with books and might stop reading all together. Just because you read a book, doesn't mean you can instantly achieve success. It takes time, patience and practice to achieve success in MLM.

KEY POINT TO REMEMBER:

LEADERS ARE NOT BORN, THEY ARE DEVELOPED OVER TIME. THOSE WHO SUCCEED IN MLM WILL HAVE TO PAY THE PRICE OF LEARNING AND GROWING. THOSE WHO SUCCEED QUICKLY IN MLM HAVE ALREADY PAID THE PRICE OR WERE LUCKY ENOUGH TO FIND DOWNLINES WHO HAD ALREADY PAID THE PRICE.

ARE YOU PREPARED TO PAY THE PRICE?

Wrapping It All Up

I hope that through your reading you have recognized some of the steps you need to take to succeed in your Network Marketing career. It is not easy to succeed in MLM and does require hard work (despite what others might tell you). You can get started in this industry by choosing the RIGHT company up front and enhancing your chances for success. A journey of a thousand miles begin with the first step so I hope you are now prepared to take that first step in the RIGHT direction.

Regardless of whether you succeed or fail in this industry, the training that you will receive makes it well worth the price of admission. The business training you receive by participating in MLM is priceless.

It is my sincerest wish that you will achieve tremendous success in your journey into this wonderful industry of Network Marketing.



About Charles Burleigh...

Charles Burleigh is a part-time Network Marketer, Internet Marketer, Blogger and Author. Charles' focus in business is to build relationships and help other marketers to succeed. Through his blogs, Charles is building a world-wide community of like-minded individuals who all have the desire to achieve online success. Charles whole-heartedly believes that "You can have everything in life you want, if you will just help other people get what they want".