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Peggy Noonan wrote speeches for Reagan and Bush. On page 42 she tells you how to hold an audience in the palm of your hand.

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by UMA SACKETT

Get Rich Quick

Is there such a thing as a free lunch? A hard look at the "income opportunity" business

NETWORK MARKETING IS ONE OF the fast-growing systems of grassroots retailing and is based on a simple concept: you sell product and recruit others to do the same. You're rewarded with commissions on your sales — and on the sales of people you recruit, and also on sales of people they recruit.

Building a large organization (or downline) can be quite lucrative. Some network marketers become millionaires — but plenty of others don't. Which brings us to Randy Gage, one of network marketing's biggest boosters and arguably its greatest critic. Unlike many in this field, Gage pulls no punches when he speaks about network marketing. He made his own fortune in the business and then set up shop as a consultant and trainer. He is the author of several audio training tapes, including *How to Earn at Least \$100,000 a Year in Network Marketing*, and has just published his first book, *How to Build a Multi-Level Money Machine: The Science of Network Marketing*.

Success caught up with Gage recently and asked him for his insights into the business.

Randy, you've been quoted as saying that 90 percent of the people in network marketing simply have no idea what kind of business they're in. What do you mean?

I did say that, but I was incorrect. The actual figure is probably 95 percent. I say this because you can drive around any city in America and see ridiculous-looking signs on chain-link fences and telephone poles that say, LOSE 30 POUNDS IN 30 DAYS, and then a phone number. Or you see people all over the country wearing silly buttons on

their nice dresses and suits hawking some weight-loss product trying to recruit distributors in their network-marketing organization.

Now, wait a minute. What's wrong with weight-loss programs? They're very popular. Nothing. It's just that in fact most of these people think they're in network marketing,

Living-room wills: Successful sales are built in people's homes, not on "Lose weight now" come-ons, says Randy Gage.



but they are practicing plain old sales. They're in a diet program, so they look for overweight people. They're selling product one person at a time. If they're hoping to build a high-volume business that way, they're going to be disappointed.

Here's another example. You see a lot of silly marketing on the Internet and in business-opportunity ads with messages like "Downline builders service! No work, no

meetings, no products to sell; we build your downline for you!"

Now, in any other field, how many people would believe an offer like that? Here's the only equivalent I can think of. Let's suppose you pick up the *Miami Herald* and you look under the "Help Wanted" section, and it says, "Free job! No work required; don't show up; don't do anything; we'll do your job for you and send you the paycheck every Friday." Would you answer such an ad? No way. Yet people believe such claims when it comes to a "business opportunity." They think they're doing the business, but they don't even know what the business is.

Okay, since you put it that way, what exactly is the business?

Well, for starters, it's not a sales business. It's a business of teaching and training people. You have to build your business in such a way that anyone can duplicate it and be successful. You build it in people's living rooms and dens. It's not built on the Internet, in card-deck offers, or in silly ads in industry rags.

Why are people doing it that way, then?

Because that's the way their sponsor signed them up. What I suggest they do if they want to be successful is model themselves on somebody who's genuinely successful and who's developed residual, walk-away income on the basis of relationships with his people. Those are the people you want to emulate.

You described the network-marketing junkie as a person who joins several companies at once, hoping for a lucky score. Is there something wrong with being in more than one company?

Yes. The guy who has an Exxon station doesn't buy a Shell station across the street. It doesn't make sense for his business. Why would he double his overhead, double the work he has to do, and diffuse his time, money, and re-

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sources to compete against himself? It's no different in network marketing.

What if you're not sure the company you're in is the perfect company for you?

Well, if you're looking for the perfect company, you're going to be waiting the rest of your life, because it doesn't exist. What you do look for is a company that has products you would use anyway and buy anyway at that price — meaning they have that perceived value out there in the marketplace — and then you look to see if the company has a support structure.

So, what really separates the winners from the losers?

There are two ways to do the business: the big-business and the small-business.

The small-business way is basically a retail approach, selling products. If you're looking to make a couple hundred to a couple thousand dollars a month, the small-business option can do that for you. You lead with the products and then recruit your business builders from among your satisfied cus-

tomers. The people with the signs on the chain-link fences are doing the small business. They're product peddlers, and I don't mean that in a derogatory way, but in essence that's what they're doing.

Then there is the big-business model. That's where you go out and sponsor people into the business with the opportunity. You're going to train them and teach them with the goal of building a network of tens or ultimately hundreds of thousands of distributors. With the big-business approach, you lead with the opportunity; you can show someone a serious, livable income in a two-to four-year time period, and there's a much bigger percentage of people who are willing to invest that amount of time. You have to ask yourself, What kind of business do you want to have? Do you want some quick money now, or do you want a forever business with walk-away residual income? The people who build in the living rooms are the ones who create lifetime income.

Why living rooms as opposed to signs on fence posts?

Because lifetime income depends on lifetime

relationships. When you sign up somebody with a card-deck mailing, you're going to lose him as soon as the hot new fiber-cookie deal comes out that pays an extra 2 percent bonus.

But suppose I sponsored you into my business, and I've gone with you to 10 of your friends and did two-on-one presentations with you. I came into your living room and did meetings there for two months one night a week, and then I counseled with you on a monthly basis and provided a big quarterly event that you could plug into and bring your people to. And say I worked with you and developed the relationship all that time. Now when the hot new fiber-cookie deal comes out, you're going to say, "I love the company I'm with, I've got great support, I'm making progress, my group gets bigger every month, my check gets bigger every month, and I don't have time to be looking at other distractions. That's what network marketing really is — and where the money comes from. ■"

You can reach Randy Gage's company, Gage Direct, at 800-432-4243. Uma Sackett is executive editor of Upline.

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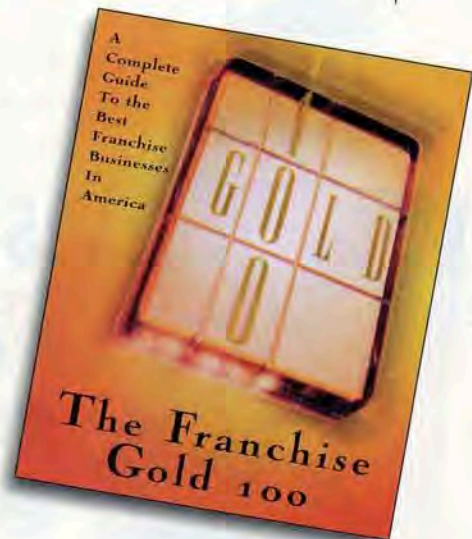
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