

Solving the Problems of Network Marketing

 joyhealey.com/solving-the-problems-of-network-marketing/

Being Employed vs Self-Employed

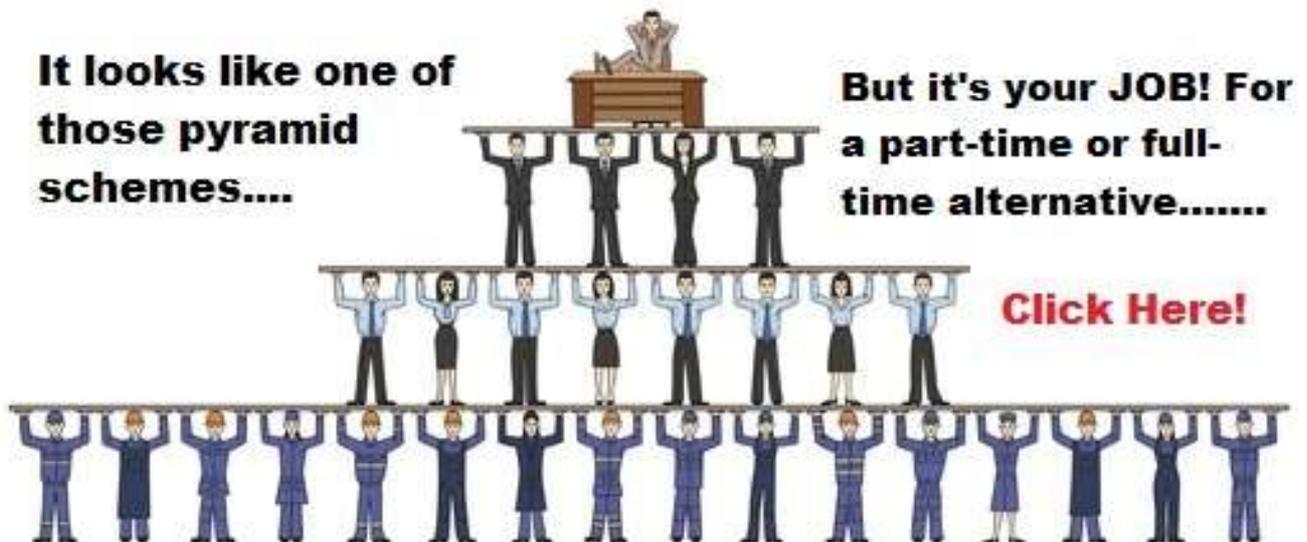
Working to support myself rather than a boss and several layers of management has always been my aim – and for all but a few years of my life, during a family crisis, that's what I've been able to do.

Being accustomed to self-employment, in the brief periods I was employed, it always rankled with me that I was working hard mainly to enrich 'those above me'. Often I was working far harder than they were, and they were benefiting from my labours but I had no chance to increase my own earnings other than by a small percentage each year.

So for instance, a 10% raise would be considered a fantastically generous gesture from my bosses to me. They would consider this fair, because they had taken the risk of setting up the business in the first place and were now sitting back, enjoying the fruits of the labours of underlings like me.

This didn't suit me at all. I was happier being my own boss with the chance of far higher incomes – or, of course, earning nothing.

But if anyone ever starts mouthing off about 'Pyramid Schemes' – which are illegal and I won't even contaminate this book with them – I just show them this illustration.



I am still self-employed and working hard in more than one offline business – which suits me at the moment while I have the energy to do it.

But the time will come when I can no longer work so hard and the offline income – where I am largely paid by the hour – will cease.

So as I get a little older and want more time away from the keyboard, I have been exploring my options to find the best way forward and time and time again I revert to the Network Marketing / MLM business model.

Who Should Read This Book?

My readers probably fall into one of four categories:

1. No idea what Network Marketing Is
2. Tried it once (or more) and will never try it again
3. Tried it once (or more) and like the concept, but hit too many of the problems of network marketing, so “off” it right now <<< ME, until a few months ago!
4. Love it – and open to looking at an MLM business to run full-time or alongside other commitments

Readers in category 2 will probably prefer to leave now..... unless.... they could be closet category 3s, like I was until recently.

What Is Network Marketing?

Briefly, it's a low cost way of running your own business as a “distributor” supplying products or services sourced by a parent company to a “network” of contacts that you build.

The products may be physical products or services. But for the program to be ethical and genuine these must have true value (even if it is a digital product, such as a course).

In theory it's a win-win situation:

- The company benefits because their customers do their marketing for them, bringing in new customers from within their own contacts – existing, or found by marketing.
- You, as a customer, benefit because you can take a profit from ready-made business / service where all but the ‘finding customers’ stage of business is done for you.

Some of your contacts will be customers, only interested in the products / services, and some will also be distributors with their own customers. Depending on the exact compensation plan, you will make a profit on the sales of products within your network.



The structure is very much like the conventional business structure shown above – EXCEPT that network marketing is a “meritocracy”.

Everyone has access to the same products and business plan, so what determines your success or failure is YOU.

If the people on the “lower” levels work hard enough (sell enough product) they can surpass the earnings of those “above” them.

So Why Isn't Everyone Doing It?

The theory is great, but it has to be admitted that in many companies there are some pretty damning problems with network marketing.

Hence the reason for me being “off” it until very recently, even though it was the online business model that, when I first started with online business, earned me more than anything I've tried since then.

I was earning £2000+ per month part-time, at the height of my success, which – alongside my part-time job was a very welcome income.

Unfortunately, instead of the income continuing to rise, it started to fall, because I fell foul of....

The Problems of Network Marketing

Having built a big team (2000+) – with the help of some very active distributors who joined me – the biggest problem of all was....

Losing the Team by Breakaways

One reason was that there are certain types of compensation plan where extremely successful distributors in your network fall outside your earning capacity. This is known as Breakaway and happened to me, so that there was a huge part of my team that I wasn't earning on. It can also happen with Binary plans, where the “legs” have to stay balanced – which I have found virtually impossible to do.

The other reason my income started falling was that my team (network) started to leave in droves, faster than I could replace them. Here's why....

Don't Want to Make a Monthly Purchase

The reason for many leaving was that they weren't making enough profit to cover their monthly purchase. Having started a business to MAKE money, they were pretty quick to leave when after a couple of months they weren't in profit, yet were still having to shell out to buy a monthly product.

This is particularly galling if you are having to buy (and theoretically sell) a target volume of product to retain a promotion level earned in a previous period. There comes a point when even the most devoted distributor can no longer ignore (or use) that legendary pile of stock in the garage.

At this point some companies recommend you “give samples” to prospective customers – and I don't mean a couple of 20gm taster pouches. I have been cold-called by hopeful distributors who then turned up on my doorstep with huge multi-packs of free products as samples that they left for a week for me to try, the intention being that at best I would be delighted with the product and buy it, or at worst feel obligated to buy something out of pity.

Giving out free samples at that rate is a serious cash outlay and not a great sales tactic in my opinion, but I guess it has the virtue of shifting product!

Get Rich Quick? – No Chance!

As a slight aside, if you were to pay several thousands of pounds / dollars for a conventional business, you wouldn't expect to be in profit in a couple of months – but it's a sad fact that people are talked into MLM with grandiose ideas that you can be rich in weeks. The average distributor won't be. Fact.

Most will quit, more broke than when they started.

Why?

Can't Sell

Related to the above is the fact that most of us can't sell, and don't want to sell, or "Share" or whatever euphemism is used to dress it up. If we COULD sell, we'd probably be high-fliers in well-paid sales jobs instead of hassling friends and family to relieve us of pills and potions they could probably buy for less down the High Street – which leads us onto...

Over-priced Products

However the company dresses up the "quality" and special ingredients, the fact is that a large proportion of the sale price is distributed as profit to distributors. Typically as much as 65% split over the network of distributors.

So when you or your customer see a similar looking product at half the price on the High Street, and with no P&P to pay, it's easy to pop it into your shopping trolley and forget "buying as your own customer".

Of course, high mark-ups aren't just a feature of network marketing companies. I have done freelance work for two High Street chains of retailers where the selling price was SEVEN times the cost price. They had nothing to do with MLM, they were conventional retailers.

Don't Want To Bother Family and Friends

The traditional (pre-Internet) model of network marketing was to approach your family and friends. This does not sit well with me.

Since the day that my poor sister bought an MLM burglar alarm (don't ask!) from me, I have steered well clear of family and friends as customers. The wretched alarm packed up a month after she bought it, by which time the company had gone bust anyway. She kept it blinking at me balefully on the sideboard for many months to remind me "Never again".

Of course with the advent of the Internet your network can stretch way beyond family and friends and so it should. Because you can easily ruin important relationships by continually badgering family and friends to support your ailing business.

If you had a conventional High Street shop you would tell you family what you're doing and HOPE they might buy from you occasionally. You wouldn't (I hope) keep badgering them to "Buy my products".

Not Enough Time To Run Your Business

Although we blithely talk about a part-time business it's completely unrealistic to expect that you can sign up for an MLM, do nothing, and money will flood in.

To make fast money you need to make fast sales and build a team to do the same. You may start off with the best of intentions, and plenty of time to build a customer base and team of distributors.... but unless you, AND your team, can sustain this, many compensation plans will penalize you by demoting you from the qualification so hard-won.

My offline business has peaks and troughs – sometimes it's really quiet, and I have time for my online business. Other times I'm so busy I'm working round the clock and can't handle having to try and sell products or replace flagging distributors.

For me, part-time must **really** mean part-time... and mean that I can ignore the business completely if I need to.

In fact it should be completely optional to run a business. The product / service should have its own value, rather than the value being in the income from the business.

Poor Support and Marketing Resources

Another problem you might have that drains your time is lack of support when you have questions. I joined one business, brought in several people and had a decent down-line but I couldn't get my upline (introducer) to answer my questions. Perhaps he didn't know the answers either. It wasn't obvious who HIS upline was, and it was only a very low cost business so I confess I lost interest.

Are there good marketing materials? One of my reasons for joining a network marketing business is to tap into professionally created marketing material ready done for you, such as videos and professionally hosted webinars. These are tasks I find hard to do personally, so I want to evaluate the materials I can use to attract potential distributors.

Of course having access to good promotional material is a strong selling point when trying to introduce new distributors, as you can show them the marketing material they'll be able to use.

Hopefully this will be provided for you completely free of charge, although some companies (not mine) do make a small monthly charge for additional marketing resources.

The Company Can Close Down

On more than one occasion the parent company has just shut down – once overnight – taking my customers and income with it and then marketing different products to my customers, cutting me out of the loop completely.

This was due to a big mistake on my part because I didn't know any better. It's a mistake I won't make again, nor will I let anyone in my team make the same mistake (so long as they follow the training available to us).

But then again, in one of my non-MLM businesses, the supplier decided to ban me from promoting world-wide (where I was finding most of my customers) so they left me high and dry too.

My sin? I was selling at the RRP but suppliers in other countries were adding on a substantial extra profit. All the rogues aren't in MLM!

There's A High Failure Rate In MLM

All the above add up to the fact that there's a high failure rate in start-up businesses whether they are in network marketing or not. Maybe as high as 97%. Ouch!

Personally I think this is a bit of a non-problem for this article, because that high failure rate is not specific to the MLM model

There's a high failure rate in ANY start-up business venture. Everyone is different and some people just aren't cut out to be in business for themselves. They'd rather sit at home and watch TV. Nothing wrong with that – just as long as they don't criticize any business model for their results. At least with an MLM business you will have valuable products that you purchase and shouldn't have spent much money getting started, unlike franchising where you could have paid many thousands.

My Solution to The Problems Of Networking

I hit one or more of the above problems in every MLM business I tried, and had really dismissed it as a workable model for the future until someone rang me to ask me to watch some videos that would explain a business he's promoting. You can watch them [here](#) ask me on [Facebook](#).

Incidentally, those videos were produced for me by my support team leader at no extra cost. I wouldn't know how to begin to produce such clever marketing materials – and that's just one of several different styles he has provided for us.

What Makes This Different?

- A unique service, giving 'everyday people' access to a Private Members Club normally only available to high wealth individuals
- Promotion is completely optional, you are welcome to just buy the services of the club, which is what most members actually do
- No sales targets
- No stock to hold
- The company has never missed a pay day since it started in 2015
- Pause your monthly subscription if you need to
- Because of the above, members tend to stay for a long time rather than quitting after a few months
- Superb marketing materials produced by my up-line team leader at no extra cost

The Product / Service?

I haven't spoken much about the service promoted by the club.

It's a 'done-for-you' service known as Angel Investing, via a Private Members Club, giving 'everyday people' access that would normally be only available to high wealth individuals.

- You don't need to know anything about investing or stocks and shares, because all that is managed for you
- You don't need huge sums of money to take part
- Your subscription is split over several different companies so it's very low risk

I'm not going to dig deeper into this because we have such a range of different companies open to us, and at different stages of development, that the only way to get the up-to-the-minute situation is to watch the videos.

Watch the videos here. <https://JoyHealey.com/AngelInvestingVideos>

Ready to Talk?

After watching the videos I hope you agree with me that this club solves the problems of network marketing and that you will at least wish to dip your toe into the water with a free trial account using the links within the video series.

However, if you'd like to talk, please click this link:

<https://joyhealey.com/contact-me-about-share-club/>

Joy Healey

Owner

I'm in the business of helping new entrepreneurs have online.

Follow my recommendations to benefit from my hard-won experience. You will save time and stress - building your profits faster - by using trusted resources and partners I wish I had found earlier. Please contact me on Facebook <https://Facebook.com/joy.healey> if you have specific questions.

