A 45 SECOND PRESENTATION

THAT CAN CHANGE YOUR LIFE

"OWN YOUR OWN LIFE"
by
DON FAILLA

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PREFACE

The 45-second presentation is all one needs to know to start building a large organization. In fact, if one cannot learn this presentation, they can read it to a friend or put it on a 3 x 5 card and let their friends read it for themselves.

There are already millions of people in Network Marketing and millions more coming in every year. The most important thing for a new person is to *understand* this business. You can spend 4 hours explaining it to them, or you can loan them this book.

Here is the "45 Second Presentation" that will change your life.

"Have you ever thought about what it would be like to "Own Your Life"?

This is what I think it means to "Own Your Life":

When you subtract out the sleeping time, commuting time, working time and things you have to do each and every day of your life, most people don't have more than one to two hours a day to do what they would like to do; and then, would they have the money to do it?

We have discovered a way a person can learn how to "Own their Life" by building a home-based business; and we have a system for doing it that is so simple anyone can do it. It doesn't require selling, and the best part is, it won't take much of your time. Does that sound like something you'd like to know more about?"

.....

Beyond this presentation you do not need to know anything. Once you realize this and understand you can introduce your business to anyone, because absolutely anyone can build a business if they want to. All they really need is a little desire. Without desire, you have nothing.

The secret to the system we teach is not to talk. Talking is your worst enemy. The more you talk, the more the prospect thinks they cannot do what you are doing. The more you talk, the more they think they don't have time. Remember, time is the number one excuse people have for not getting started.

After your friend reads or hears the 45-second presentation, they may ask you a question. Regardless of what the question is, if you answer it you lose. They will have five more questions before you know it. You will be bouncing all over the place! Simply tell them that they'll have a lot of questions and that this book is designed to answer most of them. Have them read the first four Napkin Presentations (1st 20 pages) and then get back to you.

Never tell the prospect to read the book. They will set it on the shelf and get to it in due time. Tell them to read the first four Napkin Presentations. They will read it right away and over 90% will finish the book at the same time.

After reading the book, your prospect will understand network marketing. This is important, because the number one reason people don't do the business is because they don't understand it. Now they will understand Network Marketing and they will be ready for you to present your vehicle, company, products, and marketing plan. But I said you don't have to know anything other than the 45-second presentation to get started. So now what do you do?

At this point, you would use the tools or your team to do the talking for you. Tools would be conference calls, website presentations, brochures, audio or video tapes from your company. Your team would be your immediate upline, starting with the person who will be your sponsor.

Let's say you have your first prospect. You have done the 45 second presentation and they have read the book. You invite your prospect to meet you for lunch. Let them know you will also be inviting your

sponsor, who can explain the business on your behalf (Key point - Who pays for lunch? You do. Your sponsor is working for you. How many times would you have to buy your sponsor lunch or dinner before you could explain the business on your own?)

We had a man come up to us at a seminar in Germany and say "Not only do you not need to know anything to get started, you could also have a free lunch every day when you are working for your down line."

Happy eating and watch your business grow!

CHAPTER 1
INTRODUCTION TO MLM

MULTI-LEVEL MARKETING is one of the fastest growing, yet most misunderstood, methods of moving products in use today. It has been termed by many as the Thing-of-the Nineties. Believe me, it will go far beyond that. By 2010, more than 200 BILLION DOLLARS worth of products and services will be moving annually through Multi-Level Marketing companies. WATCH OUT for MLM in the 21st century!

The purpose of this book is to convey to you the reader, through illustrations and examples, just what Multi-Level Marketing IS and what it IS NOT. We will also show you how you can effectively, I repeat-EFFECTIVELY, explain Multi-Level Marketing to others.

This book should be treated as a TRAINING MANUAL. It is intended to be used as a tool to help you train the people in your organization. Include it in their initial "kit" of information about your program.

Don Failla developed the "Napkin Presentations," upon which this book is based, in 1973. 1 have been involved in Multi-Level Marketing to one degree or another since 1969. This book will cover the ten presentations developed thus far.

Before going into the details of the "Ten Napkin Presentations, allow me to answer one of the most frequently asked, and probably the most basic of all the questions, "What is MLM?" This question is quite frequently in response to a button we often wear. Throughout this book we shall use "MLM" and "Multi-Level Marketing" interchangeably.

Let's break it down. Marketing simply means moving a product or service from the manufacturer or provider to the consumer. Multi Level refers to the system of compensation provided to those persons who are causing the product to move or the service to be provided. "Multi" means "more than one." "Level" refers to what may better be termed as, "generation." It could be called "Multi-Generation Marketing." We will stay with Multi-Level since that is what is most common.

Illegal pyramids and chain distribution schemes or chain letters often try to pass themselves off as being multi-Level business programs. In fact, these are just scams where no readily consumable product or service is moved and the monies paid to distributors is just a portion of the monies paid by other distributors for enrollment or renewals. This has created a stigma, although unjustified, such that many of the newer MLM companies are using other names for their type of marketing. Some of the names you will hear are "Uni-Level Marketing," "Network Marketing," and "Co-op Mass Marketing. "

There are really only three basic methods of moving products. (Hold up three fingers as you demonstrate this point.)

1) RETAILING-I'm sure everyone is familiar with retailing…the grocery store, the drug store, the department store. Going into a store and buying something is retail.

2) DIRECT SALES-would usually, (but not always) include insurance, cookware, encyclopedias, etc. Fuller Brush, the Avon lady, Tupperware home parties, etc. are some examples of Direct Sales efforts.

3) MULTI-LEVEL MARKETING-MLM is the one we will be discussing in this book. It should not be confused with the other two, especially with the Direct Sales method with which MLM commonly is confused.

MAIL ORDER or Internet marketing can have an MLM twist to it, but in reality it falls into the Direct Sales category, because it lacks the personal relationship and residual income components of MLM and typically requires a sustained and relatively large investment of time and/or money.

As mentioned earlier, another type often confused with MLM, are PYRAMID Schemes. The fact is, PYRAMID Schemes are ILLEGAL! A key indicator is their failure to move a readily consumable product or service. If a viable, readily consumable product or service doesn't move, how can you even call it marketing, let alone Multi-Level Marketing! Multi-Level they may be-but MARKETING THEY ARE NOT!!!

Most objections that people have about getting into Multi-Level Marketing are due to not realizing the differences between MLM and the Direct Sales methods of marketing. This confusion is understandable because MLM **does** require a continuous flow of product or service and most of us have been conditioned to think in terms of door- to- door selling, monthly quotas and getting paid for what WE DO.

The basic principals and concepts of MLM:

- A LOT OF PEOPLE JUST DOING A LITTLE and
- GETTING PAID FOR WHAT WE START

These concepts are foreign, and sometimes very hard to understand, for all but very successful business people.

There are some features that differentiate MLM from Retail and Direct Sales companies. One very significant difference is that in MLM **you are in business for yourself-BUT NOT BY YOURSELF**!

By being in business for yourself whether or not but especially if you are operating out of your home, you may be entitled to some substantial TAX BREAKS. We won't get into **TAX ADVANTAGES** in this book. Most people can get that information from their accountant or from the many books that have been written on the subject.

Being in business for yourself means you are buying the products or services from **YOUR** business. This means that you can (and should) use these items for your own consumption. Some people get involved in a company, at first, just to earn a commission on something they're already using. And many of those will eventually get "serious", if and when they take the time to better understand the power of their business.

Since you are earning commissions by using your business' products or services, you can, if you wish, sell those products or services to others and make a PROFIT. The most common misunderstanding about MLM is the notion that you HAVE TO sell retail to be successful. There's nothing wrong with selling your products but keep in mind, by itself, it's just DIRECT SALES and you're back to trading your time for a limited amount of income. You can sell if you want to, but the most effective and sensible way to build a ***large, dependable, long-term income*** is to use of your time and energy building a distribution organization where everyone is paid on the efforts of A LOT OF PEOPLE THAT EACH JUST DO A LITTLE. By the time you finish this book you'll see how SIMPLE, FUN and REWARDING it can be to do this.

IMPORTANT POINT. Your sales will come as a natural result of building the organization. More people fail than succeed by trying to do it the other way around-they try to build the organization by emphasizing selling. As you read through the Napkin Presentations that follow, you will see this concept unfold before you.

The word "selling" triggers negative thoughts in the minds of about 95% of the people. In MLM you don't need to "sell" the products in the traditional sense of the word. However, PRODUCT DOES HAVE TO MOVE or nobody, but nobody, gets paid. Don Failla defines selling as "calling on strangers and trying to sell them something they may neither need nor want." Again, PRODUCT HAS TO MOVE OR NOBODY GETS PAID!

Another name for MLM is Network Marketing. When you build an organization, you are actually building a network of relationships through which products or services are consistently used. The Marketing dollars paid by the product or service providers is the fuel that powers your Network Marketing business. "Sales" in MLM or Network Marketing come from distributors using the products or services themselves and then SHARING what they like with a few of their friends, neighbors, and relatives. They absolutely don't have to (and probably shouldn't) waste their time "selling" to strangers.

To build a LARGE SUCCESSFUL BUSINESS you need a BALANCE. You just need to understand the basic principals of MLM, and then sponsor and teach those principals. In the process of doing this you will, over time, build a small but ***loyal*** personal customer base through endorsement and referrals from your friends and relatives.

Don't try to sell the world on your program yourself. Remember, that Network Marketing or MLM is building an organization in which a lot of distributors each just do a little. This is far better than a few trying to do it all.

With MLM, the need to spend large sums of money on advertising is non-existent. Advertising is done almost exclusively by word-of-mouth. For this reason, the "advertising" dollars are redirected to the distributors. You can SHARE with a friend a high quality product of a type that they are already using. You're simply showing them a different and often smarter way to get it, by doing business with either their OWN business or someone they know.

So you see, it's not going door-to-door-every day calling on strangers. All network or MLM programs that I know of teach that if you simply use it yourself and, over time, SHARE what you like about your products or services with friends, that's all the "selling" that is involved. (We prefer to call it "Sharing," because that's what it is!)

One significant thing that differentiates MLM from Direct Sales is the SPONSORING of other distributors. In direct sales, and even in some MLM companies, it's called RECRUITING. However, "sponsoring" and "recruiting" is definitely not the same thing. You SPONSOR someone, then TEACH them how to do what you are doing, building a BUSINESS OF YOUR OWN.

We emphasize that there is a big difference between sponsoring someone and just "signing them up." When you SPONSOR someone, you are making a COMMITMENT to him/her. If you are not willing to honor that commitment, then you are doing them a disservice by signing them up.

At this point, all you need is to be WILLING to help them to build a business of their own. This book will be an invaluable tool in showing you what and how to do just that. You can learn it WITH them. And don't overlook one of your most valuable MLM business assets- the successful people in your upline.

It is the RESPONSIBILITY of a sponsor to help and teach the people, they bring into their business, all they know about that business. This book will go a long way toward making you ABLE to meet that responsibility. Relax, as this book unfolds you'll see that this can be both a fun and very rewarding experience, just teaching and helping a handful of people to really understand the simplicity and power of their MLM business.

SPONSORING is what makes a Multi-Level Marketing business grow. As your organization grows, you are building toward becoming an INDEPENDENT and SUCCESSFUL businessperson. You are your *OWN* BOSS!

With Direct Selling companies, you work for the company. If you decide to quit that company and move to another area, you end up having to start all over again. In almost all of the MLM programs that I am aware of, you can move to another area of the country and sponsor a new group of people ***without losing*** the income generated by the group you started in your old location.

In Multi-Level Marketing programs you can make a lot of money. It takes a little longer with some companies than it does with others, but making a lot of money comes from building an organization, not by just selling the product. You can make some money by just selling the product-but you can make a FORTUNE by building an organization as your primary function.

People will get started in a Multi-Level business with the idea of making $50, $100, or even $200 per month, and suddenly they will realize that if they want to get serious about the business they could be making THOUSANDS or TENS OF THOUSANDS of dollars per month-or more. Again, remember that a person doesn't consistently make that kind of money by just selling the products ... they make that kind of money by building an organization.

THAT IS THE PURPOSE OF THIS BOOK: to teach you the things you need to know to be able to build an organization and to build it FAST-to develop certain and proper attitudes about MLM. If a person thinks Multi-Level Marketing is illegal, having a connotation of being like a pyramid (and they do make that comparison), you are going to have trouble sponsoring them.

You must teach them the facts to eliminate their attitude of mistaking a true Multi-Level Marketing organization for a pyramid. One example you could show them is the illustration on the next page. The pyramid is built such that only those in at the very beginning can ever be near the top.

In the "MLM" triangle, everybody starts at the top of his or her own organization and has the opportunity to build as large an organization as they choose.

A new person can build an organization many times larger and make more money than his sponsor, if he/she wants to.

The main objective is: to get your prospect into a general discussion concerning MLM, and explain with your three fingers, the differences between Retailing, Direct Sales, and Multi-Level Marketing. Then you will have a good start at sponsoring them into your particular MLM vehicle.

As I stated earlier, by the year 2010, MLM will be doing in excess of $200 BILLION annually. That is BIG BUSINESS!

Most people don't realize that MLM is that big! Multi-Level Marketing has been in our midst for over 50 years! Some companies that have been around for over 45 years are already doing billions of dollars per year by themselves.

We know of one company that did over $1 BILLION per year in revenue by their 8th year in business, exclusively by using MLM principles as outlined in this book. That's a pretty fast start in anybody's league!

MULTI-LEVEL MARKETING is a preferred method of marketing for both new and established companies that provide products and services to consumers.

An inventor or manufacturer can put a new product on the market without having to find millions of dollars for marketing, and without having to “sell off” the ownership of their product to someone else.

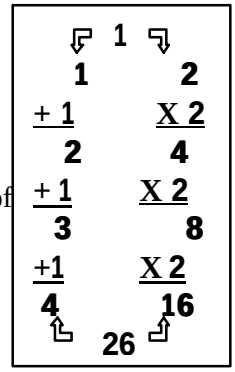
It also makes great business sense for established “big” companies to expand their market with MLM because the customer base tends to be much more stable and their marketing dollars are spent for customers AFTER they become customers.

CHAPTER II

Napkin Presentation #1
TWO TIMES TWO IS FOUR

THIS one you can show a person BEFORE they see the program or the vehicle you want to share with them. It is an absolute MUST to show them this Presentation as soon after you have introduced them to your program as you can. You want their thinking to be going in the right direction from day one. What this will do is take the proverbial "Monkey off their Back" in thinking they have to go out and "sponsor the world" to make a large amount of money in Multi-Level Marketing.

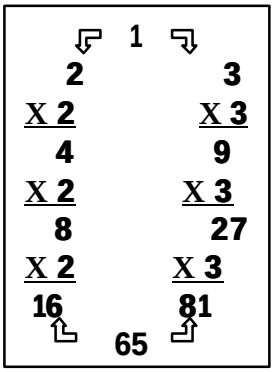
This Presentation will also show them how important it is to work with their people and help ***them*** to get started properly and quickly.



This Presentation starts by explaining that we ALL start building our business by sponsoring our 1st Partner, then we work together, to help & teach them to sponsor their 1st partner, etc.
Write down"1 + 1= 2" and repeat just 2 more times.
The simplicity is in the "addition" but the power is in the "multiplication"! Now show the power of Just doing A LITTLE BIT MORE -in a 2nd column, showing "2 x 2 is 4, "etc., and multiplying on down as shown in the figure on the right. (Be sure and point out that 2+4+8+16=30)

We tell a joke on people, that if they sponsor someone who can't do this right here-PASS-because you are going to have trouble working with them.

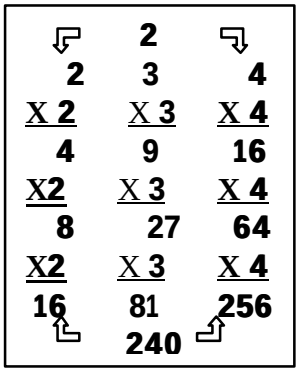
Notice that we start using the word "sponsor" now. To the right of the 2 x 2 column, write 3 x 3 saying, "Over here you **sponsor** three people, and you **teach** (We also start to use the word "teach") those three to sponsor three, making nine more. Then you teach your three people how to teach those nine to sponsor and now you have 27. Going on down 1 more level, you will have 81.



Notice the difference between 16 and 81. Bring it to their attention and ask them if they would agree that it's a pretty good difference. Then point out to them the REAL DIFFERENCE is ONE! Everybody only sponsored ONE MORE! You will usually pick up some reaction from this, but continue right on, it gets better.

Let's say you sponsor four people into the business. Moving to the right of the 3 x 3 column, you again run down a column of figures, writing them down as you speak.

"Let's see what happens if everybody sponsored only TWO MORE." As you continue to write, say, "You sponsor four and teach them to sponsor four. Then you help your four to teach the 16 they have to sponsor four, adding 64 to your group. Working down only one more level, and before you know it, your group has 64 x 4= 256 more.



And again you point out, "Now that's getting to be a considerable difference right there, but . . . "

You will usually catch some sort of reaction again as they begin to pick up on the concept, and cutting in they will say before you do, "…The REAL DIFFERENCE is that everybody only sponsored TWO MORE!"

We end it with five. They will usually pick up on it by now and mentally or verbally follow right along with you as you write in the final column of figures. By now you can leave out "sponsoring" and "teaching," writing

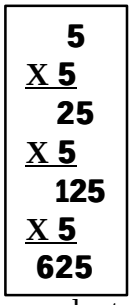
down the figures and commenting, "5 times 5 is 25, times 5 is 125, times 5 is 625. Now that is a FANTASTIC DIFFERENCE! Again, the REAL DIFFERENCE is that everybody only had to sponsor THREE more.

Most people can relate to sponsoring one, two, or three more, but usually find it difficult to relate to the figures on the bottom line. (16, 81, 256, and 625).

So picture yourself in the last column, having had the time to sponsor five serious people into the program. The "five" at the top of the column represents the ones you sponsored who want to get SERIOUS about building a business of their own. You may have to sponsor 10, 15 or 20 people to get these five.

However, once you totally understand all ten of the NAPKIN PRESENTATIONS, you will find that your people will get serious QUICKER than people who come into organizations that don't know this material. This book will teach you how to work with them so they will get serious QUICKER.

Notice in the figure at the right, that when you have sponsored five, and they have sponsored five, and so forth, right on down the line ... you add all these (circled figures) up andyou will have 780 serious people in your organization. Doing this will help you answer the question, "Doesn't somebody have to sell the product?" You've all heard that question before if you've been at all active. So just go through this NAPKIN PRESENTATION with them and explain that 2 times 2 is 4 ... right on up to 780 distributors.



In ANY KIND of Multi-Level Marketing organization, if you have 780 people just USING the product themselves, you have a tremendous volume. (And we haven't even included those who are not serious, but are just "product buyers.")

Now if they all have two, three, four, or five friends ... let's just say they all had 10 customers from among their friends, relatives, and acquaintances, that's 7,800 customers! Add to that the 780 distributors in your organization-do you think 8,580 customers plus the "product buyers" will be able to provide you with a profitable enterprise? That's how you make a lot of money in any business-by having a lot of people doing a little bit. But remember, you are only working with five SERIOUS PEOPLE, not a whole army!

We run into people constantly in other MLM programs, as well as our own, who are amazed at how FAST our own organizations have grown. They have been in their programs longer than we have, but are scratching the "think tank" on top of their necks and asking, "What are you doing that I'm not doing?"

Our response to them is, "How many people in your FRONT LINE are you working with?" (The Front Line are those people directly sponsored by you. They are also called your "first level" distributors.)

I will usually hear figures anywhere from 25 to 50 or more. I know people in MLM who have over 100 in their front line, and I'll guarantee you, that once you understand the principles outlined in this book, you'll pass those people up in six months, even though they have been building their organizations for six to eight years.

I'll give you a simple parallel on this point, why that many front line people isn't good.

As we go into Napkin Presentation #2 covering the "Salesman Failure" syndrome in Multi-Level Marketing, I will give you a simple parallel showing why having so many front line people isn't good.

Consider the ARMY, the NAVY, the AIR FORCE, the MARINES, or the COAST GUARD. From the lowest private up to the top brass in the Pentagon, nobody has more than five or six people they are trying to DIRECTLY supervise. (There may be rare exceptions.) Think about it! Here we have West Point & Annapolis with over 200 years of experience each, and they don't think anybody should supervise more than five or six people. So you tell me why people get into a Multi-Level Marketing

organization and think they can effectively work with 50 people in their front line. They CAN'T DO IT! That's why a lot of them fail, and you'll see why as you read on.

You shouldn't try to work with more than five serious people at a time. However, make sure that when you sponsor them, you start working down-group immediately. There is a point when they won't need you and then can break away and start another line on their own. This will also free you up to work with yet another serious person, keeping your number of those that you are working closely with at five. Some programs may allow you to be effective with only three or four at a time, but none that I know of can be effectively built with more than five.

These NAPKIN PRESENTATIONS tie together, so some of the questions you may have at this point will be cleared up as you read on.

CHAPTER III
Napkin Presentation #2
SALESMEN FAILURE SYNDROME

WHY do so many salesmen fail when working in a Multi-Level Marketing business? This #2 Presentation will clarify the common mistakes made by sales-oriented professionals.

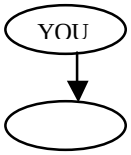
Let me explain why we would rather sponsor ten teachers than ten salesmen.

Now DON'T GET ME WRONG, I think professional salesmen can be a tremendous asset to your organization-if like everyone else, they go through the Ten Napkin Presentations and thoroughly understand them.

Most people get confused by the statement above, but remember, they still don't understand that MLM is a METHOD of marketing. We are NOT sponsoring people into a Direct Sales organization. We ARE sponsoring them into a Multi-Level Marketing program.

Much of the time, the problem you will have with a salesman, is that when they see the high quality of the products you represent, they just launch out and take off, so to speak. They can put their own presentation together-they don't need us to tell them how to sell-they're the professional. The point is: we don't want to tell them how to sell. We just want to teach them how to TEACH and SPONSOR and build a large successful Multi-Level Marketing organization. And they, and anyone for that matter, can do just that WITHOUT SELLING ANY THING in the normal sense and definition of the word "selling."

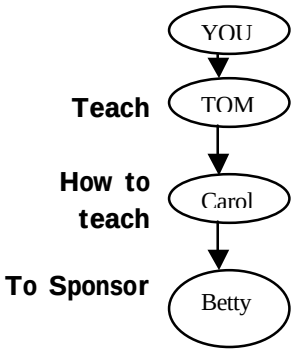
If you can't sit down with them and explain a few simple things about Multi-Level Marketing, and why it is different than Direct Selling, then the tendency is for them to go off in the wrong direction. As we continue on with the Napkin Presentations, we will give you a few examples.



Most people think (and especially salesmen) that if you sponsor someone , you have duplicated your effort. (Draw one circle under the other.) There was one, and now there are two. It sounds logical, but that's NOT TRUE.

The reason that it's not true, is that if the one represented by the top circle (sponsor) goes away, the one they sponsored will go away also; they won't continue on. You must explain to your people that if they truly want to duplicate themselves, they have to be at least THREE LEVELS DEEP; only then are they DUPLICATED.

If your sponsor dropped out before you had an opportunity to see that the program really will work, you most likely will assume that it doesn't because it didn't for him. After all, he's your sponsor and certainly must know more about it than you. Let's say that you're here. (Draw a circle and put "YOU" in the middle of it.) You sponsor Tom. (Draw another circle under the one with "YOU" in it, write "TOM" in it, and connect the circles with a line.) Now, if you leave and Tom doesn't know what to do (because you haven't taught him), then that's the end of it.



But if you DO TEACH Tom how to sponsor, and he sponsors Carol, you are ONLY BEGINNING to duplicate yourself

But if Tom DOESN'T learn how to teach Carol to Sponsor, then again it will fizzle out and that's the end of it. You have to teach Tom HOW TO TEACH Carol how to sponsor. Then she can sponsor Betty or whomever.

Now you are THREE DEEP. If you go away (to work with someone else or to a different area of the country), this sub-group will continue on. I emphasize: YOU HAVE TO GO THREE DEEP! You have nothing until you are three deep and only then are you DUPLICATED.

If you never communicate anything but this one point to the people you sponsor, then you will have the key that will make you more successful than most others in Multi-Level Marketing programs.

Here's what happens to the "salesman": He looks at the demonstrations of the products, hears or reads of the testimonials of the results others have had with their use, and how they work. Armed with this information, just get out of his way, and he will go out and "sell like crazy" remember, they're SALESMEN! They have been in the Direct Selling business and they don't have any problem calling on strangers.

Great! So you say to your super-salesman (let's call him Charlie), "Charlie, if you want to make the BIG BUCKS, you cannot do it by yourself. You need to sponsor people."

So what does Charlie do? He goes out and sponsors, sponsors, sponsors ... he will just sponsor up a storm. A good "salesman" in a Multi-Level Marketing program could sponsor three or four people per week.

But here is what happens: It gets to a point, (and it doesn't take long), that people are dropping out as fast as they are being added. If you don't work with them EFFECTIV-ELY (and you can't be effective if you are trying to work with more than five at a time), you will see them becoming discouraged and giving up.

So Charlie, being discouraged and a little bit impatient, doesn't think anything is happening and he goes off to look for something else to sell. The person that sponsored Charlie, thinking Charlie was going to make them rich, gets discouraged and they give up also.

Most people who have made it big in MLM don't have a sales background. They may not be TEACHERS professionally, but most of them come from backgrounds with an element of teaching in it. I know of one teacher and school principal who, after only 24 months in a Multi-Level Marketing program, was earning in excess of FIFTEEN THOUSAND DOLLARS PER MONTH. He did it and is doing it by TEACHING OTHERS how to do it also.

Let's put some numbers in Charlie's approach so we can more clearly see where he went wrong. We will assume that Charlie, being the super-salesman that he is, went out and sponsored 130 people. Let's also say that he got each of them to sponsor five others, adding 650 more for a total of 780 in his organization. (Sound familiar?)

Ask your people this question when you show this to them, "Which do you feel you could do more quickly, sponsor five people who are serious and TEACH THEM HOW TO TEACH or .. ?"

Incidentally, the question will come up, "What do I teach them?" The answer is: You teach them what you are learning right there in this book-the Ten NAPKIN PRESENTATIONS. They need to have an understanding of all ten, but initially the first four will work.

Teach them that 2 x 2 = 4, and why people fail, etc. How long do you think it would take you to sponsor 130 people? How many of the first ones would be left when you sponsored number 130? You would find that you are losing them pretty fast. Yet you will discover the retention rate on the 780 in Napkin Presentation #1 to be quite high.

Once you show this to a salesman and they understand it, they will say, "Aha! Now I see what I've got to do"... and they will go do it.

CAUTION: You must hold them back. Because they don't understand what we have just gone over in this chapter, most people in MLM will literally encourage their people right out of the business!

They will sponsor someone and their new distributor will come to them and say, "Hey, I got five new people last week!" So you say, "Great!" and encouragingly slap them on the back. The following week they sign up five more people. What has become of the five they signed up the first week? They're gone.

If you understand this "Salesmen Failure Syndrome," you can still encourage them, but at the same time stress the point of how IMPORTANT it is to take each new person you sponsor and

HELP THEM GET STARTED!

After I have sponsored someone, (no matter how deep in the organization), it's more important for me to immediately go WITH them and HELP THEM SPONSOR someone else, than it is for me to go out and sponsor another person for myself. I just cannot emphasize this point too much.

This point will come up again in a couple of other Presentations.

Of the Ten Napkin Presentations, the first four are really a MUST. If you don't have time for all of them at least get started with #1 and #2. (Ch. 2 & 3). You can show them to someone, depending on how much you elaborate, in as quickly as five to ten minutes, once you have practiced them.

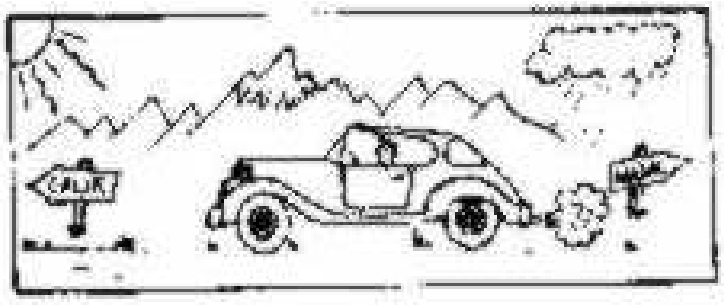
Don Failla relates this experience of having one of his people present the Napkin Presentation over the phone after they had received it over the phone.

"In one of the programs I was involved in, I sponsored this fellow named Carl. Carl told me about sponsoring his daughter in Tennessee, and that she knew everybody in town. I was talking to Carl on the phone and related to him that I thought it was great. I quickly added however, that I needed to tell him something to pass on to his daughter. I asked him if he had a piece of paper and pencil handy (which he did) and I had him write down 2 x 2 is 4, and right on through it. I instructed him to immediately phone his daughter and let her know the mistakes to avoid, and get her started in the right direction. He did call her, and it's working out very well for both of them.

CHAPTER IV
NAPKIN PRESENTATION # 3
"Four Things You Have To Do"

IN THE FIRST PRESENTATION we told you some of the things TO DO, and in the second Presentation we told you some things NOT TO DO, as far as working in depth with your organization. In this Napkin Presentation we will show you four things you HAVE TO DO to be successful in an MLM program. These four things are an absolute MUST!

Everybody in Multi-Level Marketing who is making $ 100,000 or $200,000 per year (and more), DID and ARE DOING these four things.



To help you remember these four things, we have paralleled the points to a story which you can relate to your people. They will not only pick up on the parallel, but will REMEMBER the "Have to do's" also.

The way the story goes is this: "Let's imagine you want to take a trip in the family car and leave rainy Washington (it really isn't as bad as some people like to make it out to be) and drive to sunny California. The sunshine in California will represent reaching the top in the program that you're in. When you get there you are SUCCESSFUL-you're AT THE TOP!



The FIRST thing that you have to do is to GET IN and GET STARTED. There isn't anybody in MLM who has made a lot of money unless they first got started. The amount of money it takes to get started depends on the company and the program you choose as your "vehicle." It can range from nothing on up to $12-50, $45, $100, $200, or even $500 or more.



The SECOND THING you need to do as you take this trip, is to buy GAS and OIL. As you travel to the top (California), you will use up the fuel and oil (Products), and it will be necessary to replace them. MLM works best with products that are CONSUMABLE. You will use the products up and buy them again, and again, and ... what this equates to is you must USE THE PRODUCTS of the company you represent.

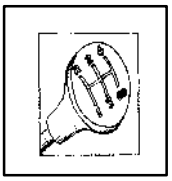


Remember, we showed you in N.P #1, that with 780 distributors it doesn't matter which program you are in, you will have a very sizable volume. Naturally, you can see the advantages of building a business with a vehicle that has consumable products. Most Multi-Level companies are in that category. Non-consumables are usually marketed through retail or direct sales methods, but not always.

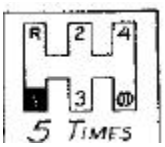
The other result of using the products yourself is you will get excited about them. Rather than spend a large sum of money on advertising, MLM companies put their money into product development and as a result will usually have a higher quality product than that which is normally available in a retail store.



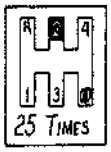
The THIRD thing you have to do is to get into HIGH GEAR. Of course you realize that nobody starts out in HIGH gear. We all start out in NEUTRAL. (Incidentally, notice that we are not driving an "automatic.") We may be in the car, still in the driveway, with the key turned on and the motor racing, but if we never get out of neutral we will never get to California-or anywhere else for that matter.



To get your car into gear, you must sponsor someone into the business. When you sponsor someone, you are in FIRST GEAR. We believe you should be in first gear five times, with five SERIOUS people.

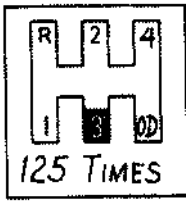


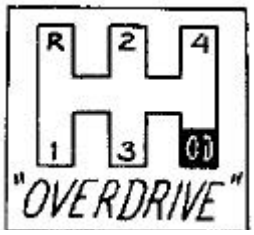
In one of the other Presentations we show you how to determine which of your people are serious. You will want your five people to get into gear ALSO. You TEACH them how to get into first gear by sponsoring someone. When each of your five people are in first gear five times, you will be in SECOND GEAR 25 times.



Teach your five people to teach their five to get into first gear five times, they are now in second gear 25 times each, and that puts you in THIRD GEAR 125 times.

When you have third level distributors in your organization, you are in THIRD GEAR
Have you noticed how much smoother your car runs in fourth gear?
So does your organization! You want to be in HIGH GEAR (fourth Gear) as soon as you can.
When your first levels are in third gear, you will be in FOURTH GEAR.



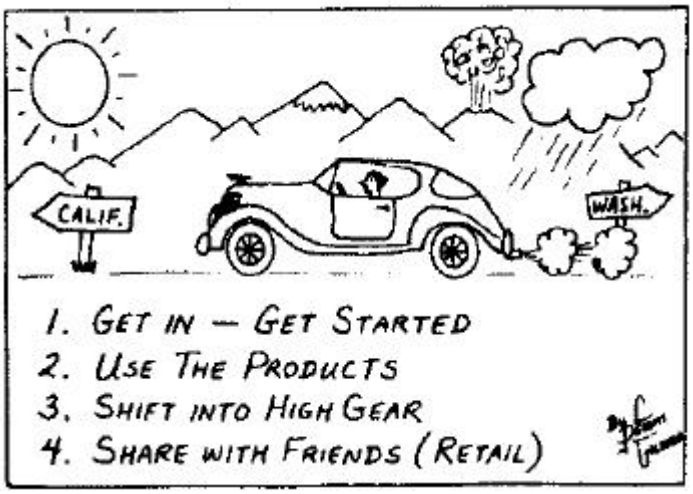


Naturally, you want your people to be in HIGH or FOURTH GEAR as well, and when they are, You are in OVERDRIVE.
How do you get into OVERDRIVE?
YOU simply HELP TEACH the people you sponsored to get their people into THIRD GEAR, which puts them into fourth gear and puts you into OVERDRIVE.

The FOURTH THING, while you are on your journey to California, is to use the time you have to SHARE your products with the people who are going with you. Let them try them. Let them experience the benefits of the products. When they want to know where they can get them ... guess what you do at that point. So share with your friends. For a number of people, this is the retailing part of the business.

At this point it is important to notice that as we went through Napkin Presentations #1 and #2, and now here is #3, we've told you the FOUR THINGS YOU HAVE TO DO to be successful. Not once did we tell you that you HAVE TO go out and SELL. We say you don't have to sell the products in the normal sense of the word "sell". We DO SAY you need to SHARE the products with your friends. You can even share them with strangers. When they see the benefits of your products and your marketing plan, they will become NEW FRIENDS.

You don't even need a large number of customers ... say ten, or even less. If all you ever had was ten customers... hey, that's okay. All it means is item number four (next page) is a very small portion. So what if we cover up the "four" altogether-you could still get to California by doing the first three?



NOTICE HOWEVER- If you didn't do number three, (get into HIGH GEAR), and did a lot of number four, you would never get out of the driveway. (That's what salesmen do.) Once you understand this and tie **it** in with number one and number two, you start developing the proper MLM attitude.

Starting from square one with your new person, you want to get into their sub-conscious, the NUMBER "five". All you need to do is find five serious people who want to get serious about the business.

When you run into people and ask them how they are doing, you may hear the response, "Gee, I can't find anyone who wants to sell." There's that word "sell" again! QUIT LOOKING for people who want to sell! START LOOKING for people who want to earn an extra $600, $1,200, or $1,500 per month without having to "go to work" everyday. Do you or they know anybody like that? Your answer and theirs, like mine, will be, "Yeah-everybody!" Well those are the people you want to talk to, because everybody would like to have that kind of dough coming in.



Simply point out that it may take five to ten hours a week of their focus to build a business. But then we hasten to say, "'What's wrong with that?"

People sometimes get into MLM programs and think somehow it's all going to happen just because they signed up. Not so! Remember, the car we are driving to California does NOT have an AUTOMATIC transmission.

I know, and surely you know, people who have gone to college to get a degree, and there is absolutely nothing wrong with that. Maybe you're one of them. You go to school everyday. You study all day and half the night, week after week, for YEARS. Then when you finally graduate-how much money can you make?

So give five to ten hours of your time each week to LEARNING the Ten Napkin Presentations and everything you can about the MLM company you are representing. When you learn and understand them, you can teach the Napkin Presentations to others. The book you are now reading is your key to tomorrow's success.

We don't want you to get up tight by thinking you can't teach someone what you are learning here. Sure, this may be the first time you've read or heard these concepts and we really can't expect you to know it all well enough to teach it. But then you DON'T HAVE TO!

Remember, to get into a Multi-Level Marketing program, you have to have a SPONSOR. If your sponsor is a REAL "sponsor", he will help you with, your first five people. Notice: It's a HELPING RELATIONSHIP. In the process of showing the Napkin Presentations to your friends at meetings (one-on-one or groups), your sponsor is training you as well.

As a suggestion, we ask that you set some sort of goal for yourself. When you are about 20% up the ladder in your program, you should KNOW and UNDERSTAND the ten NAPKIN PRESENTATIONS. By the time you get 3/4 of the way, you should be able to TEACH others. When you are at or near the top, you will be able TO TEACH your people TO TEACH others. It's something beneficial that you can MASTER over a relatively short period of time.

With this book and/or the cassette tape on the same subject, you can sit down and read and study, or listen to the tape again and again and again. If you were given an "assignment" to do the above, and you had to go through the material five, six, or even ten times, and a year from now it meant you could be making two, three, four, or even six THOUSAND DOLLARS A MONTH; is it worth spending five to ten hours a week?

Now you have to admit, that's a pretty neat way to "go to school, right? Take a look at some of those college textbooks and trying to learn what they contain; they're not going to make that kind of money for you!

Welcome to MLM University!

Four Things You Have To Do

1. **Get in - Get Started**
2. **Use the Products or Services**
3. **Shift into High Gear**
4. **Share with friends (Retail)**

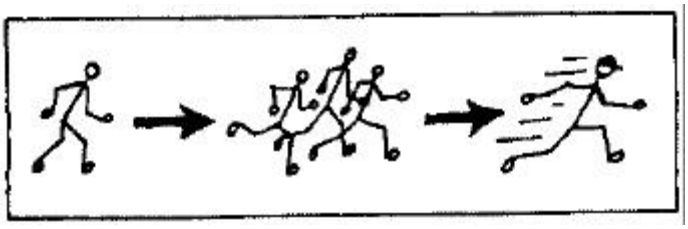
CHAPTER V

Napkin Presentation #4

DIGGING DOWN TO BEDROCK

DISCOURAGEMENT is one of the problems that can beset a new distributor that you have sponsored if you fail to impress upon them the importance of getting a HEAD START. That is why we stress that they DO NOT START COUNTING their months-in-the-business until they have had their TRAINING MONTH or their Training Period of whatever length of time they need.

When they first get into an MLM organization, they may have a tendency, without a HEAD START, to look up at the leaders way out in front and become discouraged and think they will never be able to catch up.



Draw a picture of a crowd of runners. Note the arrows showing a runner trying to catch up to the crowd-and the runner going even FASTER trying to stay ahead of the others. (You may find it simpler to draw circles to illustrate this point.) Remember when you were in PE in school and were running "Laps?" People will run faster to stay ahead of a crowd, than to catch up to it. Since there is no "Finish Line" in this race, you can all be winners. I have a quote from my pastor that is displayed in my office that reads:

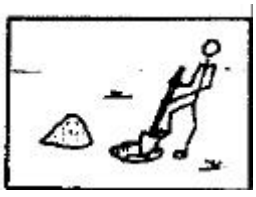
"THE ONLY LOSERS ARE THE QUITTERS"

However, to run a good race, one should train for it. When you sponsor someone, have him or her consider the first two to six weeks in the business as their training month. The NEXT month will be their STARTING month.

Everything they read, listen to, meetings they attend, getting together with their sponsor and other people, the products they try, and the products they move-all this TRAINING is giving them a HEAD START on their STARTING MONTH in the business, which is NEXT MONTH. When next month comes, if they're not yet ready to get serious about the program, consider that they are still in their TRAINING MONTH or period. Don't have them start counting their months until they are ready to get serious. That way, when they finally do get serious, they will be "warmed up" for the race and can get off to a HEAD START and a FASTER RACE.

One of the major benefits of all these Napkin Presentations is that as you share them with your new distributors and prospects and have training programs, they have a tendency to become SELF MOTIVATORS. Every time I show the "2 x 2 is 4" Presentation, I get all excited again about the possibilities in MLM.

Once you read and study and understand what I am going to show you in the following pages, you will be motivated and encouraged every time you see a new high rise office building under construction.



Notice that when construction begins it seems like it takes months and months, almost forever, before you see it begin to rise out of the ground. But once it gets above ground level it seems to rise about one floor per week-it goes up FAST!

So picture that tall office building as your own organization as it will be SOMEDAY, and ponder what you will have to do to get it.

When you first began to sponsor those first five serious people, you were digging the foundation with a SHOVEL or a SPADE.

But notice that when you dig down into the second level by teaching your people to sponsor, that's 25 people now, and you have to bring in the BULL-DOZERS.

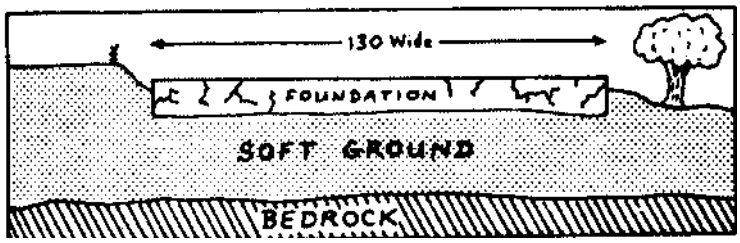
When you have taught your people how to teach the people in their group to sponsor, you are well on your way to bedrock and you are now beginning to excavate with STEAM SHOVELS! When you have begun to see the 125 third level people, you have reached BEDROCK.

Now you can start going up. When you are down FOUR DEEP in your organization, it means you are now starting to "become visible" and your building will rise up quite rapidly.

So, if you have been in the business for several months, and don't see anything happening, don't get discouraged; it's just that the foundation is still under construction. It's sort of like the gold prospector who spent months and months digging a mine, only to give up and quit when he was just six inches from the main vein.

Again, let's go back to the salesman. That's what happens to them. They move on to something else just as they were about to hit bedrock and start seeing the building rise. You really can't expect to see the visible results of real growth until you've gone down at least 4 levels deep; if any one of your lines is four deep, it means you are starting to build a real foundation for solid growth.

Here is an illustration of what the foundation of the person that sponsors 130 will look like. Notice that they haven't reached bedrock



even if they each sponsored five "product-users" or "whole sale buyers" and had a group of 780. Without a solid foundation sitting on bedrock, the building can't get too tall or it will crumble.

Relating this back to taking a trip to California, the person that sponsored 130 was in first gear too many times. If they all sponsored five, he would never get out of second gear!

LEARN these Napkin Presentations and USE THEM! You won't get stuck in second gear. Build your foundation deep, down to BEDROCK, and you'll reach HIGH GEAR!

When we get to Napkin Presentation #9 (Ch.10) on Motivation and Attitude, and the other Presentations, you will thoroughly understand why it's important to BUILD DEEP. Before going to N.P #5, I want to remind you that these first four Presentations you want to SHOW your people AS SOON AS POSSIBLE. The ones that follow can be introduced any time after your people have started sponsoring others into the business.