



**THE MLM  
HANDBOOK**

# TABLE OF CONTENTS

---

What is Multi-Level Marketing?.....3

How to Choose an MLM Company.....5

Set a Reasonable Goal.....7

Create a Realistic Plan.....8

Develop and Follow a Marketing Budget .....10

Have Multiple Sources of Lead Generation.....11

Learn How to Communicate With and Close Prospects.....13

Create a Follow-Up System .....14

Reconnect With Old Prospects & Downline .....15

Reconnect With Retail Customers.....16

Track Your Marketing Actions .....17

Don't Quit .....18

Conclusion .....19

Glossary of MLM Terms .....21

**W**e've all heard about how it's possible to make some great money with multi-level marketing. It's inexpensive and easy to get started; the money is incredible; plus, you can work from your living room couch while eating a bowl of ice cream.

That all sounds great, but how much truth is there to that general perception? You'll find the answer to that question and more as we delve into the mysteries of MLM.

## *WHAT IS MULTI-LEVEL MARKETING?*

---

**MLM is a business model where you're an independent contractor that sells a product.** What is unique is that you also recruit additional independent contractors that also sell; when they make a sale, you receive a percentage of the sale.

Multi-level marketing frequently gets a bad rap and is the target of many lawsuits. But there are people that make a great living and do so in an honorable fashion. But you do need to be careful of which company you choose to work with.

Part of the reason why MLM is often negatively construed is because of the expectations of people that frequently join. Many join in hopes of making a ton of money in a hurry.

***The reality is that you're really running a business.***

You have a product to sell, people to recruit, prospects to manage and close, and there's a lot of follow up. There's no simple, easy way to accomplish all of that.

MLM is something that's very easy to get started in, but just as in any other business, it's challenging to be successful. With good planning, though, it can work very well for you.

The MLM folks that are successful stay very busy and work very hard. They're also relentless when it comes to tracking their marketing programs and analyzing the results.

In every type of business, there are guidelines that, if followed, will greatly increase the likelihood of success. Follow the guidelines below and you should be well on your way to the success you desire.

***Let's look at how to get started; then we'll take a look at a general plan that will practically guarantee success, if you don't give up.***

Also, at the end of this book, there's a glossary that will clarify any industry terms that you might wonder about as you study the guidelines.

## *HOW TO CHOOSE AN MLM COMPANY*

---

There are a seemingly endless number of MLM companies out there from which to choose.

### **Consider these tips to find one that suits you:**

1. **Decide what product you want to promote.** Pick something that interests you. Nearly anything you can think of is available, so let your imagination run wild.
2. **Stay away from companies that have minimums.** Some companies will require that you sell a minimum amount or you have to cover that minimum out of your own pocket. It's outrageous; don't fall for it.

3. **Consider the price of the product.** Some of the products cost thousands of dollars. Selling to that crowd is better for some people than for others. Think about your comfort level before you make your choice.
  
4. **Research the company.** One of the great things about the internet is the availability of information. It doesn't take a lot of work to find out if there are a lot of complaints about a particular MLM company. Where there's smoke, there's usually fire.
  
5. **Availability of information.** Are the compensation policies easily found? Unscrupulous companies intentionally make it difficult for you to fully understand what you're getting yourself into.

Do all the above and you'll find a product and a company that work well for you.

## SET A REASONABLE GOAL

---

With advertisements and websites showing you how much money you can make and how easily and quickly you can make it, it's hard not to get a little taken in by the hoopla. But being successful has nothing to do with a single success scenario or from simply daydreaming.

***Success comes when you pursue a realistic goal.*** The important word here is 'realistic'. But without experience to rely on, how can you know what is or isn't realistic?

Consider that over the last 45 years, Warren Buffet's rate of return in the stock market has averaged 20.3%. That might not sound like much when you consider that it is easy to find mutual funds that claim they made well over 40% last year. How can that be?

It's because those funds that are claiming 40+% got lucky with a couple of stock picks last year. It has nothing to do with their performance on a consistent basis. Mr. Buffet is considered the greatest investor of all time because he has done extremely well *consistently*.

So you'll always read big success stories, but are those stories a good benchmark by which to measure your business?

***Consistently and enthusiastically applying effective strategies and principles is what will ultimately lead to success.*** Don't let yourself get caught up in the search for shortcuts if it will lead you away from executing your plan.

## CREATE A REALISTIC PLAN

---

Starting a multi-level marketing business frequently only requires a few hundred dollars and a couple of minutes on a Web page. This low barrier to entry (minimal money and minimal time) can be a great feature and allows new marketers the luxury of trying a lot different things.

Instead of flip-flopping from one MLM or technique to another, though, ***it's wise to choose a company you're happy with, determine a realistic plan, and largely stick to it.***

Consider that if you had \$200,000 invested in a new business, you would probably treat it differently than you do your MLM business. MLM marketing must be treated as you would treat any other business; it's not analogous to a lottery ticket. Treat it like a business or be

prepared to struggle.

Simply trying new marketing methods, sources of leads, or whatever else you can think of will not guarantee success. An unfocused approach won't get you where you want to go. However, developing a realistic plan *will* allow you to stay focused rather than putting a half-hearted effort into multiple varied approaches.

### **Use these effective techniques to create a realistic plan:**

1. **Learn what it will take to get to your goal.** You're either going to have to learn from your own experience or from someone else that has already done it. Avoid assuming that you know what it's going to take; get good information and work from there.
2. **Avoid creating your marketing plan around what you *wish* was true.** Maybe you don't want to have to talk to anyone. Perhaps you don't like to sell or just want to sell stuff via web pages with no contact whatsoever. That may be workable, or it might not. ***The key is to create the marketing plan around what is necessary to reach your goal.***
3. **Find or develop a system that works well for you.** While there are tons of plug-and-play systems available for purchase, they never seem to work. If they did, then why isn't everyone successful? There

are wonderful tools available to make your job easier, but you need to develop an effective system that works well for *your* business.

➔ ***Your best chance for success is to have a mentor that has been successful.*** That doesn't mean that everyone in the upline is a good candidate, but you should be able to find someone who can and will help you out.

## *DEVELOP AND FOLLOW A MARKETING BUDGET*

---

Most of the people that lose money in MLM do so simply because they fail to pay attention to their spending. They buy too much product or spend way too much on Google or get into other things they just don't really understand yet.

By developing a marketing budget, you create a boundary for yourself regarding how much you're going to spend. Always keep in mind that this is an additional investment in your business.

***The beautiful thing about setting a budget is that it helps you develop a plan for profit.***

You'll think, "How can I best use this money?" Business schools always talk about ROI, return on investment. How many MLM folks have you heard talk about ROI? That's right, somewhere around 'zero'.

Setting that marketing budget will limit your risk and make you carefully consider what you're doing.

Having a realistic goal, a reasonable plan that you can work, and a budget will help ensure that you're not one of the many that struggles with no success in sight. Even better, ***your odds of being successful are infinitely better.***

## *HAVE MULTIPLE SOURCES OF LEAD GENERATION*

---

Lead generation is the part of any MLM business that is the most subject to change. Things always seem to be radically different than they were 5 years ago.

The internet has really changed marketing for all types of businesses. There is tremendous leverage and practically no limit to what can be accomplished. But you can drive yourself crazy trying to be an expert at Twitter, Facebook, Google AdWords, PPC, SEO, Podcasts, Article Directories, YouTube, and more.

Each of those sources of lead generation is effective in its own way. ***The key is to pick one and learn to make that one work for you*** before you move onto another strategy to add to the leads you're already receiving. So keep learning and, one by one, add more profitable resources to your business.

One reason you want to keep learning and adding lead generation sources is to protect your business. A good example is if you're counting on receiving leads from Google. They're forever changing policies and parameters. That website you've had at the top of the search results for months may be banished for no obvious reason. It has happened to many folks.

Or it might only take one change to their PPC program to send your business into a tailspin, if you don't have other sources of leads.

***So it's important to have multiple sources of leads.*** Not only does it bring you more prospects, but also, if one source dries up, you still have other sources working for you.

## *LEARN HOW TO COMMUNICATE WITH AND CLOSE PROSPECTS*

---

Leads are great; they're the lifeblood of your MLM business, but the truth is that all those leads are worthless if you can't convert them to sales or recruits. At this stage in the process, it's not about technology; it's about your skill.

MLM businesses don't become successful by simply getting your offer / opportunity / product in front of others. And no matter what anyone tells you, you'll never have people beating down your door to get what you're offering. ***The real measure of success is conversions; that's when you actually get paid.***

Technology simply changes the tools that you use, and we keep getting better tools all the time, both to find and contact prospects. What technology has not been able to change is the fact that MLM is a relationship business. You still must be able to begin, grow, and maintain relationships, just like in any other business.

Since the Internet is rather impersonal, trust building is imperative. Remember that your first goal should be to stop being just an anonymous face to your prospect. They are skeptical; that's just a fact of life today. ***People buy from those they know, like, and trust.***

## *CREATE A FOLLOW-UP SYSTEM*

---

Having a long-term follow-up strategy is the trademark of a long-term marketer. If you don't have an effective follow-up plan, it's a clear sign that you're going to face a lot of challenges. Fortunately, this is an easy thing to fix.

The cost of getting several qualified prospects is simply too great to let any of them slip away. A huge mistake marketers make is only providing a few opportunities to get involved or make a purchase. ***Ensure your follow-up system allows for multiple opportunities for conversion.***

There are so many competitors, and it's easy for prospects to research you and your company before giving their hard-earned money to you. So it only makes sense to have a follow-up system to make contact when they're ready to buy.

For every activity you engage in related to your business, always ask yourself if it's building trust or destroying it.

How consistent is your message over time? Are your prospects more interested in your offering or less as a result of an action you take? ***This mindset will lead to great improvements in your marketing results.***

## *RECONNECT WITH OLD PROSPECTS & DOWNLINE*

---

One good rule to always follow is to avoid making assumptions. ***Never assume that you have the ideal solution for your prospect until you actually know what need they're trying to satisfy.***

In the same vein, never assume that someone won't be interested in your offering. You can't know ahead of time who will say "yes" and who will say "no."

Even if you've been told "no" before by a specific prospect, that doesn't mean anything now. If you're going to assume anything, at least assume something that will serve you. For example, how about

assuming that the prospect that has always told you “no” or the ex-downline might now have a need that your company might be able to satisfy.

So reach out to old prospects and see if you can make something happen. That also goes for those ex-downline members that have drifted away for whatever reason; this is a vastly overlooked source of business in MLM. Stay positive and keep reaching out to people and attempting to solve their problems.

## *RECONNECT WITH RETAIL CUSTOMERS*

---

If don't have any retail customers, you should. Be certain to connect with them on a consistent basis. A quick phone call is an invaluable and essentially free way to introduce new products and maintain the relationship with your customer.

Too frequently, marketers forget about their customers or just assume that if they need anything, they'll call.

Considering that network marketing products tend to be more

expensive than comparable retail competitor's products, be certain that you ***deliver a degree of service that will make this totally worthwhile for your customer.***

Developing a strategy for year round retail sales will help to keep you organized and ahead of the competition. It will enable you to increase earnings from retail customers without making your customers feeling pressured in any way.

It's very common for those customers you haven't heard from in a while to thank you for stopping by. You may very well get another order, even if their first order was only a small one. That's the power of this strategy.

## *TRACK YOUR MARKETING ACTIONS*

---

Many MLM marketers assume they're on the right path, performing those tasks that will move their business forward. Tracking the effectiveness of these tasks, however, is so critical. Being busy all the time doesn't necessarily mean that you're spending your time wisely!

In your tracking, you might discover that you aren't doing some of the things you think you are. You're also likely to discover you aren't

spending nearly as much time as you think you are on certain activities.  
***Realizing the truth may enable you to easily double or triple your results.***

Tracking is simple. What's not easy to get yourself to do, however, is to really look at the data and to be honest with yourself. Don't track just for the sake of tracking; this isn't just a daily exercise.

*Effective* tracking requires an evaluation of your progress on a weekly basis. The nice thing about tracking is that it removes emotion. It will show you what actions you actually took and how they performed.

You can make a simple tracking system with a notebook. It's important to track your activities for at least six weeks to see what's working best for you and what's not working.

## *DON'T QUIT*

---

While it may be obvious that you cannot be successful if you give up, the reverse is also true; ***it's essentially impossible to fail if you don't give up.***

Success at MLM, as with many other things, requires a ton of

troubleshooting. There are a lot of moving parts, and it's important to have all of those parts working effectively to be successful.

***It's really about taking responsibility*** for what's going on in your business and consistently measuring, testing, and improving every aspect of it. Frustration is just a part of the game for everyone; the only issue is whether or not you're going to work through it. Those negative emotions are just feedback that things aren't perfected yet.

## CONCLUSION

---

Multi-level marketing is a viable way to make a great living, but it's not as easy as all the marketing hype would have you believe. You really are running a business and you'll have most of the headaches all other businesses have.

MLM is attractive. The cost to get started is minimal, the hours are highly flexible, and you can work out of your home.

Following the strategies in this book will give you a great start. Continue gaining knowledge and put it to good use. You just might be one of those success stories your MLM company likes to brag about!

# *GLOSSARY OF MLM TERMS*

---

You'll quickly find that MLM is rather unique, and as such, they have their own lingo/vocabulary. Here are some of the more common terms you're likely to run into.

**Builder:** A distributor that is attempting to get prospects and gather customers. Some distributors just buy the product at the wholesale price for personal use, but these are not builders.

**Buy-Back Policy:** The money-back guarantee all reputable MLM companies offer to distributors. The amount of money returned to distributors on returns is usually between 70% and 100% after fees or restocking charges.

**Bonus Volume (BV):** Also known as point volume (PV) or business volume (BV). It is a number, based on your sales and those of your downline, that MLM companies use to calculate commissions.

**Cold Market:** Prospects that don't include your friends, family, and associates.

**Community:** Anyone that is part of your network. Also see "team" "leg" or "upline," / "downline"

**Compression:** When a distributor decides to quit or is terminated, everyone in his downline will move up one level. So the total number of levels is compressed by one.

**Depth:** The total number of levels in your personal MLM network of distributors.

**Direct Selling:** A form of selling where a distributor sells face-to-face.

**Distributor:** A person that works as an independent contractor to sell products or services for an MLM firm.

**Downline:** Consists of all the distributors you've recruited and all the people they've recruited.

**Group Volume:** The total volume of purchases made by your downline over a month period.

**Leg:** Any of a distributor's downlines and their recruits.

**Level:** Anyone you recruit would be considered your first level. Anyone they recruit would be your second level, and so on.

**Leads:** People that have already indicated interest, whether it be to purchase product or join as a recruit.

**Payout:** The % of an MLM company's revenue that it pays out to distributors.

**Prospect:** A potential customer or recruit. The same as a lead.

**Prospecting:** The process of looking for customers and recruits.

**Recruit:** A prospect who joins your downline as a distributor.

**Retail Profit:** The difference between the price at which you sell the product and the price at which you bought the product.

**Sponsor:** A distributor that recruits and trains another distributor.

**Teleconference:** A recruiting rally or business briefing that is broadcast by telephone. Prospects are told to phone in at a certain time to hear the event.

**Width:** The number of people in a distributor's first level. This is sometimes limited by the MLM Company.