

The **45**-Second
Presentation
That Will Change **Your Life**



by Don Failla

Adapted with the author's permission for this new special edition

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ABOUT THE AUTHOR

Don Failla started his network marketing career in 1967. He developed a proven system for building a large organization by paying attention to what worked as he built his business. Today, Don and his wife Nancy travel worldwide teaching their proven system as international lifestyle trainers. They live in California, and they have two sons, Doug and Greg, and five grandchildren. This book has sold millions of copies and is available in many languages. It is a major part of Don's proven system.



“Withhold not good from them to whom it is due, when it is in the power of thine hand to do it.”

Proverbs 3:27, KJV

Table of Contents

1. Understanding Network Marketing.....	14
2. Two Times Two Is Four.....	22
3. Sales People Failure Syndrome Preface.....	27
4. Four Things You Have To Do.....	32
5. Digging Down To Bedrock.....	39
6. Ships At Sea.....	44
7. Third Party Invitation.....	51
8. Where To Spend Your Time.....	55
9. The Sizzle Sells The Steak.....	57
10. Motivation And Attitude.....	60
11. Pentagon Of Growth.....	67
12. Going Back To School.....	69
13. Playing With Numbers To Make A Point.....	76
14. Business Training Sessions vs. Weekly Opportunity Meetings.....	81
15. Important Phrases And Handling Objections.....	87
16. Why 90% Of The Population Should Be In Network Marketing.....	93
17. The System.....	93
18. Let the Tools Do the Talking.....	105
19. Vision for Lifestyle and Leadership.....	110
Appendix A: What To Do Next: Resources to Help You.....	117
Appendix B: How To Build A Successful Network Business The Fun, Fast Way.....	119

Appendix C:
How To Use The Own Your Life Pin And Other 45 Second Tools.....121

Appendix D:
Testimonials: What Others Think About
The 45-Second Presentation That Will Change Your Life.124

Appendix E:
Questions and Answers with Don and Nancy Failla.....130

Appendix F:
The Gallery of Gems: Key Ideas And Fun Phrases By Don & Nancy Failla.134

PREFACE

When you subtract out the sleeping time, commuting time, working time, and time for things you have to do each and every day of your life, almost all people don't have more than one or two hours each day to do what they like to do. And if they had the time, would they have the money to do it?

We have discovered a way for you to learn how to "Own Your Life" by building a home-based business, and we have a system for doing it that is so simple anyone can do it.

It doesn't require selling, and the best part is it won't take much of your time.

If you're interested, I'll get you some information.

How long did it take you to read that? Don Failla, the author of this remarkable book, calls it the *45-Second Presentation* for good reason! Yet we confidently say that those 45 seconds will **change your life**.

"How can we be so confident?" you might ask. It's a fair question, and by the end of the fifth short chapter in this book, we believe your question will be fully answered. In fact, we believe you'll share our confidence!

You see, this book challenges you with a powerful question: *Do you own your life?* The truth is, most people don't. Most people's lives are owned by a job of some kind or another, a job that fills their time but not their bank accounts.

There's a different path you can take, a path that can lead you to financial freedom. You'll read about that path in this book. What does "financial freedom" mean? Different things to different people. For some it means great riches. For most people, financial freedom is *time* freedom—being able to choose each day the activities that most nourish them and the people they love.

That's what it means to *own your life*.

The Power of Multiplication

So what is this "different path" that can lead you to own your life? It's called Network Marketing or multi-level marketing (MLM). Network Marketing is a way to create unlimited streams of income starting with next to nothing. It is open to everyone, men and women alike, no matter what your age, education or current financial situation.

Be careful here. You may have opinions about Network Marketing. Many people do. These opinions could be based on experiences you've had, or things you've heard from others.

Do something special for yourself. Set your opinions aside while you read this book. Don Failla often has this to say:

"100 percent of people outside Network Marketing don't understand it. And 90 percent of people *inside* Network Marketing don't understand it!"

That raises an obvious question: "What is multi-level marketing or Networking Marketing?" In the next chapter Don will answer this question in depth. Let's clarify here that multi-level marketing and Network Marketing are two terms for the same thing. For the sake of clarity, we will be using the term Network Marketing throughout this book.

This book is your opportunity to understand Network Marketing in a whole new way. Why would that matter? Because Network Marketing is almost certainly the best opportunity you have for financial freedom — your best chance to finally *own your life*.

Who Should Read This Book

The 45 Second Presentation That Will Change Your Life is an instruction manual on how to build success as a Network Marketer. But let's suppose that at this stage, you are "just looking". You haven't yet decided this is the right path for you. Why would you read this *before* you've even decided if you want to pursue Network Marketing?

The answer is simple: So you can picture in your mind *exactly what it will take* for you to own your life.

Think of this book as the story of a journey to freedom, and make yourself the hero. Picture yourself applying what Don Failla teaches in these pages. You'll discover that there is *nothing* here that you cannot do, no matter what kind of person you are or what skills and education you have.

If you've just started in Network Marketing, and you are beginning to see its potential for giving you control of your life, this book is for you; it's absolutely the best and most efficient way to learn what Network Marketing is all about and get started in the industry.

Don and Nancy know how much you value your time. That's perhaps the main reason that you've finally decided that that you need to *own* your life. This short "instruction manual" gets to the point quickly. Further, the techniques you'll learn to introduce others to Network Marketing are just as fast and efficient.

The Napkin Presentations

Don Failla has developed what he calls "Napkin Presentations." They are an engaging way to create illustrated presentations that get their point across with clarity and persuasion. They are the perfect communication and education tool for Network Marketing.

There are 10 Napkin Presentations and the first four are really a MUST. When you begin to build your own Network Marketing organization and start to train people, if you don't have time for all of them at least get started with #1 and #2. (Chapters II and III) You can show them to someone, depending on how much

you elaborate, in as little as five to 10 minutes, once you have practiced them. You can even do it over the telephone.

Open Minds Have Space For Wealth

Keep your mind open while you read this simple but extraordinary book. If you do, you will allow more than new knowledge to enter. You will create the possibility of producing wealth for yourself and those you care about.

What do we mean by “wealth” here? Take an objective look at the Network Marketing industry. Global sales are running at over \$166 billion*. That’s the size of a small national economy, and it’s growing steadily each year. No wonder Robert Kiyosaki, famed author of *Rich Dad Poor Dad*, calls Network Marketing “the perfect business.”

Creating wealth isn’t easy. And it isn’t instant. But it *is* simple. The two things you need the most are *understanding* and *persistence*. The persistence part is up to you. Understanding is what you’ll get from reading *The 45-Second Presentation That Can Change Your Life*.

Action Is The Key

Early in your life, you spent thousands of hours in classrooms learning all sorts of things. How much of that material do you actually use today? 20 percent? 10 percent? 2 percent?

What you have in your hands here is a different kind of education. This is not a book of theory. It’s a practical guide on how to own your life. You can apply 100 percent of it in the real world, and you’ll begin to see the results in weeks if not sooner.

When you read this book, you’ll learn *what you have to do* to set yourself free. You’ll find detailed instructions on how to build your own Network Marketing organization.

Choose Your Teachers Well

When it comes to traditional education, it doesn’t matter who you learn from, as long as they’ve read a few more books than

you've read. When it comes to learning about *creating wealth*, it matters enormously how you choose your teachers.

Don Failla, along with his inspiring wife Nancy Failla, teach from direct personal experience. Don and Nancy are enormously popular as business trainers throughout the world and have sold over 6 million books. They are popular because what they teach works. And it works because they first tested and proved every step of their process.

Don and Nancy Failla have personally built a Network Marketing organization of some 800,000 people. By any standards, that's an astonishingly large network. And 90 percent of their organization originated from the *four* people they began with. Don and Nancy have created total financial freedom for themselves. They teach because they love to, not because they have to.

Better yet, they have led a huge number of other people along the same path to freedom.

Enjoy!

The 45-Second Presentation That Can Change Your Life is easy and fun to read. Relax, enjoy the journey, and when you've finished the book ask yourself this one question: "Am I ready to own my life?" If the answer is "Yes," don't hesitate. Take action and make your personal dream a reality.

Your first step? Simple! Talk to the person who introduced you to this book.

*Source: Direct Selling Association 2012 Global Direct Selling Statistics Announcement, June 11, 2013

CHAPTER I

UNDERSTANDING NETWORK MARKETING

Just about everyone has been financially challenged by what many are now calling “The Great Recession.” But there’s good news for those considering Network Marketing today.

According to the Direct Selling Association, when the U.S. economy was growing at an annual rate of just 4 percent, the direct sales industry was booming along at 5.9 percent — nearly 48 percent better than the entire economy. You’ll find similar patterns of growth throughout the world.

If you’re looking for more income, financial freedom and the ability to take real control of your life, that’s a very encouraging — and important — statistic. To move forward you need to learn more about the industry, and for real success, you need to know how to explain it to others.

Let’s get started.

NETWORK MARKETING is one of the fastest growing yet most misunderstood methods of moving products in use today. By the year 2012, nearly \$167 billion worth of products and services were moving annually through Network Marketing and direct sales companies. As we progress through the 21st century, **WATCH OUT!**

The purpose of this book is to convey to you the reader, through illustrations and examples, just what Network Marketing IS and what it IS NOT. We will also show you how you can effectively, I repeat **EFFECTIVELY**, explain Network Marketing to others. Let me emphasize that. When you go through this book, you will learn the essentials of Network Marketing for yourself and how to explain it to others.

This book should be treated as a TRAINING MANUAL. As you develop your own Network Marketing organization, you will be bringing others onboard. This book is intended to be used as a tool to help you train the people in your organization. Be certain to include it in their initial “kit” of information about your program!

Napkin Presentations

I developed the “Napkin Presentations” upon which this book is based over the years since about 1973. I have been involved in Network Marketing to one degree or another since 1969. This book will cover the *Ten Napkin Presentations* I have developed so far.

But before we jump into the Napkin Presentations, let’s start with some fundamentals you and members of your organization need to know.

Marketing simply means moving a product or service from the manufacturer or provider to the consumer. Multi-level refers to the system of compensation provided to those persons who are causing the product or service to move or the service to be provided. “Multi” means “more than one.” “Level” refers to what may better be termed as “generation.” It could also be called “multi-generation marketing.”

However, we shall stay with “Network Marketing”, as that is the most commonly used terminology. It is so common, in fact, that many illegal pyramids and chain distribution schemes or chain letters try to pass themselves off as being a network program. This creates such a stigma, although unjustified, that many of the newer Network Marketing companies are using other names for their type of marketing. Some of the names you will hear are “Uni-Level Marketing” and “Co-op Mass Marketing.”

Four Types of Commerce

We will now get into the basics you need to understand for your success and for the success of those you bring into your network. Learn this information so you can easily teach it to others.

There are really only five basic methods of moving products or services:

- 1) **RETAILING.** I'm sure everyone is familiar with retailing. The pharmacist, the supermarket, the department store, etc. You go into a store and buy something.
- 2) **DIRECT SALES.** This would usually—but not always—include insurance, cookware, encyclopedias, the Avon lady, party plans, etc. These are some examples of direct sales efforts: One person attempting to *sell* something to one other person.
- 3) **NETWORK MARKETING.** This is the one we shall be dis-cussing in this book. It should not be confused with the other two, especially with the direct sales method with which Network Marketing commonly is confused.
- 4) **DIRECT MARKETING.** Mail order, telemarketing and infomercials are in this category.
- 5) **ONLINE MARKETING.** This term covers a wide variety of “methods of moving products or services” over the Internet. Websites like Amazon are online retail stores. Other models use Google AdWords, email and social media as ways to advertise.

Some might ask about a “sixth type” generally called “PYRAMID SALES.” We mentioned this earlier and pointed out that pyramids are **ILLEGAL**. One of the main reasons they are illegal is their failure to move a product or to provide a valid service. Pyramid schemes are merely used as a tool to circulate money. If a product or service doesn't move, how can you even call it “marketing,” let alone “Network Marketing”? Networking they may be, but **MARKETING THEY ARE NOT!**

Most objections that people have about getting into Network Marketing are due to their not realizing the differences between Network Marketing and the direct sales methods of marketing. This confusion is understandable because most reputable Network Marketing companies belong to the Direct Selling Association (DSA) or the Association of Network Marketing Professionals (ANMP).

You have been conditioned, perhaps, to think of them as door-to-door direct sales programs because your first encounter with them was when a distributor knocked on your door to sell you something.

There are some features that differentiate Network Marketing from retail and direct sales companies. One very significant difference is that in Network Marketing you are in business for yourself BUT NOT BY YOURSELF.

By being in business for yourself, it's likely that you are entitled to some substantial tax breaks, especially if you are operating out of your home. We won't get into tax advantages in this book. Most people can get that information from their accountant or from the many books that have been written on the subject.

Being in business for yourself, you are buying the products wholesale from the company you are representing. This means that you can (and should) use these items for your own consumption. Many people get involved in a company at first for this reason alone, to buy wholesale. And many of these people will get "serious."

Building the Organization

Since you are buying your products WHOLESALÉ, you can sell those products at RETAIL and make a PROFIT. However, a common misunderstanding about Network Marketing is the notion that your success hinges on your ability to make retail sales.

Sales are the ultimate purpose, but sales within the Network Marketing model should not be confused with traditional retail sales. In Network Marketing, sales success is the result of building a good organization and informally sharing products with family members and friends. This is why we devote so much time to teaching you how to build your organization. That's why we say you are not in business "by yourself"— you are not alone. Far from it. The whole point is to build a growing team.

The important idea is to let your sales come as the natural result of building the organization. More people fail than succeed by trying to do it the other way around; they try to build the organization by emphasizing selling. As you read through the Napkin Presentations that follow, you will see this concept unfold before you.

The word “selling” triggers negative thoughts in the minds of about 95 percent of the people. In Network Marketing, you don’t need to “sell” the products in the traditional sense of the word. I define selling as “calling on strangers trying to sell them some-thing they may neither need nor want.” However, products or services DO HAVE TO MOVE or nobody, but nobody, gets paid. Again, **PRODUCT or SERVICES HAVE TO MOVE OR NOBODY GETS PAID!**

When you build an organization, you are actually building a network through which to channel the company’s services or products. Retailing is the foundation of Network Marketing. Sales in Network Marketing come from distributors SHARING with their friends, neighbors and relatives. They never have to talk to strangers!

To build a LARGE SUCCESSFUL BUSINESS you need a BALANCE. You need to sponsor and teach Network Marketing and in the process of doing this you can build a customer base by retailing to your friends, neighbors and relatives.

Don’t try to sell the world on your program yourself. Remember that Network Marketing is building an organization in which a lot of distributors all retail a little. This is far better than a few trying to do it all.

Small Ad Budgets Lead to Superior Products

With virtually all the Network Marketing companies, the need to spend large sums of money on advertising is non-existent. Advertising is done almost exclusively by word-of-mouth. For this reason these companies have more money to put into product or service development. As a result, they usually have a higher quality product or service than their counterparts found in re-tail stores. You can SHARE with a friend a high quality product or service of a type that they are already using. In that case, you’re simply replacing their old brand with something that you have discovered through your own experience to be better. Or you may introduce them to something that is completely new to them.

So you see, it’s not going door-to-door every day calling on strangers. All network programs that I know of teach that if you

simply SHARE the quality of their products or services with friends that is all the “selling” that is involved. (We prefer to call it “sharing,” because that’s what it is!)

The Importance of Sponsorship

Another thing that differentiates Network Marketing from direct sales is the SPONSORING of other distributors (sometimes called Independent Business Owners, or IBOs). In direct sales, and even in some Network Marketing companies, it’s called RECRUITING. However, “sponsoring” and “recruiting” are definitely not the same thing. You SPONSOR someone then TEACH them how to do what you are doing, so they are able to develop a BUSINESS OF THEIR OWN.

“Recruiting,” on the other hand, is merely the process of adding people to the organization. There is no commitment to their success. Anyone who recruits without providing the necessary training and support will ultimately fail. The attrition rate of unsupported “recruits” is very high.

When you SPONSOR people, you are making a COMMITMENT to them. If you are not willing to make that commitment, then you are doing them a disservice by signing them up.

At this point, all you need to be is WILLING to help them to build a business of their own. This book will be an invaluable tool in showing you what and how to do just that.

It is a RESPONSIBILITY of a sponsor to teach the people they bring into a business all they know about that business. Things such as ordering products, keeping records, how to get started, how to build and train their organization, etc. This book will go a long way toward making you ABLE to meet that responsibility.

SPONSORING is what makes a Network Marketing business grow. As your organization grows, you are building toward becoming an INDEPENDENT, SUCCESSFUL businessperson. You are your OWN BOSS!

With direct selling companies, you work for the company. If you decide to quit that company and move to another area, you end up having to start all over again. In almost all of the Network

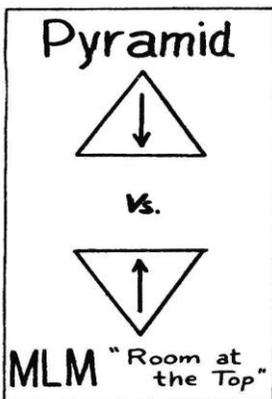
Marketing programs that I am aware of, you can move to another region—or to another continent!—and sponsor people without losing the volume generated by the group you left behind.

Making a Living vs. Making a Fortune

In Network Marketing programs you can make a lot of money. It takes a little longer with some companies than it does with others, but making a lot of money comes from building an organization, not by just retailing the product. To be sure, you can make a good living in some programs by just sharing the product, but you can make a FORTUNE by building an organization as your primary function.

People will get started in a network business with the idea of making \$50, \$100, or even \$200 per month and suddenly they will realize that if they want to get serious about the business, they could be making \$1,000 or \$2,000 per month, or more—much more. Again, remember that a person doesn't make that kind of money by just selling the products; they make that kind of money by building an organization.

THAT IS THE PURPOSE OF THIS BOOK. It will teach you the things you need to know to be able to build an organization and to build it FAST to develop certain and proper attitudes about Network Marketing.



If a person thinks Network Marketing is illegal, or has a connotation of it being like a pyramid selling organization (and they do make that connotation), you are going to have trouble sponsoring them. You must teach them the facts to eliminate their mistaking a true Network Marketing organization for a pyramid selling organization. One example you could show them is shown in left side. The pyramid selling organization is built from the top down and only those close to the top can ever benefit financially.

In the Network Marketing triangle, everybody starts at the bottom and has the opportunity to build a large organization. You can build an organization many times larger than your sponsor's organization if you want.

Putting It All together

Now that you understand the fundamentals of Network Marketing, let's take a look at the bigger picture. The other main objective of what we've learned so far is to give you the ability to get your prospect into a general discussion about Network Marketing, and to explain the differences between retailing, direct sales, and Network Marketing. Then you should have a good start at sponsoring them into your particular Network Marketing organization.

As I stated earlier, Network Marketing and direct sales are currently doing in excess of \$167 BILLION annually. That is BIG BUSINESS! Most people don't realize that Network Marketing is that big! Network Marketing or multi-level marketing has been in our midst for 75 years now. Some companies have been around since just after WWII and are doing a billion dollars in sales or more each year.

We know of one company that did over \$1.5 MILLION in its first year of operation. In its second year it went over \$10 MILLION. For its third year it projected \$50 MILLION. Its goal is to reach \$1 BILLION per year by the end of its fifth year. The principles explained throughout this book make those kinds of goals reach-able. That's impressive by any standard!

Network Marketing is one of the viable ways for inventors or manufacturers to put new products on the market without having a million dollars and without having to totally give up their products to someone else.

Even better, Network Marketing gives you the opportunity to share the extraordinary financial benefits that come with this economic model, and that's what we will explain in the following chapter.

CHAPTER 2

TWO TIMES TWO IS FOUR

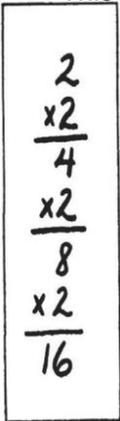
Napkin Presentation #1

Now that you have a good fundamental understanding of Network Marketing, let's assume that you're pursuing your goal of financial freedom and are now in business for yourself. You're introducing your first prospect for your organization to Network Marketing; it's time for your first Napkin Presentation.

You can show prospects this presentation BEFORE they see the specific Network Marketing program or vehicle you want to share with them. It is an absolute MUST to show them this presentation as soon as possible after you have introduced them to your program.

You want their thinking to be going in the right direction from day one. What this will do is take the proverbial "monkey off their back" if they think they have to go out and "sponsor the world" to make a large amount of money in Network Marketing.

This presentation will also show them how important it is to work with their people and help them to get started.


$$\begin{array}{r} 2 \\ \times 2 \\ \hline 4 \\ \times 2 \\ \hline 8 \\ \times 2 \\ \hline 16 \end{array}$$

As you read through our first Napkin Presentation, picture yourself with your prospect. Note how easy it is to present and how it's not difficult to maintain a casual, friendly and very informative atmosphere.

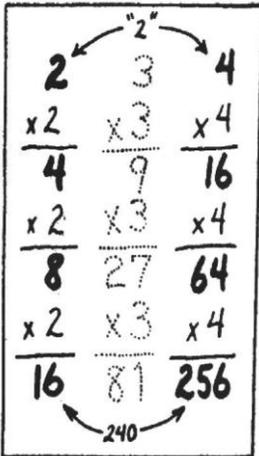
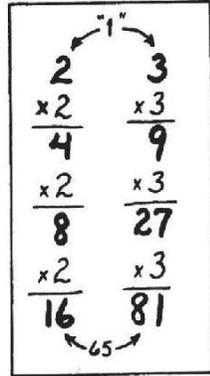
The First Napkin Presentation

This presentation starts by writing down "2 x 2 is 4," etc., and multiplying on down as shown in left side. We tell a joke to people, that if you sponsor

Someone who can't do this right (multiply 2 x 2) you should probably PASS, because you are going to have trouble working with them!

To the right of the 2 x 2 column, write 3 x 3... You'll see that we start using the word "sponsor" now. We also start to use the word "teach". Here's what you say:

"Over here you sponsor three people, and you teach these three to sponsor three, making nine more. Then you teach your three people how to teach those nine to sponsor and now you have 27. Going on down one more level, you will have 81. Notice the difference between 16 and 81!"



Bring it to their attention and ask them if they would agree that it's a pretty good difference. Then point out to them the REAL DIFFERENCE is ONE! Everybody only sponsored ONE MORE! You will usually pick up some reaction from this, but continue right on, it gets better.

Continue by saying: "Let's say you sponsor four people into the business".

Moving to the right of the 3 x 3 column, you again run down a column of figures, writing them down as you speak:

"Let's see what happens if everybody sponsored only TWO MORE."

As you continue to write, you say:

"You sponsor four and teach them to sponsor four. Then you help your four to teach the 16 they have to sponsor four, adding 64 to your group. Working down only one more level, and before you know it, your group has 256 more."

And again you point out:

"Now that's getting to be a considerable difference right there, but the..."

You will usually catch some sort of reaction again as they begin to pick up on the concept, and cutting in they will say before you do, **“The REAL DIFFERENCE is that everybody only sponsored TWO MORE!”**

We end it with five. They will usually pick up on it by now and mentally or verbally follow right along with you as you write in the final column of figures. By now you can leave out “sponsoring” and “teaching,” writing down the figures and commenting:

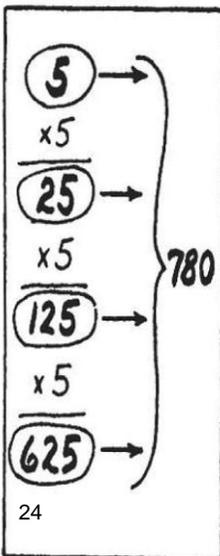
“Five times five equals 25, times five is 125, times five is 625. Now that is a FANTASTIC DIFFERENCE!”

Again now, the REAL DIFFERENCE is that everybody only had to sponsor THREE more.

Focusing on the ‘Bottom Line’

Most people can relate to sponsoring one, two, or three more, but usually find it difficult to relate to the figures on the bottom line. (16, 81, 256, and 625)

So picture yourself in the last column, having had the time to sponsor five serious people into the program. The “five” at the top of the column represent the ones you sponsored who want to get SERIOUS about building a business of their own. You may have to sponsor 10, 15 or 20 people to get these five serious business builders.



However, once you totally understand all 10 of the NAPKIN PRESENTATIONS, you will find that the people you sponsor will get serious QUICKER than people who come into organizations and don't know this material. This book will teach you how to work with them so they will get serious sooner.

Notice in figure (left side), that when you have sponsored five, and they have sponsored five, and so forth, right on down the line, you add all these (circled figures) up and you will have 780 serious people in your organization.

The Importance of Organization Size and ‘Sales’

Doing this will help you answer the question, “Doesn’t somebody have to sell the product?” Anyone who has been in Network Marketing has heard that question before. Just go through this NAPKIN PRESENTATION with them and explain that two times two is four... right on up to 780 distributors.

Then explain that in ANY KIND of Network Marketing organization, if you have 780 people just USING the product or service themselves, you have a tremendous volume. And this doesn’t even include the people who are not serious business builders, but who are just “product or service buyers.” To briefly elaborate, if you are building your business right, in the process of sharing your opportunity, you will have some who will not take advantage of it. You will find that many of these people will be-come either wholesale buyers or retail customers.

Now, getting back to how the business grows, if these 780 distributors have just 10 customers from among their friends, relatives, and acquaintances, that’s 7,800 customers! Add to that the 780 distributors in your organization. Do you think 8,580 customers plus the “product or service buyers” will be able to provide you with a profitable enterprise? This is how you make a lot of money in any business: Having a lot of people doing a little bit. But remember, you are only working with FIVE SERIOUS PEOPLE, not a whole army!

The Critical ‘Front Line’

Nancy and I run into people constantly in other Network Marketing programs, as well as our own, who are amazed at how FAST our own organizations have grown. They have been in their pro-grams longer than we have, but are scratching the “think tank” on top of their necks and asking, “What are you doing that I’m not doing?”

Our response to them is, “How many people in your FRONT LINE are you working with?” (The Front Line is those people directly sponsored by you. They are also called your “first level” distributors.)

I will usually hear figures anywhere from 25 to 50 or more. I know people in Network Marketing who have over 100 in their front line, and I’ll guarantee you, that once you understand the

principle's outlined in this book, you'll pass those people in six months, even though they have been in their organizations for six to eight years.

Commit to No More than Five

As we go into Napkin Presentation #2 covering the "Salesmen Failure" syndrome in Network Marketing, I will give you a simple parallel showing why having so many front line people isn't good.

Consider the Army, Navy, Air Force, Marines and Coast Guard. From the lowest private up to the top brass, nobody has more than five or six people they are trying to DIRECTLY supervise. (There may be rare exceptions.) Think about it! Here we have military organizations with hundreds of years of experience and they don't think anybody should supervise more than five or six people.

Knowing that, tell me why people get into a Network Marketing organization and think they can effectively work with 50 people in their front line. They CAN'T DO IT! That's why a lot of them fail, and you'll see why as you read on.

You shouldn't try to work with more than five serious people at a time. However, make sure that when you sponsor them, you start working "down-group." There is a point when they won't need you and then can break away and start another line on their own. This will also free you up to work with yet another serious person, keeping your number of those that you are working closely with at five.

Some programs may allow you to be effective with only three or four at a time, but none that I know of can be effectively built with more than five.

As you continue, you'll see how these Napkin Presentations tie into and build upon each other. If questions occur to you, you'll probably find that they are answered as you progress through the book.

CHAPTER 3

SALES PEOPLE FAILURE SYNDROME

Napkin Presentation #2

Over the years, we've noticed that some experienced salespeople can have a difficult time making the transition to Network Marketing. This is the issue we address in Napkin Presentation #2.

When putting together a Network Marketing organization, it's better to sponsor 10 good TEACHERS than 10 good sales people. Of course, sales professionals can be a tremendous asset to your organization if—like everyone else—they go through the 10 Napkin Presentations and thoroughly understand them.

Most people get confused by the statement above, but remember, they still don't understand that Network Marketing is a METHOD of marketing. We are NOT sponsoring people into a *direct sales organization*. We ARE sponsoring them into a *Network Marketing program*.

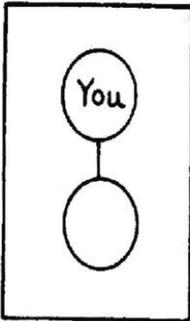
Much of the time, the problem you will have with a sales person, is that when they see the high quality of the products you represent, they want to take off and just start selling. They can put their own presentation together; they don't need us to tell them how to sell—they're the professionals. The point is, we don't want to tell them how to sell. However, we do want to teach them how to SPONSOR, TEACH and BUILD a large successful Network Marketing organization. Sales professionals, and anyone for that matter, can do just that WITHOUT SELLING ANYTHING in the normal sense and definition of the word "selling."

If you don't take the time to sit down with them and explain a few simple things about Network Marketing, and why it is different than direct selling, then the tendency is for them to go off in the wrong direction. As we continue on with the Napkin Presen-

tations, we will give you a few examples, but right now we'll turn to Napkin Presentation #2 that explains the "sales people failure syndrome."

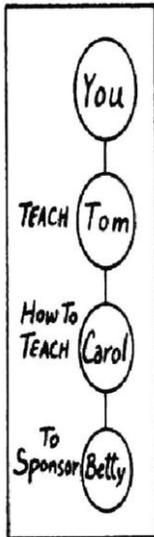
Making the Presentation

I'm going to get into teaching mode here. Refer to Figure 3 and follow along with me. Keep in mind that when you begin to form your own Network Marketing organization, you'll be making this presentation yourself.



Most people think (and especially sales people) that if you sponsor someone, you have duplicated your effort. (*Draw two circles. One under the other.*) There was one, and now there are two. It sounds logical, but it's **not true**.

The reason why it's not true is that if the person represented by the top circle—who is you, the sponsor—goes away, the one he or she sponsored will go away also; that person won't continue on. You must explain to the people in your organization that if they truly want to duplicate themselves **they have to be at least THREE LEVELS DEEP. Only then are they DUPLICATED!**



Imagine your own sponsor dropped out before you had an opportunity to see if the program really did work: you would probably assume that it doesn't work, because it didn't work for your sponsor. After all, he or she is your sponsor and certainly must know more about it than you.

3-Deep Duplication is Crucial

Let's say that you're here in Figure 3. (*Write "You" in the top circle.*) You sponsor Tom. (*Write "Tom in the lower circle and connect the circles with a line.*) Now, if you leave and Tom doesn't know what to do (because you haven't taught him), then that's the end of it. But if you

DO TEACH Tom how to sponsor, and he sponsors Carol (*draw a third circle under Tom's and write "Carol" in it*), you are ONLY BEGINNING to duplicate yourself.

However, if Tom DOESN'T learn how to teach Carol to sponsor, then again it will fizzle out and that's the end of it. You have to teach Tom HOW TO TEACH Carol how to sponsor. Then she can sponsor Betty or whoever.

Now, you are THREE DEEP. If you go away (to work with someone else or to a different area of the country), this sub-group will continue on. I emphasize: **YOU HAVE TO GO THREE DEEP!**
You have nothing until you are three deep and only then are you DUPLICATED.

If you don't communicate anything but this one point to the people you sponsor, then you will have the key that will make you more successful than most others in Network Marketing programs.

The Super-Salesperson Crash and Burn

Here's what happens to the "salespeople." They look at the demonstrations of the products, and they hear or read the testimonials of the results others have had with the products. Armed with this information, they just want you to get out of their way so they can go out and "sell like crazy." Remember, they're SALES-PEOPLE! They have been in the direct selling business and they don't have any problem calling on strangers.

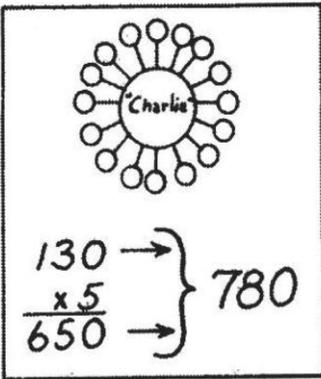
Great! So you say to your super-salesperson, "If you want to make the BIG BUCKS, you cannot do it by yourself. You need to *sponsor* people."

So what does your salesperson do? He or she goes out and sponsors, sponsors, sponsors. Your super-salesperson will just sponsor up a storm. A good "salesperson" in a Network Marketing program can sponsor three or four people per week. But here is what really happens:

It gets to a point, and it doesn't take long, that people are dropping out as fast as they are being added. If you don't work with new people EFFECTIVELY (and you can't be effective if you are trying to work with more than five at a time), you will see them becoming discouraged and giving up.

So your super-salesperson, being discouraged and a little bit impatient, doesn't think anything is happening and goes off to look for something else to sell. The person who sponsored the super-salesperson, thinking this guy was going to make him rich, gets discouraged and also gives up.

Most people who have made it big in Network Marketing don't have a sales background. They may not be TEACHERS professionally, but most of them come from backgrounds with an element of teaching in it. I know of one teacher and one school principal who, after only 24 months in a Network Marketing pro-gram, were earning in excess of \$15,000 PER MONTH. They did it and are doing it by **TEACHING OTHERS** how to do it also.



Examining the Bottom Line

Let's put some numbers in the super-salesperson approach so we can see more clearly where he or she went wrong. We will assume that this person, being the super-salesperson, went out and sponsored 130 people. Let's also say that this sales pro got each of them to sponsor five others, adding 650 more for a total of 780 in his or her organization. That sounds familiar, doesn't it?

Ask your people this question when you show this to them: "Which do you feel you could do more quickly, sponsor five people who are serious and TEACH THEM HOW TO TEACH, or go out and sponsor 130 people?"

Incidentally, the question will come up, "What do I teach them?" The answer is: **You teach them the 10 Napkin Presentations you are learning right here in this book.** They need to have an understanding of all 10, but initially the first four.

How long do you think it would take you to sponsor 130 people? How many of the first ones would be left when you sponsored number 130? You would find that you are losing them pretty fast. Yet you will discover the retention rate on the 780 in Napkin Presentation #1 to be quite high.

Once you show this to a salesperson and they understand it, they will say, “Aha! Now I see what I’ve got to do,” and they will go out and do it.

A Word of Caution

Be careful. You must hold them back. Because the typical super-salesperson doesn’t understand what we have just gone over in this chapter, most sponsors in Network Marketing will literally encourage their people right out of the business! They will sponsor someone and their new distributor will come to them and say, “Hey, I got five new people last week!” So you say, “Great!” and encouragingly slap the distributor on the back. The following week this person signs up five more people. What has become of the five that were signed up the first week? They have gone!

If you understand the “Salespeople Failure Syndrome,” you can still encourage them, but at the same time stress the point of how **IMPORTANT** it is to take those first five they sponsored and **HELP THEM GET STARTED**.

After I have sponsored someone, it’s more important for me to go with them and **HELP THEM SPONSOR** someone else, than it is for me to go out and sponsor another person for my-self. **I just cannot emphasize this point too much.** This point will come up again in a couple of other presentations.

In one of the programs I was involved in, I sponsored this fellow named Carl. Carl told me about his plan to sponsor his daughter in Tennessee, and that she knew everybody in town. I was talking to Carl on the phone and related to him that I thought it was great. I quickly added however, that I needed to tell him something to pass on to his daughter. I asked him if he had a piece of paper and pencil handy (which he did) and I had him write down two times two is four and right on through it. I instructed him to immediately phone his daughter and let her know the mistakes to avoid so she would get started in the right direction. He did call her, and it’s working out very well for both of them.

It will work for you, too.

CHAPTER 4

FOUR THINGS YOU HAVE TO DO

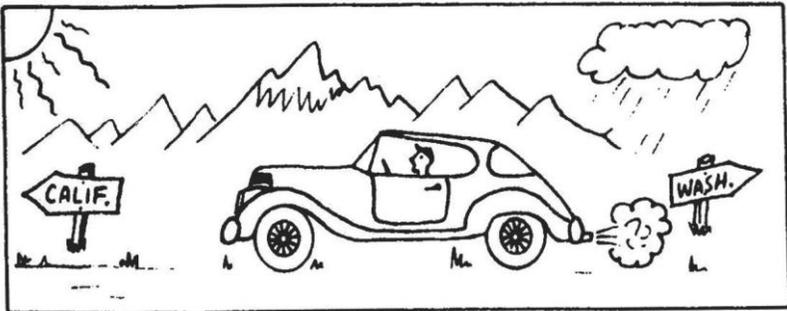
Napkin Presentation #3

In the first Napkin Presentation, we told you some of the things *to do*, and in the second presentation we told you some things *not to do*, with regards to working in-depth with your organization. In this Napkin Presentation, we will show you four things you *have to do* to be successful in a Network Marketing program. These four things are an absolute **must!**

Everybody in Network Marketing who is making \$100,000 or \$200,000 per year (or more), has done and is still doing, these four things.

Road Trip!

To help you remember these four things, we have illustrated the points in a story that you can relate to your people. They will not only pick up on the story, but will also remember the “have to do’s”. Here’s how the story goes:



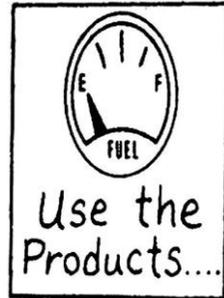
Let's imagine you want to take a trip in the family car and leave rainy Melbourne (you can use your own rainy city) and drive to sunny Brisbane. The sunshine in Brisbane will represent reaching the top in the program that you're in.

When you get there you are successful, you're at the pinnacle!



The FIRST thing that you have to do is to GET IN and GET STARTED. There aren't any people in Network Marketing who have made a lot of money unless they first got started. The amount of money it takes to get started depends on the company and the program you choose as your vehicle. It can range from nothing up to \$25, \$45, \$100, \$200, \$500 or even more.

The SECOND THING you need to do as you take this trip, is to buy gas and oil. As you travel to the top, you will use up the fuel and oil (products), and it will be necessary to replace them. Network Marketing works best with products or services that are *consumable*. You will use the products or services up and buy them again, and again, and again! What this means is that you yourself must USE THE PRODUCTS or SERVICES of the company you represent.



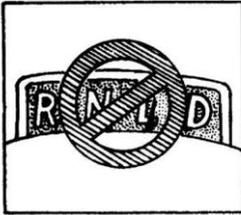
Additional background

Remember, we showed you in Napkin Presentation #1, that with 780 distributors it doesn't matter which program you are in, you will have a very sizable volume.

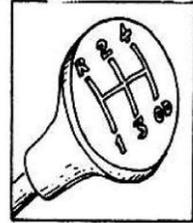
Naturally, you can see the advantages of building a business with a vehicle that has consumable products and services. Most Network Marketing companies are in that category. Non-consumables are usually marketed through retail or direct sales methods, but not always.

The other result of using the products or company services yourself is you will get excited about them. Rather than spend a

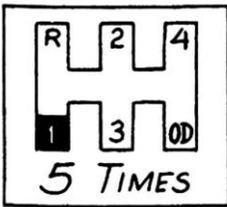
large sum of money on advertising, Network Marketing companies put their money into product or service development and as a result will usually have a higher quality product or service than that which is normally available in a retail store. Let's get back to the story that illustrates our four points:



The **THIRD** thing you have to do is to get into **HIGH GEAR**. Of course you realize that nobody starts out in **HIGH** gear. We all start out in **NEUTRAL**. (Incidentally, notice that we are not driving an automatic.) We may be in the car, still in the driveway,



with the key turned on and the motor racing, but if we never get out of neutral we will never get to our ultimate destination, or anywhere else for that matter.

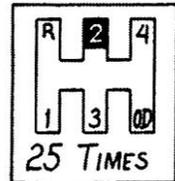


To get your car into gear, you must sponsor someone into the business. When you sponsor someone, you are in **FIRST GEAR**. We believe you should be in first gear five times, with **FIVE SERIOUS** people. In one of the other presentations we show you how to determine which of your people are serious.

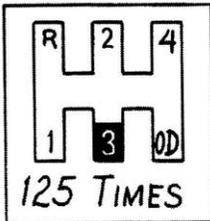
Running Through the Gears

Our story continues as you work your way through the entire gearbox:

You will want your five people to get into gear **ALSO**. You **TEACH** them how to get into first gear by sponsoring someone.



When each of your five people is in first gear five times, you will be in **SECOND GEAR 25** times.



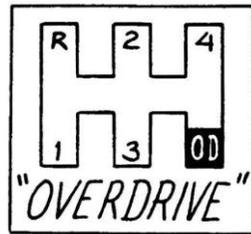
You teach your five people to teach their five to get into first gear five times, they are now in second gear 25 times each, and that puts you

in THIRD GEAR 125 times. When you have third level distributors in your organization, you are in THIRD GEAR.

Have you noticed how much smoother your car runs in fourth gear? So does your organization! You want to be in HIGH GEAR (fourth gear) as soon as you can. When your first levels are in third gear, you will be in FOURTH GEAR.

Naturally, you want your people to be in HIGH or FOURTH GEAR as well and when they are, you are in OVERDRIVE.

How do you get into OVERDRIVE? You simply HELP TEACH the people you sponsored to get their people into THIRD GEAR, which puts them into fourth gear and puts you in OVERDRIVE.



Cruising in Overdrive

When you're in overdrive and cruising down the road to Network Marketing success, it's time to do some serious sharing. Let's pick up our story:

The FOURTH THING, while you are on your journey, is to use the time you have to SHARE your products with the people who are going with you. Let them try them. Let them experience the benefits of the products. When they want to know where they can get them, guess what you do at that point? You share with your friends. For a number of people, this is the retailing part of the business.

At this point in the book it is important to notice that as we went through Napkin Presentations #1 and #2, and now #3, we've told you the FOUR THINGS YOU HAVE TO DO to be successful. Not once did we tell you that you have to go out and SELL. We say you DON'T have to sell the products in the normal sense of the word "sell." We DO SAY you need to SHARE the products with your friends. You can even share them with strangers. When they see the benefits of your products and your marketing plan, they will become NEW FRIENDS.

10 Customers or Fewer

You don't even need a large number of customers; it can require only 10 or even fewer. If all you ever had was 10 customers, that's okay. All it means is item number four (below) is a very small portion. So if you cover up the "number four" altogether, you could still get to your destination by doing the first three.



However, notice that If you didn't do number three (get into high gear), and did a lot of number four (sharing), you would never get out of the driveway. That's what salespeople do. Once you understand this and tie it in with Napkin Presentations #1 and #2, you start developing the **proper Network Marketing attitude**.



When you are starting out with new members of your organization, you want to get the number **five** deeply embedded into their subconscious. All they need to do is find **five** serious people who want to get serious about the business.

Don't Look For People to Sell

When you run into people in Network Marketing and ask them how they are doing, you may hear the response, "Gee, I can't

find anyone who wants to sell.” There’s that word “sell” again! Tell them:

QUIT LOOKING for people who want to sell! HOWEVER, DO START LOOKING for people who want to earn an extra \$600, \$1,200, \$1,500 or \$5,000 per month without having to “go to work” every day.

Do you or they know anybody like that? Your answer and theirs, like mine, will be, “Yeah, everybody!” Well, they are the people you want to talk to, because everybody would like to have that kind of money coming in.

Simply point out that it may take five to 10 hours of their spare time each week to build a business. But then hasten to say, “What’s wrong with that?”

People sometimes get into Network Marketing programs and think somehow it’s all going to happen just because they signed up. Not so! Remember, the car we are driving to our destination does NOT have an AUTOMATIC transmission.

I know, and surely you know, people who have gone to college to get a degree, and there is absolutely nothing wrong with that. Maybe you’re one of them. You go to school every day. You study all day and half the night, week after week, for years. Then when you finally graduate, how much money can you make?

Success by Learning and Teaching

So give five to 10 hours of your time each week to LEARNING the 10 Napkin Presentations and everything you can about the Network Marketing company you are representing.

When you learn and understand the Napkin Presentations, you can teach them to others. The book you are reading today is your key to tomorrow’s success.

We don’t want you to get uptight by thinking you can’t teach someone what you are learning here. Sure, this may be the first time you’ve read or heard these concepts and we really can’t expect you to know it all well enough to teach it immediately. But then, you DON’T HAVE TO!

Remember, to get into a Network Marketing program, you have to have a SPONSOR. If your sponsor is a REAL “sponsor,” he

will help you with your first five people. Notice: It's a HELPING RELATIONSHIP. In the process of showing the Napkin Presentations to your friends at meetings (one-on-one or groups), your sponsor is training you as well.

As a suggestion, we ask that you set some sort of goal for yourself. When you are about 20 percent up the ladder in your program, you should KNOW and UNDERSTAND the 10 Napkin Presentations. By the time you get 3/4 of the way, you should be able to TEACH others. When you are at, or near, the top you will be able TO TEACH your people TO TEACH others. It's some-thing beneficial that you can MASTER over a relatively short period of time.

With this book and/or the CD on the same subject, you can sit down and study the material again and again and again. If you were given an "assignment" to do the above, and you had to go through the material five, six, or even 10 times, and a year from now it meant you could be making two, three, four, or even SIX THOUSAND DOLLARS A MONTH, would it be worth spending five to 10 hours a week? On average people spend far more than 10 hours watching television, so why not consider changing a habit and change your life by doing so?

Now you have to admit, that's a pretty neat way to "go to school," right? Take a look at some of those college textbooks and try to learn what they contain. They're probably not going to make that kind of money for you...

Welcome to Network Marketing University!

Four Things You Have To Do:

1. Get in – Get Started.
2. Use the Products or Company Services.
3. Shift into High Gear.
4. Share with Friends (Retail).

YOUR FIRST STEP

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