

Business Is Booming

Direct Selling Offers Flexibility and Financial Freedom

by Erin Casey



If you want to spread your entrepreneurial wings but have little or no business experience, don't have a product or service to offer or are simply looking for a proven system for success, direct selling might be the ideal opportunity.

For more than 100 years, direct selling companies have offered independent representatives the ability to purchase products at wholesale prices and earn a profit by selling them at retail prices. Most direct selling companies also allow representatives to earn commissions for introducing new sales reps to the business. This business model relies on independent contractors, rather than traditional advertising, to spread the word about a company's products or services. The word-of-mouth marketing approach works for several reasons: Consumers appreciate the personal service, the convenience of shopping from home, and the comfort of buying from those they know and trust.

Jim Cramer, host of CNBC's *Mad Money*, is bullish on direct selling, especially during a slowing economy. "Direct selling is a great model... with high gross margins, low capital intensity, lots of free cash flow," he said on a recent show. "It's a fragmented industry with gigantic room for growth.... The top 15 players only account for about half the market."

Amy M. Robinson, Direct Selling Association Vice President of Communications and Media Relations, points out that, while many people seek additional income during lean economic times, "in all honesty, direct selling is hot because it's a fun, convenient way to shop that people

enjoy. So, poor economic times or not, people find direct selling to be appealing. Great products, personal service and income potential are elements of direct selling that make it a strong economic contender at all times."

"People motivated to get started in direct selling typically share certain attributes," she says. "Most seek supplemental income, either short-term or long-term. The social aspect also is appealing for those who love to meet new people and many enjoy buying products and services they already use—at a discount."

With a direct selling business opportunity you can:

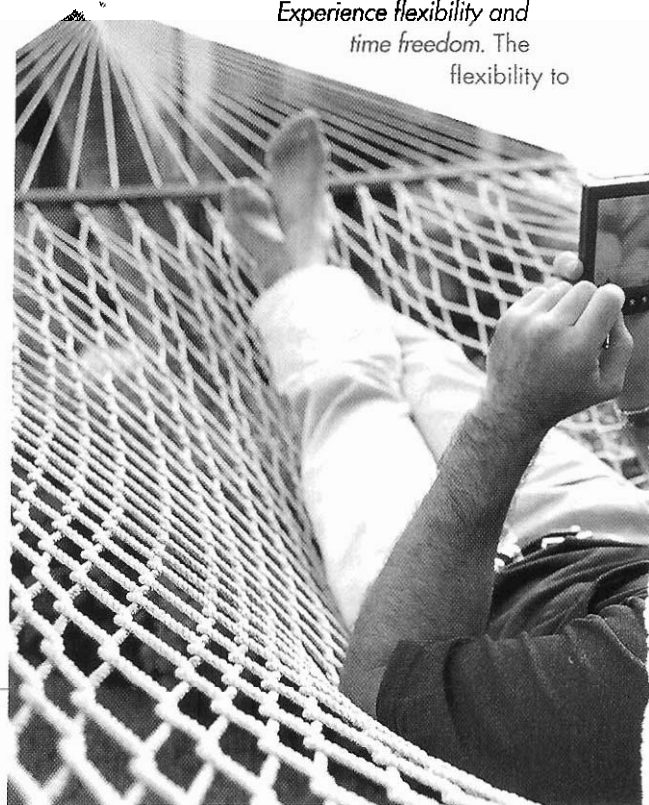
Join an industry where business is booming and there's always room at the top. Direct selling, sometimes referred to as network marketing, is a \$32 billion industry in the United States and a \$110 billion industry worldwide. The millions of individuals building direct selling businesses determine for themselves when they want to move up the career ladder and exactly how high they want to climb.

Tap into a proven system for success. Avoid wasting time or money by learning from others' experiences and wisdom. Direct selling companies often provide high-quality, high-impact marketing tools, including personal Web sites, brochures, catalogs, DVDs and CDs to help direct sellers present a

professional image—at a fraction of what it would cost to produce the same tools on their own. Additionally, training in best practices is frequently offered online and via conference calls as well as at local and national conferences.

Start a business for \$500 or less. Direct selling companies offer big opportunity with minimal startup costs. For a small sign-up fee, new reps receive access to training and marketing materials, discounts on products and sample products to show and sell. You can set up office at your kitchen table with phone and laptop. Low overhead combined with minimal (if any) inventory expenses make direct selling businesses affordable. And because many companies handle online orders and deliver directly to customers, independent representatives can focus their time on connecting with potential clients and team members.

Experience flexibility and time freedom. The flexibility to



work around full-time jobs or to create an income stream that fits into their families' schedules is a huge perk. Because each representative is an independent contractor, not an employee, there is no set schedule or required number of hours. On average, part-time direct sellers devote three to 10 hours per week to their businesses. Those who pursue the business full time invest 15 to 35 hours per week. In either case, representatives can set their own schedules and build their businesses during off hours and lunch breaks or on weekends.

Earn what you're worth. When you're the boss, you don't have to ask for a raise—you simply go out and earn one. A results-driven industry, direct selling levels the playing field by offering the same opportunity to everyone regardless of age, ethnicity, gender or socioeconomic background. Equal opportunity, a clearly defined career path and no earning restrictions mean there are no limits on what successful direct sellers can earn. While some in the industry are earning millions, it's more common for direct sellers to use their businesses to earn extra cash per month to pay for dinners out, private school, college expenses, cars and family vacations.

Maximize your earnings with residual (or passive) income. By building a team of people who love the products and are excited about telling others about the opportunity, direct sellers can leverage their time and maximize their income.

Capitalizing on a team's efforts means a business owner can devote 10 hours a week to their business, but with 10 other people also devoting 10 hours to their businesses, the team leader earns a commission from the collective sales and team-building results of 110 hours' effort. It also means a team builder's business has the potential to grow, even while he or she is on vacation.

"I like the honesty about direct selling," says economist Paul Zane Pilzer, author of *The Next Millionaires*, "because it openly tells people the way to get rich is residual income: Get paid tomorrow for something you did yesterday—and let it accumulate."

Reap the rewards of helping others succeed. Building a team definitely makes financial sense, but it also offers significant intangible rewards. Though representatives run their businesses independently, they often develop a familylike connection with their team members and others in the business. The friendships formed and the experiences of helping others improve their personal and financial lives are often as meaningful to direct sellers as the money they earn.

Get the recognition—and prizes—you deserve. In the corporate world, there's no such thing as a free lunch, much less free vacations, luxury cars or fine jewelry. Direct selling companies know most people work more diligently and with more enthusiasm for a reward.

First-class incentive trips to exotic locations, free cars or car allowances, fine jewelry and cash bonuses are offered by many companies to those who excel. And the opportunity to earn such rewards is open to everyone.

Become a better you. Direct sellers are faced with numerous comfort-zone challenges, and by overcoming those challenges they grow personally and professionally. The encouragement and training these independent business

owners receive from their companies' leaders as well as others in the field spur them to step outside their comfort zones to achieve success.

Common Pitfalls to Avoid

1. Be wary of "once-in-a-lifetime"

opportunities. A real business opportunity should be there for the long haul. Research the company and its leaders. The Direct Selling Association (www.dsa.org) is a great resource for learning more about the industry and individual companies. While there are a number of reputable non-DSA companies, this organization sets high standards for the industry. The DSA accepts membership only from companies willing to abide by a strict code of ethics that protects both the consumer and the independent business owner.

2. Don't jump on the bandwagon unless

it's going the direction you want to go. One company's product might be a perfect fit for someone else, but if you couldn't care less about that particular widget, find a business with a product or service you are passionate about. With so many companies offering a variety of high-quality products—tools, wine, kitchen accessories, skin care, telecommunications, cosmetics, legal and financial services, health supplements, clothing and travel to name only a few—there's an excellent chance the right company is waiting for you.

3. Don't give up too soon or expect too much too quickly. Building any business takes time, and direct selling businesses are no exception. If you want to earn millions, that potential exists, but you have to be willing to work for it. Much of the success achieved in the direct selling industry is the result of consistent and effective efforts duplicated over time. Start any direct selling business and you're likely to hear, "I know someone who did that... it never amounted to much." Don't base your potential for success on someone else's failure, especially when there is so little to lose and so much to gain.

