



5 MISTAKES THAT CAN RUIN YOU IN NETWORK MARKETING

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INTRODUCTION

I have seen thousands of **talented, well-meaning** Network Marketing leaders and **hopeful leaders** sabotage their careers, finances, relationships, reputations, and ultimately, their lives by falling victim to these **5 mistakes**. Perhaps this little book will shed enough light on these mistakes for you to avoid them.

I am sure there are other mis-takes. I am sure there are others with different opinions and a different list. I am not saying I am right; I'm just experienced with a **dose of wisdom** earned more from my failures than my successes.

I **HAVE** made my career in the profession, and I do have a **perspective** from which these 5 mistakes come.



Mistake 01

Leaning Your Ladder Against the Wrong Wall

99.9% of Distributors who join a company never do any due diligence on the company itself.

If they like the **products**, like their **sponsor**, and feel like they can make **money**, they just go ahead and enroll. Next, of course, they **start telling their friends** about it and **staking their reputation** on the success of the venture.

Here is what they **don't know** about the company or its products:

1. Who actually **owns the company**?
2. Who **controls the ownership** (i.e. if more than one person owns it, does one person actually control the ownership decisions)?
3. Is it **public or private**? (I strongly prefer private companies for a long list of reasons, but some public companies are successful.)
4. If it's a public company, what are the trailing **12-month sales and profits**? What is the historic share price? What are the pending legal issues?
5. What is the **long-term agenda** of the owners? Are they Network Marketers until death

or are they looking to sell the company when it reaches a certain size?

6. What companies **make the products**? What is their track record?
7. Are the products **exclusive to the company** or are they "stock" formulas?
8. Does the company **own the product formulas** or do they sell them via a license?
9. What is the **retention of monthly customers**? If 100 customers join this month, how many are still on the products this time next year? 5 years? 10 years? Residual income only comes with **repeat long term customers**. If you want to get paid forever, you should choose a company that has proven that people buy their products every month forever.
10. What is the **track record of the owners** in business and in life?
11. What are the **vision and values of the owners** (and therefore, the company)? Not what it says on the website, but what are they really? How do you know? Have you met the owners? What does your intuition say about them?



“If the ownership, management, and top field leaders of the company do not express in their actions your own values, you will be miserable and you will end up failing.”

This is a lot of information to **know**, most of which is not available if the company is privately held. Private companies are private for a reason: they do not want the public, which includes distributors, to know their business.

This makes it harder to do due diligence. However, a private company may be **worth the effort** to vet. More on that later.

95% of all Network Marketing companies fail within 5-7 years.

I estimate that **70% fail within 2 years**. How do you know which ones are going to fail? You don't. No matter what their website says about their future—that is all spin and marketing.

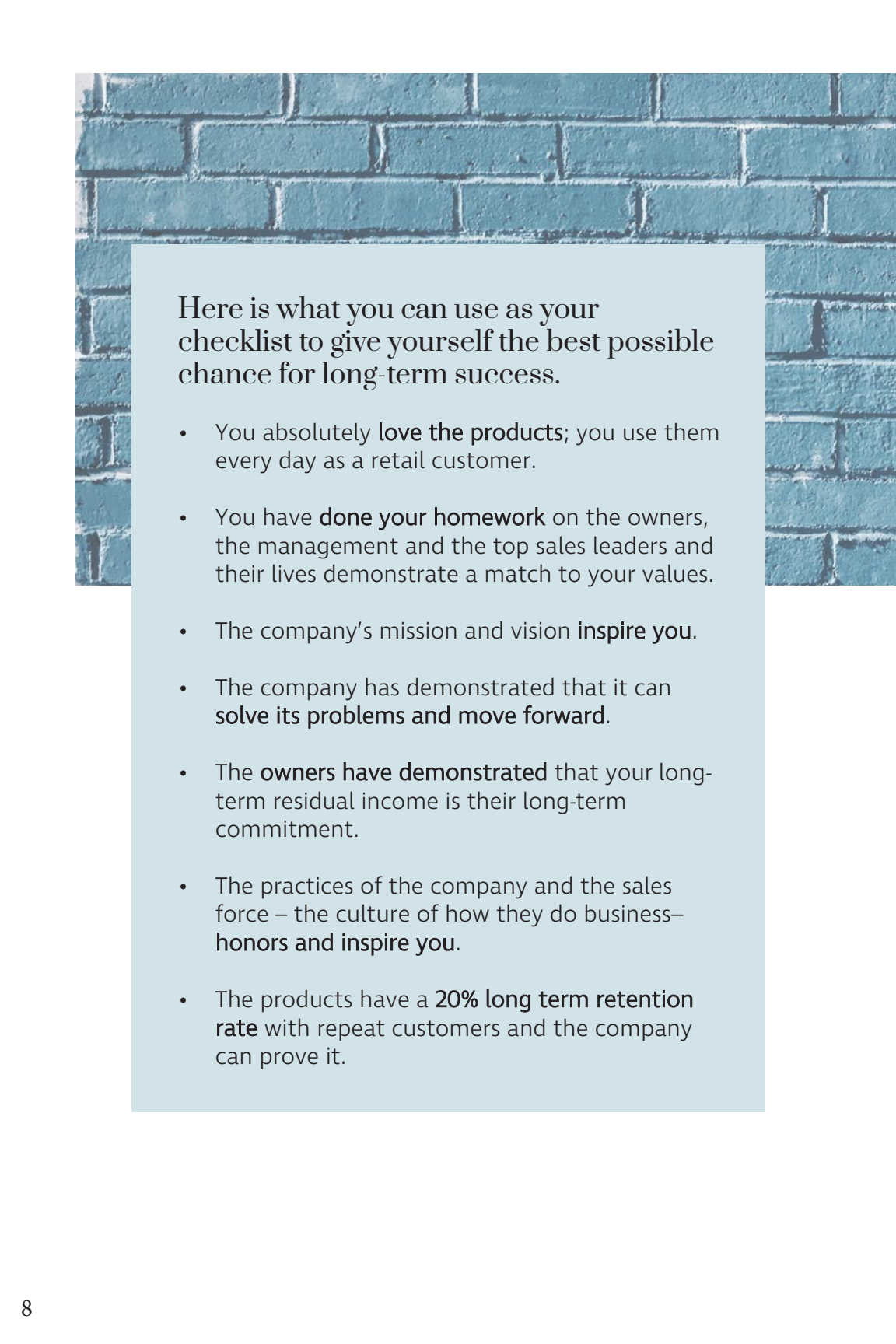
All companies have problems. All companies have severe problems if they stay in business long enough. You cannot avoid problems, yet most distributors end up quitting, because they judge a company on its problems.

This is not a reason to quit or a reason to change companies. But here IS a reason to not join in the first place, quit if you've already joined, or change companies:

If the ownership, management, and top field leaders of the company do not express in their actions **your own values**, you will be miserable and you will end up failing.

The number one mistake people make is choosing a company that does not share their values and Vision of culture, and community. Instead, they join because:

- The company is growing quickly right now.
- Their sponsor and upline are promising a guaranteed system for success.
- People they already know are joining, and if they don't join now, they will miss out.
- There seems to be a promise of very fast income and not a lot of work.
- They can see themselves promoting the product.



Here is what you can use as your checklist to give yourself the best possible chance for long-term success.

- You absolutely **love the products**; you use them every day as a retail customer.
- You have **done your homework** on the owners, the management and the top sales leaders and their lives demonstrate a match to your values.
- The company's mission and vision **inspire you**.
- The company has demonstrated that it can **solve its problems and move forward**.
- The **owners have demonstrated** that your long-term residual income is their long-term commitment.
- The practices of the company and the sales force – the culture of how they do business– **honors and inspire you**.
- The products have a **20% long term retention rate** with repeat customers and the company can prove it.



Lend your efforts and reputation to a company that honors your values and philosophies, and you will reduce your odds of having to change companies or failing dramatically.

I have interviewed hundreds of Network Marketing "professionals" who have been in the profession for 10, 20 or 30 years and have been involved in just as many different companies. They have no residual income, no assets and no admirable reputations. They are **Network Marketing ghosts** hanging on to a frail line of hope, hoping the next one will be "The Big One."

Mistake 02

Unrealistic
Expectations:
Return on
Investment



For example, \$5,000 a month in residual income is worth an asset of \$1,000,000. Yet 99% of Networkers expect to earn that and a great deal more in exchange for as little work as possible.

The philosophy tends to be: how much can I earn for the least amount of effort, time, skills and investment? This is a huge philosophical mistake.

Network Marketing is not actually a get-rich-quick scheme. An opportunity being promoted as such is likely not only illegal, but most certainly will not last.

Residual income in legitimate Network Marketing **takes years to develop** and **thousands of hours** of skilled effort.

For most people, it is not easy. There is a lot to learn. There is a lot of frustration and disappointment. There is a lot of persistence and resiliency required, but to build something that is worth \$1,000,000 as an income-producing asset. It is worth it.



If you want to earn \$1,000 a month in your opportunity, you probably can do so in **10 hours a week** or less. \$5,000 a month may require **20 hours a week for 12-24 months** for someone who has never done it before. And when we speak of hours a week, what we are really talking about are the actions: **the work required to earn that income.**

You don't get paid by the hour; you get **paid by the results.** And results come from **consistent and enthusi-astic activities.**

Although Network Marketing is not an investment vehicle, **it IS a business**—your business. And it is worth investing in. There will be travel and training opportunities, tools and educational programs that will reward you with confidence and success **if you are willing to invest in yourself.**

The most important activity is "inviting" people to look at your product and/or opportunity. Most people invite once or twice a week and expect to be successful. They are, of course, disappointed when that effort does not produce the income. Inviting needs to happen **once or twice a day, every day**. It is the equivalent to "showing up" at a job.

If you have a job, how often are you required to show up? At least once a day? Every day? And what happens if you don't?

Be willing to enjoy the price for your success. Be willing to earn it. Be willing to learn it. Be willing to BE a Network Marketing professional.



The background of the slide is a dark blue, textured surface that resembles weathered wood or a rough-painted wall. The texture is vertical and grainy, with some lighter blue and brownish spots scattered throughout, giving it a rustic and aged appearance.

Mistake 03

Unrealistic
Expectations: Team
Member Success



Not everyone will succeed, no matter what you do or how badly you want them to succeed.

The fact is almost everyone (about 97%) wants to **earn an extra \$500-\$5,000 a month** and they want it bad enough to "try." The problem is 97% of the 97% are not willing to do what they **need to do to succeed**.

There is a huge **difference between** being motivated enough to "try" and being motivated enough to succeed.

Success requires ...

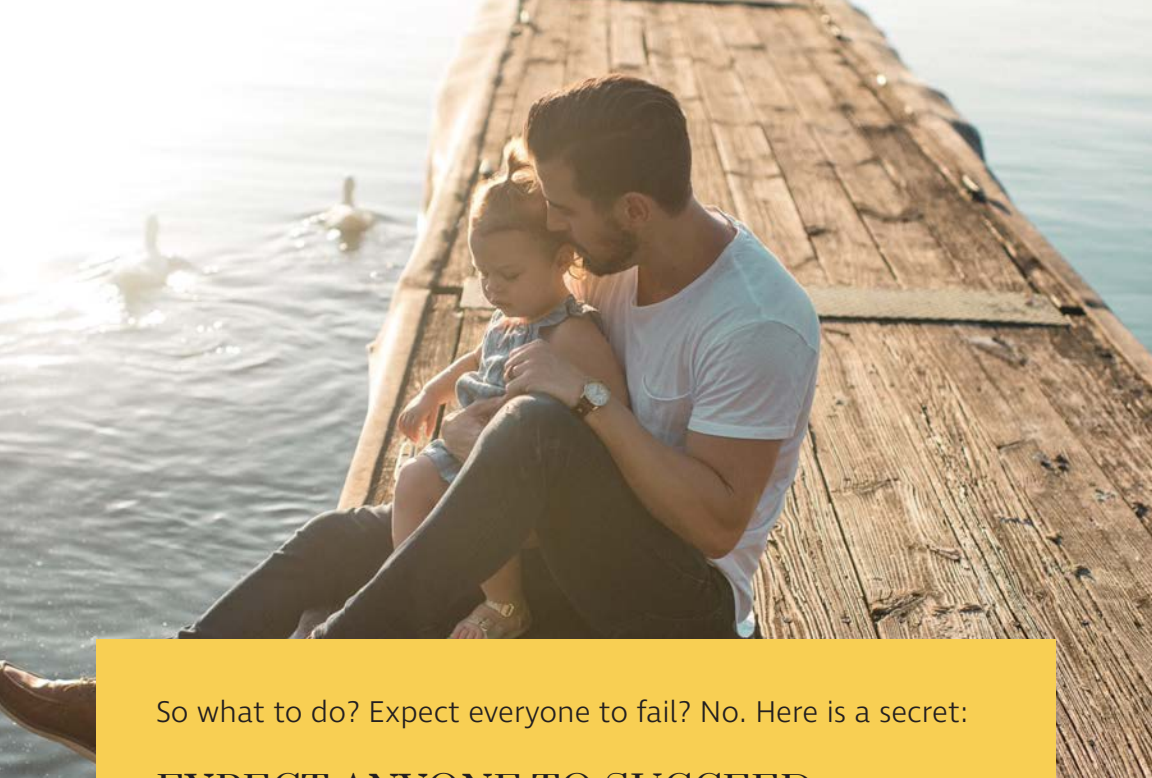
- Success requires you **learn new skills**. Which means you are going to look badly and feel badly while you are failing forward (learning).
- Success requires that, on a daily basis, **you promote your products and your opportunity** to friends, family, and strangers.
- Success requires that you fail, yet **keep going**.
- Success requires that you actually **keep your promises** to yourself and to those with whom you are in business.
- Success requires that you not only **amplify your strengths**, but you **take on your weaknesses**.



Most people are not up for it—no matter what the possibilities are for success.

Yet, we want it for them. We wait for them. Why? Because we have such generous hearts? Sometimes. Sometimes we want it, not so much for them, but for us.

We don't want to look like the person who influenced them into something that didn't work. We don't want to look that bad. Sometimes we just want it more for people than they want it for themselves.



So what to do? Expect everyone to fail? No. Here is a secret:

EXPECT ANYONE TO SUCCEED. ANYONE ... NOT EVERYONE.

Play full out with everyone as though they are one of "the ones." The ones who keep their word. The ones who have the Vision, self-motivation, and courage to succeed. The ones who have a **reason to succeed** that is bigger than their excuses and their fears.

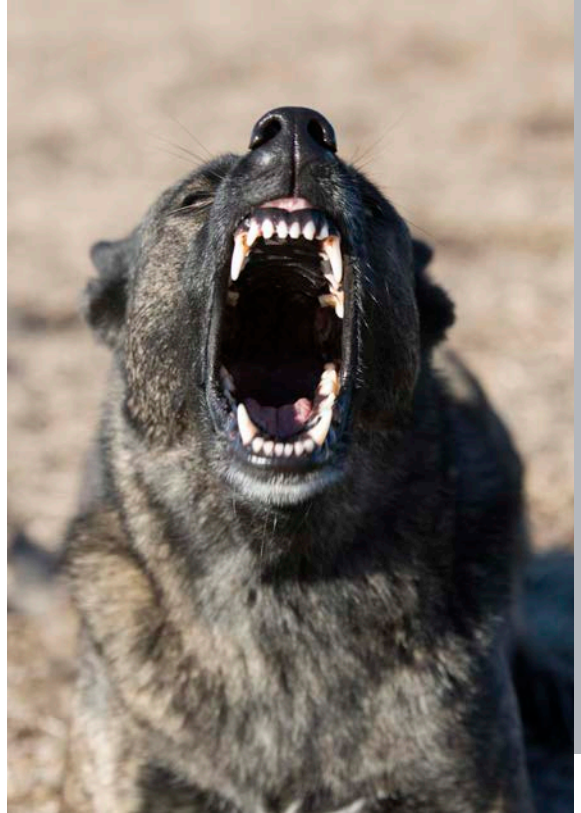
And the cool thing is: you **do not know who** the anyone is until they go to work. So pay no attention to "the man behind the curtain." Pay no attention to the stories, the excuses, or the good intentions. **Only pay attention to their deeds.** Work not with the willing. Work with the workers, and only the workers.

Take them on as business partners worth their weight in gold ... they are. **Help them build** a beautiful business 20-30 generations deep that will last a lifetime and beyond.

Mistake 04

Aggressive
Recruiting

You may influence some weak people who are just looking to be told who they are, but for the most part, this age-old approach to “recruiting” dishonors people and turns them against you and our entire profession.



“You should use my products.”

“You should want the best.”

“You should believe my marketing spin story.”

“You should want a new car.”

“You should want to be rich.”

“You should recognize and appreciate the wisdom in Network Marketing.”

And if you don’t...

“You are wrong.”

“You are stupid.”

“You are a loser or soon will be.”



If you stand your ground and honor your own values you are a HATER. And, boy, do we hate haters in Network Marketing.

This attitude, combined with our own avoidance of telling the truth about our profession, and owning it for the last 60 years is what has **led to the public distrusting us** ... and being often disgusted by us. It makes it harder to even get people to take a look.

Honor people. Listen to people. Let people be where they are and who they are. If they don't have any money to get started, **let them sell you on it.** If they don't have time, let them sell you on that too. If they don't like to sell, really let them sell you on that idea.

Do these things not to be cute, but to **really listen** to where people are and **discover** what has led them to that place. Be present to what is important to them. Be curious about them. **Be present to them.**





Really “get” them ... even if they don’t want to try your products or look at your business. It is not for everyone. Heck, those who think it is, let them “try” for a week and then quit. Don’t beat people up over what is likely not a fit. **Show them with grace.**

What you will find is that this approach is so refreshing, delightful, and unusual that people who start off believing they want nothing to do with you will often times **find themselves curious about you** —enough to take a look.



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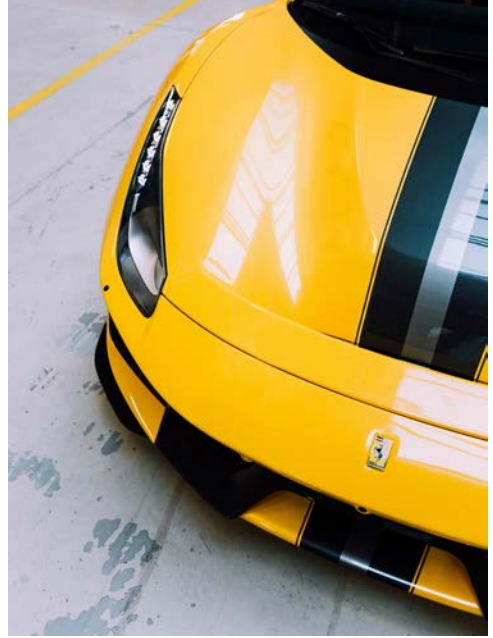
Mistake 05

Spending to Fuel
Your Ego



The fancy cars,
huge homes,
designer clothes
and handbags,
and “I’ll pick up
the tab-its.”

And on and on. No amount of material possessions will fill the hole in our egos. Sure, people will be impressed for a moment. However, when you add it all up years later, it is nothing but a pile of dust. No one cares and no one remembers.



It’s better to invest what you might spend to impress people. Invest first in paying off debt. Imagine how powerful and peaceful you would feel to be debt free. And even though paying off your home may not be the best mathematical use of cash, imagine the psychological benefits of knowing your home is all yours and you never have to earn enough to pay for it again.



“Look back on your life. How often have you felt the need for more real estate or equities? But more CASH?”

Invest in equities and real estate if you feel competent to do so. Invest in other cash flow businesses. Invest in cash. Look back on your life. How often have you felt the need for more real estate or more equities? But more CASH?

I have felt the need for more cash, and have missed fantastic opportunities because I didn't have the liquidity (CASH). There's a certain feeling that

comes with having enough cash to **move powerfully forward** no matter what happens. Cash is king. Save yours.

The best investment of all — the one with astronomical returns — is you. **Invest in you.** You are the one who can motivate yourself and lead others to their Visions. **You can influence people to pursue their dreams.** You can coach them, inspire them, and lead by example in a way that doubles your income every year.

You are a Network Marketer. You operate the **Eighth Wonder of the World:** geometric progressions, also known as compounding.

Your **widest generation pays you the most income**, and it can double every year.

We tend to **get paid what we are worth** as leaders in this profession. If you are plateaued at \$10,000 a month, it is in many ways because your leadership is worth \$10,000 a month. However, you know you can be twice as effective. You can be twice as good of a listener, speaker, enroller, and COACH. You know you can.

Personal development is your path to get there.

I'm not talking about reading more books or listening to more motivational talks. I'm talking about **investing in programs** that inspire you to reinvent yourself — peeling back those layers of fear and hurt that have kept you playing small.

You **know your greatness**. Maybe that is what scares you. Whatever it is, there are many competent coaches and programs that can **unleash the gifts of who you are**.



**A \$10,000
INVESTMENT
IN THAT
PROCESS
CAN PAY YOU
BACK \$10,000
A MONTH**





These are the 5 mistakes that can ruin you in Network Marketing and I only made a few of them. Avoiding these mistakes in my career would have added tens of millions to my net worth.

It was Einstein who said that compounding, or in our application – geometric progressions – is the Eighth Wonder of the World. It was unleashed on us as a **pure entrepreneurial opportunity** when in the 1940s, a little direct selling company decided to change the rules and encourage every sales rep to build a team.

This simple paradigm shift allowed for exponential growth. Instead of 100 super sales reps with territories and \$10,000 a month quotas, Network Marketing unleashed 10,000 raving product fans who can easily do their \$100 a month. **Both models get you to \$1,000,000 a month in sales.**

We are stewards for the **greatest opportunity in the world.** Let's leave it far better off than when we found it.



So, What's Next?

I want to help you grow your business profoundly in a way that honors the public, the profession, and your own core values.

I'm doing this through RichardBrooke.com, my generic Network Marketing training, tools, and coaching business.

Here, you can get a variety of proven prospecting tools and free resources to help you grow both personally and professionally: RichardBrooke.com.

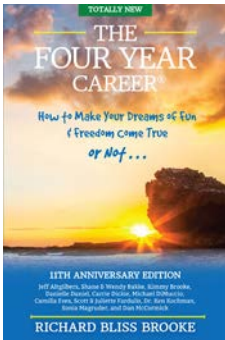
RICHARD BROOKE'S TOP TOOLS ...



Mach2 With Your Hair on Fire: How to Master Self-Motivation & Stay on Fire for Life

Light and burn your fires of accomplishment with this powerful book on action and attraction.

- Step-by-step guide on how to create a clear and powerful Vision for your life
- Breakthrough your self-imposed limitations and negative self-chatter
- Discover how to program your subconscious mind for success



The Four Year Career®: How to Make Your Dreams of Fun & Freedom Come True or Not ...

Known industry-wide as the #1 first-look prospecting tool, this book is creating huge growth for thousands of distributors.

- Build your prospects' belief and help them "get" what the profession is all about
- Explains residual income and asset value with clear, easy-to-understand visuals to current Team Members
- Debunks the myths of the profession and gives real-life success stories

... AND FREE RESOURCES:



Network Marketing Heroes Podcast:

Join me each month to listen to me interview Network Marketing's top leaders. These are leaders who've overcome struggles and built their empires in a transparent, duplicable, and honorable way. Hear their inspiring stories and

exactly how you can build success too! Go to <http://richardbrooke.podbean.com/> to listen and subscribe.

Blogs:

These blog posts will give you a ton of insight, education, and aha moments along your journey to becoming a master Network Marketer.

Audios & Videos:

Access free audios and videos of my most popular presentations, plus revealing interviews with other top Network Marketing leaders. These free resources will give you a literal goldmine of information and motivation.

Join The Authentic Networker Facebook group.



WITH RICHARD BLISS BROOKE

RichardBrooke.com

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MY STORY

I grew up on a cattle ranch and row crop farm in central California. My parents were well educated: Stanford and Mills College for Women, respectively. I barely graduated high school. I just was not interested. (Oh, and I came from a broken home so it's their fault.)

Like most farm-town-high-school-almost-dropouts, I went to work at the local chicken plant. Others went to the Ragu spaghetti sauce factory, and others stayed working on the farms. I actually liked the Foster Farms—the largest poultry processing plant in the world. I had big plans to run the place.

After four years of what I thought was a well-planned 40-year career, Foster Farms did something foolish. They changed their policy and only allowed people with a 4-year college degree the opportunity to advance in management. My 40-year career came to a screeching halt.

About the same time, the high school buddy who got me the job at Foster Farms called to invite me to an "opportunity" meeting. It was 1977. In Network Marketing timelines, that is the equivalent of the Stone Age.

After three weeks of telling him NO in a variety of loud ways, I finally just "took a look." I found myself

intrigued, then enrolled, then trying to recruit everyone at the chicken plant (full time), then fired.

So there I was: a total introvert with very little self-esteem and zero aptitude for sales. A full-time Network Marketing dude. As you might expect, I failed pretty miserably.

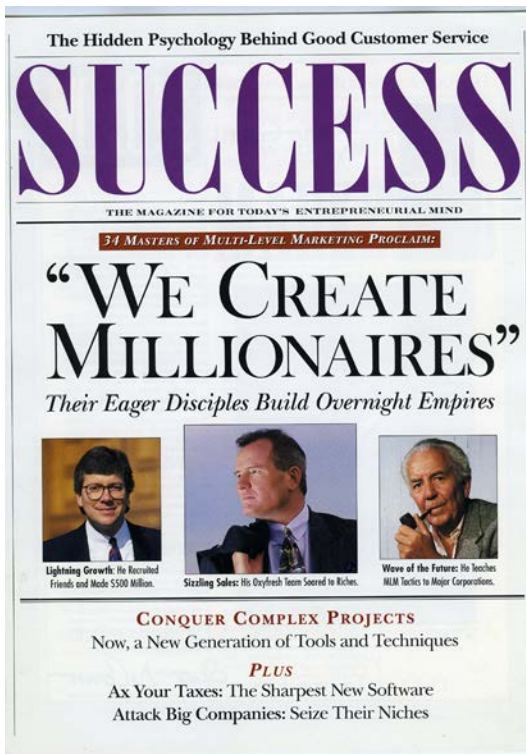
Two years into it, I was living half-way across the country on my sister's couch and borrowing her car (I was on repossession number two). I had no money, no income, no car, no home, no credit cards that worked, and everyone on my small team had quit.

Four years later, I was living in my beautiful lakefront custom home in Altamonte Springs, driving a special edition Lincoln Mark V and a brand new Porsche 928. I had 30,000 sales reps on my Network Marketing team, and I was earning \$40,000 a month.

In today's dollars that would be about \$120,000 a month.

How I did it is for another story.

WHAT I'VE DONE SINCE



What I have done since is acquire one Network Marketing company that I owned for 30 years and launched another that I owned for 10 years. I sold them both in 2017 to a Billion dollar company.

I wrote The Four Year Career, the preeminent book on Why Network Marketing...and Why Not. And I wrote Mach 2, The Art of Vision and Self Motivation.

And I have been coaching company owners and sales leaders on how to do Network Marketing

Ethically, Honorably and Authentically my whole career. You can learn more about my work at www.RichardBrooke.com.

Richard B. Brooke