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# The Beginner's Guide to Joining a Multilevel Marketing Company

Multilevel marketing companies (also known as MLMs) have a bad rap. Some of it is deserved, and some of it isn't.

MLMs are often labeled as "pyramid schemes," but that's not true. The difference is that pyramid schemes are illegal because they offer no product. With MLMs, a product or service is the basis for the business.

Truthfully, if you have a go-getter personality, and you can follow some basic business and personal etiquette, you can make a lot of money in an MLM. The trick is to avoid all the potential pitfalls along the way.

MLMs can be awesome if you understand how they work, but they can also be a financial and personal disaster if you jump right in without thinking.

Here are some things to watch out for if you're considering joining an MLM:

## Don't exaggerate your income.

One of the common tricks to getting new recruits is to exaggerate how easy it is to make money. In reality, it's extremely difficult to make serious money in an MLM. To make a lot of money, you have to be smart and work hard-just like with anything else. A reputable MLM won't pitch you on the idea of getting rich quick. If they do, avoid them.

## Don't forget about common-sense business practices.

Multilevel marketing is built around a lot of hype. Some people get so caught up in the hype that they lose their minds. Inventory is one example. For instance, don't buy two years' worth of inventory when you haven't sold anything! Your inventory should always be based on your actual sales, not hyped goals.

## Don't compromise your integrity.

In an effort to sell sell, some multilevel marketers lose sight of truth. A "hierarchy leader" in an MLM once told a room full of women to buy tons of inventory using their credit cards and not tell their husbands about it. Are you kidding? If anyone is encouraging you to be

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dishonest, run far away. A legitimate company won't ask you to lie, require you to go into debt, or fill up your garage with needless inventory.

## Don't be "that guy."

We've all known someone who has just joined an MLM and constantly wants to talk about their new "business opportunity." This isn't confirmed by science, but evidence points to these people being the most annoying humans on the planet. Combining friendship and business is always dicey, but if you must talk to friends about your MLM, remember this: No means no. You're an over-the-top salesman when you start pressuring your friends and family all the time. No one likes an over-the-top salesman.

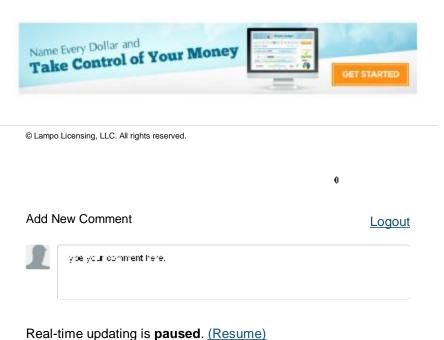
## Stop it.

## Don't join an MLM just for the money.

If you're in it just for the money, you won't last. You have to be passionate about what you're doing. In other words, you're not just selling pots and pans or makeup. More than that, you are in the business of recruiting, motivating, training, and leading a high-turnover sales team. This is your job. Make sure you are realistic about that when you start.

Bottom line: MLMs are legitimate businesses. But know exactly what you are getting into. Look out for all the red flags listed above and have some class. Obnoxious multilevel marketers give legitimate business people—including other MLMers—a bad name. Don't do that.

If you've heeded these warnings and are still comfortable with your MLM opportunity, then go for it. Combined with patience and friendly sales tactics, multilevel marketing can be a great way to make money!



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MLM is not for everyone, if you dont like it dont get involved. Unfortunately traditional business doesnt offer me what I have found in network marketing. I have found a excellent company that fits me well now, we have great products backed by unbelieveable science, good compensation, huge opportunity, along with awesome company leaders and management.

People get involved for all differant reasons, it is may job to find out by showing them OPTIONS. I sell OPTIONS to people and depending on what they say they will have no interest at all, want to be a consumer of the product and nothing more, or a potential distributor.



You don't sell OPTIONS, you sell OPPORTUNITIES. MLM is a scam.

Tsu Dho Nimh

Dave ... You gotta be kidding.

Name ONE, just one MLM where a good salesperson can actually make more than minimum wages just selling.

More than that, you are in the business of recruiting, motivating, training, and leading a high-turnover sales team. Can you recruit if you tell the truth?

### Bikehikerun

I am hoping (frankly, assuming) this article was written by a staffer who is involved in a MLM. There is no way any reasonable, unbiased person could look at the income disclosures produced by MLM companies themselves and make the statement "you can make a lot of money in a MLM."

Looking at MLM income disclosures consistently shows across MLMs that only about 1% of people involved "make a lot of money." The other 99% lose money after expenses.

And those 1%? They don't make it the way new people have to. They are paid speaking fees to talk at the endless MLM events, they make money selling sales "tools" to their downlines (like DVDs, books, sales leads, websites), they often get a cut of ticket sales for the MLM events. They don't make most of their money through the compensation plan and they sure don't make it by selling the actual products of a MLM. And yet this money is represented to those just joining as income they can make too--and it isn't. They are misrepresenting the income you can make at best, and lying at worst.

These companies don't continue to exist because they are actually legal or legit,

they continue because the Federal Trade Commission isn't doing their job.

Financial advice that claims a good investment is one where 99% lose money? Not very good financial advice I'd say. What's your stance on gambling? That actually has a higher payout rate than MLM, perhaps you should write an article advising people to put thousands of dollars in slot machines.

### Shell Kellogg

Dave Ramsey, THANK YOU FOR THE GOOD WORD! We've read your books, led your classes and lived by most of what you teach, but we never understood why you didn't approve of MLM...it never felt right. We have found a company that fits PERFECTLY with your teaching and lifestyle...making and saving money on ALL our shopping for gas, groceries, things for our home, children, travel...we don't sell products, but everything we buy we make money on and it's free...it's a WIN, WIN, WIN! Thank you again, for your timely word, God bless you!

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