

**Network Marketing Event Mastermind III:
Recruiting, Retailing & Replication**

Orlando, Florida

October 15-17, 2004

This event was attended by more than 250 Network Marketing practitioners from the United States and numerous other countries. Many of the most visible, MLM leading authorities (based upon their actual MLM success) were speakers. This was a “closed door” event, meaning that no attendee could record any of the sessions or take pictures while presentations were in progress.

This was the third time for this event. Speakers were Michael S. Clouse, Randy Gage, Tom “Big Al” Schreiter, Rod Cook, Tim Sales, John Milton Fogg, Kim Klaver, David D’Arcangelo, Art Jonak, Hilton Johnson, Dr. David Pearson, Len Clements and Lisa Jiminez.

MICHAEL S. CLOUSE

“The Simple Power of Replication”

□ HYPERLINK <http://www.nexera.com> □ www.nexera.com □ □ HYPERLINK <http://www.michaelclouse.com> □ www.michaelclouse.com □

Since employees spend eight hours daily working, and another eight hours per day sleeping, a remaining discretionary eight hours daily are available. One must decide how to use this time, which amounts to 56 hours per week (8 hours x 7 days). It can be used to start your own business, part-time.

Consider your life four years ago on this date. Describe your life to yourself as of today. Try to determine where you want your life to be four years from this date in 2008. Consider Network Marketing to get you there.

In Network Marketing, you next need to find someone who is an expert, find out what they did, do exactly that. You focus on the fundamentals—prospecting, presentation, and replication (aka duplication).

It’s imperative to have your mind arranged—or rearranged—to attain success—starting with your philosophy, then your attitude, then your thoughts, then your actions, leading to the ultimate result (demonstrated by your lifestyle).

When prospecting, don't talk "with" strangers; rather talk "to" people as if you've always known them. Prospecting is like dating—do not tell your entire story the first time. Instead, make multiple exposures over a short time. And as with dating, let prospects get to know you, like you, trust you, and conclude that they can work together with you.

Explain that your Networking Marketing business is so simple, anybody can learn it and do it. You must have a replication/duplication system which you teach to them. The new Network Marketer must read and listen to CD's every day to grow in knowledge and confidence. He/she must also agree to attend four classes per year to learn more, including company meetings.

RANDY GAGE

□ HYPERLINK <http://www.randygage.com> □ www.randygage.com □

You must become "a sponsoring machine," he says. But you cannot sponsor your way to the top, you can't sell your way to the top. The only way to the top is to duplicate—that is, teach your downline how to duplicate continuously and pass this skill down to all new people.

When building a downline, first you build it wide (across) to increase income. Then you build it deep for long term security, and you create a climate in which which future key leaders are made.

All comments from leaders to downline must lack negativity.

How do ups and downs in the economy impact building a downline? Direct sales (including Network Marketing) flourish during times believed to be bad for finding jobs, as is the case now. Take advantage of this pessimism about jobs. In better times for jobs, or in a plateau, simply focus on the fundamentals of MLM and act accordingly.

Mr. Gage also believes that an MLM leader needs to have four quarterly functions for the downline—three of these local and one out-of-town. Separately, there should be two meetings each year for the leaders.

You also have to "build the dream" dramatically. As examples, you need to teach your downline how to maximize the compensation plan. When people go full time in your business and quit their jobs, give a retirement party. When they pay off their mortgage, give a mortgage burning party, as examples.

TOM “BIG AL” SCHREITER

□ **HYPERLINK** <http://www.fortunenow.com> □ www.fortunenow.com □

“If you don’t have the needed skills in MLM, you are roadkill,” Big Al says.

Prospects require answers to these three basic questions:

- 1. What kind of business are you in?**
Answer: “We’re in the _____ business, which means _____”
- 2. How much money can I make?**
Answer: “That depends on what you do.”
- 3. What do I have to do to earn that money?**
Answer: “All you have to do is _____”

ROD COOK

□ **HYPERLINK** <http://www.mlmwatchdog.com> □ www.mlmwatchdog.com □

He stated that MLM is the only real financial option for the average Baby Boomer, since most of them have not saved and invested enough to retire and/or live the Boomer lifestyle perpetually.

He advocates use of business building tools, which he calls ASRD’s— “Automatic Selling & Response Devices.”

TIM SALES

“How to Build A Massive, Exponentially Growing Network”

□ **HYPERLINK** <http://www.brilliantexchange.com> □ www.brilliantexchange.com □

Tim stresses replication, a synonym for duplication. He says to “build your business one time, build it big, and build it right.”

He describes any MLM organization as either a “Vertical Consumption Organization” or a “Vertical Selling Organization.” The first is focused mainly on attracting distributors to buy and use the products. The second (selling organization) is a way to “make money by making people’s lives better and to enjoy higher levels of compensation.”

Simply stated, building a “Vertical Selling Organization” means that you first “get customers, get distributors, and teach distributors how to get customers,” he says. This requires that you build a model or system for this purpose.

He believes the best way to get new customers is through the company’s flagship product.

To get people into MLM as distributors, he says you must use a Standard Operating Procedure (SOP) requiring that you:

- 1. Get the customer to use the product.**
- 2. Write down what you did to accomplish this.**
- 3. Do this again. If it continues to be successful, keep doing what you’re doing. That’s your Standard Operating Procedure. If it needs change, amend it.**

When taking with prospects, you need to communicate these qualities:

- 1. Be interested in the prospect**
- 2. Don’t be distracted**
- 3. Use friendly facial expressions**
- 4. Exhibit the correct level of assertiveness**
- 5. Communicate easily with no straining on your part**
- 6. Make sure your body does not distract (bad grooming, odors, etc)**
- 7. Tell the truth**
- 8. Know what you are talking about**
- 9. Communicate at the prospect’s level**
- 10. Intend to make the prospect’s life better**

**JOHN MILTON FOGG
“The ‘Secret Weapon’ Of Powerful Presentations”**

□ **HYPERLINK** <http://www.greatestnetworkers.com>

□ www.greatestnetworker.com □

He spoke about the power of speaking and listening in MLM. He is a “get rich slow” advocate, based upon these “cornerstones:”

- 1. Use the product, recommend it and sponsor.**
- 2. Provide leadership and coaching to your downline “method coaching” as well as “makeover coaching.”**
- 3. Talk with people in an open way—no agenda, don’t be judgmental.**
- 4. During this process, “look for the fit” to determine whether or not a person would be a good “Business Partner” (Dealer).**

In the area of self-improvement, ask yourself these questions:

- 1. “What do I know that is already right?”**
- 2. “What is it that makes this right?”**
- 3. “What would be ideally right?”**
- 4. “What, then, is not quite right?”**
- 5. “What resources are needed to make it right?”**

KIM KLAVER

“How To Get 100 Customers In 100 Days”

□ **HYPERLINK** <http://www.whowho911.com> □ www.whowho911.com □

In MLM, she says that you sell the product and your business as well. Though you must build a downline, you should “let customers be customers.” Customers provide sales and financial “insurance.”

Not every customer is suitable as a Business Partner (Dealer). Only 1% to 3% of customers will turn into Business Partners, she said.

Often, potential customers do not buy because the product and the benefit it may provide are “not on their radar.” You cannot change this. They’re focusing on other things at this time.

One of 10 you approach should buy. Nine out of 10 will not. To sell to the one out of 10, you must put yourself in the “shoes of the consumer” and avoid all forms of “seller talk, shop talk, generalities, exaggeration, techno-babble and hype (promises, chest beating and screaming).”

PAUL D’ARCANGELO

“How To Create A Cash Flow Marketing System”

He discussed business financial issues, mainly taxes—explaining why a business, including an MLM, provides the owner tax significant tax and wealth accumulation advantages. Total taxes cost a person more than any other expense item, including buying or renting a home. A business is a great vehicle to lower one’s total taxes, mostly Federal Income Tax, legally.

ART JONAK

“The Dynamics Of Fast Growth”

□ HYPERLINK <http://www.mlmu.com> □ www.mlmlplayers.com □

Art is a pioneer in online recruiting. He was also the organizer of this Mastermind III Event. He offered these items of advice:

- 1. Always go to company conventions.**
- 2. Recruit & develop leaders in your downline.**
- 3. Skills are everything—the more you learn, the easier MLM gets.**
- 4. When a prospect says no, it may be timing—because everything in life is about timing.**
- 5. On your phone message, mention that you have a free CD available and ask them to leave a message, requesting it.**
- 6. A lack of success is often (wrongly) covered up by excuses.**
- 7. Every company is run by human beings who make mistakes, Don’t expect perfection. There are no perfect companies.**
- 8. Leaders succeed in spite of problems and do not make excuses.**

HILTON JOHNSON

“Recruiting By Attraction Instead of Persuasion”

□ **HYPERLINK** <http://www.mlmu.com> □ www.mlmu.com □

He explained the five steps needed to make an appointment to present the business opportunity:

- 1. Identify that you are speaking to the right person & explain the reason for the call, including possible response to an ad. “Are you Mr. Jones?”**
- 2. Seek permission to speak. “Do you have a minute to talk?”**
- 3. Give a brief, non-sales-y introduction.**
- 4. State purpose tactfully. “If I could show you a homebased business that could meet your needs, how soon could you get started?” If positive, follow up with more questions:**
- 5. Do you have 10 hours per week for this? Do you enjoy meeting and talking with people? We offer complete training, do you like to follow instructions? Would an extra \$300 to \$500 per month help your family? What other qualifications do you have for this?**

Then set up an appointment, if possible.

When you meet with the prospect, use a “selling by attraction” approach using the following steps:

- 1. Question: “What motivated you to invite me over?” Probe more: “Could you elaborate?”**
- 2. Ask him/her about specific financial goals.**
- 3. Listen for things causing them dissatisfaction as well as pleasure.**
- 4. Ask if the person were interested, could he/she start right away.**
- 5. Explain the company and its credibility.**
- 6. Explain the products and their benefits.**

7. Cover the compensation plan.
8. Describe the training and support systems.
9. Make a 60 second summation, then ask first, “How does this sound”? If problems arise, try to talk them out. Once past the problems ask, “are you ready to get started?”

Additionally, Mr. Johnson believes that you need to have four to six leaders in your downline group.

PETER PEARSON, Ph.D.
“The Psychology Of Successful Recruiting”

He is a psychologist, and he spoke about fear. He is not an MLM person.

The average MLM distributor has sponsored only 1.7 people into the business. When a person is fearful, he/she does not take any action.

First, fear is a conditioned response, much like Pavlov’s dog was taught to salivate whenever it heard the dinner bell, hungry or not. Second, there’s a part of the brain which stores painful experiences. Its purpose is protective—to protect you from similar additional experiences. As an example, when you see a slithering snake near you, instinctively you know to fear it and get away quickly.

Not only does excessive fear keep you from taking positive action, 98% of anger, which is destructive, comes from fear.

That being the case, you must face your fears, try to root them out, and replace them with positive thoughts and emotions.

If you’re afraid to sponsor, you need to realize that’s rooted in both fear and lack of knowledge, then deal with these factors positively.

TOM “BIG AL” SCHREITER
“Low Cost, No Cost Prospecting Strategies”
□ **HYPERLINK** <http://www.fortunenow.com> □ www.fortunenow.com □

He gave a second presentation—this one on low cost, no cost promotional ideas he has used.

“Win A Free Lunch.” In a deli, Tom ran a “I Hate My Job Because” contest. People filled out his form, giving contact information, and

put it in a fishbowl. He had a drawing weekly and paid for one person's lunch. He would get at least 100 contest entries, the lunch cost \$5.00. All non-winning entrants stayed in the promotion continuously.

“Adult Education Class.” He enrolled in an adult education class with 42 students. He signed up 38 of them as Dealers in eight weeks.

“Car Dealer Credit Turndown Promotion.” Working with a salesman, Tom contacted people turned down, and he explained how his MLM business could get them the money needed to make a larger downpayment.

Tom also discussed headline writing in promotional pieces which are credible and compelling:

- 1. State A Benefit: “How To Have More Energy!”**
- 2. Add An Occupation: “Second Grade Teacher Shows People How To Have More Energy!”**
- 3. Add A Geographical Factor: “Second Grade Teacher From Concordia Shows People How To Have More Energy!”**
- 4. Add Odd Numbers: “21 Year Old Second Grade Teacher From Concordia Shows People How To Have More Energy In Just 13 Minutes.”**
- 5. Add Personality Factors: “Loving, Caring, Overworked 21 Year Old Second Grade Teacher From Concordia Shows People How To Have More Energy In Just 13 Minutes.”**

LEN CLEMENTS

“Create A Compelling—Yet Legal—Sponsoring Presentation

□ HYPERLINK <http://www.marketwave.com> □ www.marketwave.com □

Len discussed regulatory issues pertaining the product claims with emphasis on nutritional supplements. An extreme amount of caution is needed. The FDA is on the warpath against things considered “dangerous,” while the FTC is highly sensitive to “deceptive trade practices.” Clearly, this climate is hostile.

Only doctors can make product claims. Personal testimonials are risky, but a disclaimer stating that other people's experience may or may not be similar lessens the legal risk.

Claims about things like soil depletion and contaminated urban

drinking water cannot be made safely, lest you be accused of “deceptive trade practices” and “pervasive fraud,” since you cannot muster full proof of these claims.

Recovery from sickness when a person takes supplements is risky as well, as you cannot prove that the supplements caused recovery. It may be a placebo effect or spontaneous remission.

Aren’t MLM’ers protected by the First Amendment in these matters? No—not if you cause harm to others with your speech, specifically if you persuade them to stop taking their prescription drugs which, supposedly, will cure them.

It’s better to close a sale, saying only “Try it. I think you will like it.”

Be very careful with respect to income claims. They can be viewed as an illegal inducement to participate in the MLM.

LISA JIMENEZ

“Radical Recruiting Strategies”

□ HYPERLINK <http://www.rx-success.com> □ www.rx-success.com □

Just as a parent “trains up” children, then “lets go,” so an MLM distributor must do the same for his/her downline.

She advocates “Radical Recruiting,” starting with you. You must:

- 1. Validate your core beliefs that you are the right person, at the right time, and in the right industry.**
- 2. Eliminate any fears of success you have.**
- 3. Eliminate any negative beliefs you have about money and your becoming very prosperous.**

When recruiting for Dealers, use a system which:

- 1. Weeds out people unqualified, focus upon people who “light you up inside” and are interesting. Only some are qualified to be MLM distributors.**
- 2. The next step is like courting—you have to be a magnet and build relationships.**

3. Describe yourself as an “entrepreneur looking to build other entrepreneurs.”
4. Since the brain thinks in pictures, use photo albums of company trips and vacations, for example.
5. Invite people to “see the bigger picture.” Discuss personal development, engage in dream building with them, and attach your MLM opportunity to their dream.
6. When they’re interested (Will you join our organization?), upon signing up jump to training and start the training within 48 hours. People are starving for leadership. But if they say no, respect their right to decline.

You must also create within yourself a “success mindset” based upon Scripture:

1. You can have the desires of your heart.
2. Wealth is a birthright for the child of God.
3. MLM is one vehicle to attain freedom. Hence we must stop running out lives like a ratrace.

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November 11, 2004**