



Are we entering the age of network marketing?

By Richard Simpson

There's a lot of buzz about "network marketing" lately; you may have read about it in the media or heard about it from friends and family. But what is it exactly?

What is network marketing?

In a nutshell, the commerce of the entire world is based on creating products and services and then delivering them to customers. The most common distribution to customers is through a system of wholesalers and retailers. Mass advertisement drives the sales. Typically, the cost of producing the product is 20 percent or less of the retail sale price.

Network marketing, which distributes \$117 billion worldwide (www.dsa.org), on the other hand, allows individuals with an entrepreneurial spirit to create income distributing products or services *directly from the manufacturer to the customer*. The difference between the manufacturing price and the retail price allows the distributors to earn income. If you build a team of distributors you receive

compensation based on its efforts as well, because you have trained and supported those individuals in building their distribution businesses.

The potential of network marketing

Network marketing requires only a small investment but has huge financial potential. There are many other advantages of being a network marketer:

- You are your own boss.
- You choose whom you want to work with.
- It can be done part time so that it does not interfere with your current work.
- It does not require any previous experience, training or education.
- It is not limited by age, gender, race, nationality or religion.
- There are no employees, inventory, accounts payable, or accounts receivable.
- Training in the products/services as well as business building is available. The training and experience can drastically improve your

- personal life.
- You get to meet and work with a wide variety of great people.
 - Your income is driven mostly by your efforts and can eventually create a residual income that pays you even when you are sleeping or on vacation.

Should you consider network marketing?

There are certain characteristics of a distributor/franchise owner that give the highest chance at success. These are:

1. Being coachable and following the successful systems already in place.
2. Being enthusiastic and having a burning desire for change.
3. And finally, having a good work ethic in which you work consistently, even if it is only a few hours a week.

What to look for

There are many good network marketing companies from which to choose. The company should be a member of the Direct Selling Association (www.dsa.org) and adhere to the set of ethics guidelines for their company as well as their independent distributors. As many businesses fail in their first 5 years it is

important to pick a company that has been around for a while – preferably ten years or more. They should have unique consumable products or services that you can get excited about and a large expanding potential market. The company should have a good training program and strong leaders. Visit local meetings and training sessions to find out. There should also be a duplicable marketing system and good income potential for those just getting started.

Network marketing is a great profession to be in, with the opportunity to change the financial future of yourself and others. Please carry out your due diligence on any company you are thinking of joining. The Direct Selling Association's website (www.dsa.org) has lots of information to explore.

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