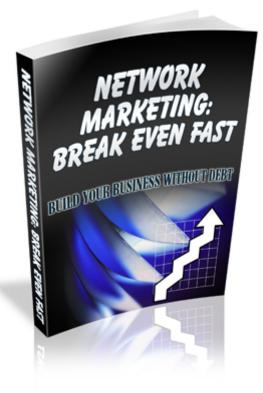
Network Marketing: Break Even Fast!

"Build Your Business Without Debt!"



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Introduction

Dear Network Marketer,

Thank you for taking the time to read this book.

This e-book is targeted at the general network marketing community. This book is a must read especially if you haven't break even in your business. After you finish this book, you will be able to:

- Understand the typical cash flow to building a network marketing business so you can plan your business long term
- Understand how the majority of people who fail in Network Marketing fail because of lack of cash flow to run their business in the short term
- Reduce overheads so you can break even faster
- Reinvest your profits wisely to power-up your business
- Duplicate these principles to your downline and let your company work for you

"How sure are you that this book will work for my company?" you ask? Well, the content here is:

100% Generic yet applicable to any company you are in. I realize that most companies have their own system, yet the ideas here are meant to **COMPLIMENT** and not contradict your training system as well as give you **IDEAS TO SUCCEED**.

Straight forward and to the point. People who purchase e-books usually want information fast and straight forward. I want my readers to have a quick read and catch the main points fast because I know that you have invested time reading this and I know your time is precious.

Task Oriented. Just follow the instructions. I have done all the work for you so you can save time and effort.

If all my readers can get just one good idea from the contents of this book, I feel I have accomplished my task. Do not just keep this information to yourself or your downline. Share them with your upline, sidelines and people who are in other network marketing businesses.

THINK ABUNDANCE and you will be well on your way to financial freedom!

Here we go...

Note:

If you are familiar with the Network Marketing series you would have come across titles like Network Marketing: Survival or Network Marketing: Pitfalls. Debt Free is written as a stand alone book but the lessons learnt from those within the series will definitely help in further understanding the principles within this book to power up your business.

A Business Just Like Any Other

What is the purpose of starting a business? To make profit.

Most businesses spend more money than they make that's why they go belly up.

So why should network marketing be any different?

The common belief is that network marketing is a business that appreciates in value over time. In other words, if I have a group of 100 to 1,000 people under me buying the product and recruiting more, I'd be getting richer and richer! *But we all know that.*

It is not the pot of gold at the end of the rainbow. It's SURVIVING the first 6 months to 2 years!

It is common that most network marketers in a new industry typically go through a 6 months trial and error period, therefore, it is crucial to ensure that during those 6 training months, you manage your cash wisely so you can learn and make money at the same time.

Just like in normal business, most of them fail within their first 2 years of operation and struggle to make profit even if they do survive. The key to survival is CASH FLOW.

In other words, it can be summed up in this equation:

Cash today, downline tomorrow.

People in network marketing usually run out of cash flow normally after 3 months and they quit because they spend more as they build. But by breaking even as fast as possible, it gives tremendous mental strength to the distributor and he or she is less likely to drop out.

First, we must understand the mindset which is the most important starting point in getting by the first 3 months.

The Mindset of a Business Builder

(Don't proceed any further in this book until you ingrain these into your brain!)

- It takes TIME to build a successful business. If you make ANY money in the first few months (even if it is just a few dollars) it is PERFECTLY NORMAL.
- It is MY BUSINESS. Not my upline's business or my downline's business. Everything depends on ME putting effort to succeed.
- Invest in TOOLS that brings in revenue (lead generators, viral e-books, generic information, etc). Don't buy books and tapes just for the sake of buying them.
- Don't use your own money if possible. Most successful businessmen use other people's money (borrowed money either from relatives or financial institutions) to build their business. Remember that cash flow is more important than revenue.
- Don't blow all your money on advertising that doesn't bring in cash flow as well. Direct response advertising is one of the most effective ways.
- A smart businessman doesn't spread himself out too much. Build the LOCAL market first. Never venture outstation unless you have a steady income. If you can't even take care of yourself, how can you take care of your downline far away from you?
- Focus on solving other people's problems. Don't recruit people just for the sake of recruiting them. Try and understand what problems they are going through first.
- Enjoying the journey! People who love their job always outperform those who do it grudgingly. If your prospect sees you doing your business so grudgingly, will they join you?

Typical MLM cash flow

Only for illustration purposes only

Typical Average American worker's annual salary	
Hour	\$19.13
Day	\$153.04
Month	\$3,316.25
Year	\$39,795
Expenses:	
Joining Fee	\$50 - \$5,000
Auto-ship	\$5 - \$500
Petrol	\$300
Training Material	\$200 - \$500
Meetings and Rallies	\$50 - \$8,000
Phone Bill	\$100 - \$500
Leads	\$200 - \$500
Miscellaneous	\$200 - \$500

Depending on the network marketing company, do you see how typical it is for an average builder to spend somewhere between \$1,000 to \$16,000 as a STARTING INVESTMENT? You can estimate how much you have to make in the long run then only will you break even. But let us see how we can minimize these overheads to generate more cash flow.

What is Your Profit Margin?

One of the key strategies to generate more cash flow is relating to your COMPENSATION PLAN.

Different plans may differ from company to company. Some companies may boast of their high payout. They will say something like this:

Our company is the best because we pay out 75% of our commission to all the distributors! It is like saying for every \$100 sale; \$75 is paid back to our people. You will never fail with this company!

I urge you to make intelligent financial decisions and NOT emotional decisions because responding to emotional appeal can cause a lot of heartaches in the future.

I can't cover all the mechanics on plans, but it is better to refer to the book series called *Show me The Plan!* Where I will explain more in depth about marketing plan mechanics. But for the purpose of this topic, I will list down some principles (marketing plan related) to follow.

- Don't look at the total payout of the company; look at the first 2 levels of payout: How much you get for recruiting someone, and how much you get if THEY recruit someone. It is no point dreaming how much you make as a 'Rainbow Diamond Leader' if you can't even succeed at the lower levels
- Examine how much you have to spend to RECRUIT someone. Some companies require you to either pay for their training program first, or require you to accompany them into the training session (and you have to pay your own way)
- If you have little cash flow but wish to join a company that requires a large inventory investment but high profit margin, make sure those products can be used to SPONSOR your downline so you can recuperate as much cash as possible
- Can you afford the auto-ship?

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