



## **“The 35 Biggest Profit-Draining Mistakes Everyone In MLM Is Making, & How To Avoid Them!”**

**Richard Dennis interviews 27-year MLM veteran Michael Dlouhy**

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# The 35 Biggest Mistakes

## Everyone In MLM Is Making & How To Avoid Them



## Introduction

One way to get better at what you do is to figure out what really works and do more of it. Another way to get better is to focus on what does NOT work, and avoid doing those things at all.

I asked my mentor Michael Dlouhy what mistakes people are making in MLM. I believe Michael's response is very helpful to anyone who is building a network marketing business.

Hope you find it useful.

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## **Mistake #1**

### **Trying to sell ...**

The people who tell you that to be successful in MLM, you've got to become a salesperson are ... the salespeople! If you haven't noticed, they are very arrogant. They believe that what they do is the ONLY correct way to do the business, and anyone who doesn't do it THEIR way is a loser.

Don't fall for it.

The fact is, trying to sell does not work. Ninety-two per-cent of the world's population – like you and me – is sales resistant. They don't like to sell. They don't like to be sold. You go into a store, looking for a shirt or a pair of shoes, the sales clerk comes up, what do you say?

“I'm just looking.”

People do not want to be sold. And then you get into network marketing and some upline superstar space commander guru leader tells you, “OK. Start by making a list of your friends & family.” And the plan is to turn YOU into that pushy, aggressive salesperson that nobody likes.

Selling does not work in this business. Even if you're one of the 8% of the population who can do it, you'll never be able to duplicate, because 92% of the people who join you simply will not sell.

I go on websites and see brand new companies TODAY, and their “training” is, “Make a list of your friends & family.” That's what the industry did 50 years ago. Today is a new day.

**You can't be successful trying to sell. Instead, you have to target your market. Find prospects who have raised their hand, and build relationships with those people. People buy from people they know, like, & trust. You have to build that relationship.**

Building relationships with people is easy and fun, when you have a system that works. For more information on our magical relationship-building system and FREE training to boom your network marketing business and your income, go to [Color To Success](#).

## **Mistake #2**

# **Not checking the background of your company leadership to make sure they have MLM experience, with integrity.**

This is a common mistake, often fatal to your business. When the management team has built a downline themselves, they respect you. Companies are nothing without us. If they could sell their products themselves, they'd just put some magical ad on the internet somewhere and people would come to buy in droves.

But it does not happen.

Why? Because it takes you and me to build the relationships with the prospects, so they buy from us.

And how do you know if your company leadership has integrity? Simple. Read their company *Policies & Procedures*. Then you will know.

99.9% of the people you talk to want to build a business and then retire and enjoy the fruits of their labor.

But these companies have come in the backdoor like snakes in the night. They've changed their Policies & Procedures, adding phrases like "ongoing sales", "ongoing recruiting," "continuous", "regular meetings." You cannot retire – even though they've promoted early retirement as one of the main benefits of their business!

It's amazing. If you retire, they can legally terminate you! Does that show any integrity? Does that show any respect for the reps who built the company, who brought the business to them? Absolutely not.

Your Policies & Procedures are THE contract between you & your company. They are written by the company lawyers. You'd better know for certain what YOUR P&Ps say!

## **Mistake #3**

# **Not knowing how many recruits & customers you need to earn the income you want.**

How can you set an income goal when you have no idea how many people you need on your team? I ask people that question all the time, and most of the time, I get a blank look. They don't have a clue. They've never figured it out. But the fact is, every income

goal set by any rep with any company requires a certain number of recruits. What is that number in YOUR company? If you don't know the answer, you don't have a prayer of achieving any income goal.

I asked a guy this question recently, and he said, "Oh, I need 5,000 people to make \$10,000 a month."

I told him that was a very quick answer. How did he know it?

"Well, we make a dollar a bottle. And everybody goes on a 2-bottle autoship, so I'll need 5,000 people to make \$10,000 a month.

How does this play in the REAL world? First of all, 5,000 people ... you KNOW not everybody will be on 2 bottles of autoship. Not everybody will be on autoship at all. So you'll need way more than 5,000 people in the plan. How realistic is that?

But you've got to know those numbers.

Lots of people set income goals, but there's no reality to it, because they don't go that next step to figure out exactly how many people it will take in their organization to meet those goals.

They don't know if they need 1,000, 2,000, 5,000, 10,000, 100,000 ... they just don't know. Once you know the formula, you can apply it to any goal you want. You can have a \$1,000 a week goal or a \$5,000 a week goal. You just need to understand what type of group you want to build.

## **Mistake #4**

### **You're so desperate you'll recruit anybody who can fog a mirror.**

Network marketing is about relationships, not selling. People feel it when you treat them as a number. When you have to build that dream for somebody who can barely fog a mirror, you will spend all your time trying to build them a dream.

Be selective about who you want in your business. My mentor once told me never to sign up someone unless it was someone who I'd want to go on a one-month cruise with. THAT is a very good standard for you. Nothing drains your energy faster than trying to help an unmotivated person build a business.

Life is just too short to waste all that effort.

## **Mistake #5**

# **Not targeting people who already know & love MLM.**

When you target people who don't know anything about MLM, you'll spend all your time trying to build them a dream, trying to convince them, trying to get them to believe the way you believe.

It's kind of like religion. Let's say you're a Baptist and I'm a Catholic, and you want to convert me. Well, good luck! Why try to convert somebody? Just go find somebody who's already in your religion, and talk to those people.

Otherwise, you'll spend all your time trying to motivate somebody, trying to get them to have a dream ... rather than building your business. When you work with people who don't already understand MLM, there's a good chance they'll head down the road the wrong way. Often they've heard bad things, and that's all they'll focus on.

And so you spend ALL your time trying to change that person's mind. It's a waste of time. What you need to do is find somebody who already has the dream. Your life will go a lot easier.

## **Mistake #6**

# **Going after your friends & family.**

Your friends & family love you. And they want to save you from this bad thing called MLM ... and they know nothing about it.

Here's my belief: go build your business. Talk to like-minded people, target your market, build your business, get into positive cash, get your car allowance, whatever your company offers ... and your family will still be there. Go talk to them after you already have built a positive cash flow.

Or talk to them about your products. Maybe you have awesome products they can buy from your website. Do that.

But do NOT talk to them about a business! Don't do it.

Here's what's magical. When you're in positive cash, you walk differently. You talk differently. You have this attitude, this positive-ness. And your friends & family will want a part of that. They cannot tell you, "This doesn't work" when it's working. You're

driving your new bonus car, or you won a company-paid trip to Italy, how can they tell you it doesn't work?

To be long-term successful, you will need a marketing system anyway. You will have to be able to tap into the cold market anyway. So you may as well go ahead and set that up first. Get that working, get successful, and then your friends & family will fall in line.

## **Mistake #7**

### **Not understanding what really motivates YOU!**

You will quit when you don't know your "WHY." When you come on a stumbling block, maybe it's a negative in-law or something, and you have a 71% WHY, but you hit a 72% impediment, you're done. You are toast.

But when you have a "kick-butt" WHY out in front of you, you will never, never quit. For complete details on how to write up that WHY, read Chapter 1 in my ebook "*Success In 10 Steps*". To get your FREE copy of "*Success In 10 Steps*," click here:

[Success In 10 Steps](#)

## **Mistake #8**

### **Ignoring Marketing Principle #1**

Business models drive the behavior in the field. You cannot change the model. You can only work with it. If your business model creates an atmosphere of "recruit, recruit, recruit," you're setting yourself up for massive failure.

Think about this. Marketing Principle #1 anywhere in the world is that a business sells products or services for a profit. If your business earns profits by recruiting people ... who recruit people who recruit people who recruit people ... THAT is not normal! THAT is absolutely not sound marketing. THAT will end up getting the attention of the feds.

Companies that only recruit instead of retailing products or services usually have a very good reason. Which is, their products or services are way over-priced, so no one could ever actually sell them. Don't put yourself at that competitive disadvantage.

## Mistake #9

### **Totally bamboozled by every shout of “Prelaunch! Ground Floor Opportunity!”**

Some people seem to be forever joining the next ground floor opportunity. And the next and the next and the next ... alluvasudden, somebody who made some money sometime a long time ago ... this one is so good, they came out of retirement for it!

The Blue personality type is especially susceptible to this. (I know – I’m a Blue!) You’re looking for excitement, and what could be more exciting than something new? So you just jump, jump, jump, and you’re never in one place long enough to ever build anything.

Unless you own the Fountain of Youth, you’re going to get older, just like the rest of us. The worst words to hear in network marketing are: “ground floor opportunity”. Over 90% of the companies that get started, don’t make it 2 years. And most of the rest are gone after 5 years.

Your chances aren’t much worse playing the lottery.

It’s important to pursue success with a company that has proven it will be around long-term. Pre-launch deals don’t qualify. Only a very small percentage of them will last even 2 years.

Your benchmark should be at least 2 years. It takes that long to knock the cobwebs out of it. It takes 2 years to get their ducks in a row, to get their campaigns together, to get everything approved in different countries, to get warehouses built, and all that stuff. They’ve already survived a lot of the normal growing pains. They have much better long-term prospects than any “pre-launch”. Make them prove themselves by being around 2 years before you commit your time & money to that business.

## Mistake #10

### **Choosing a company where you don't have any real hope of long-term success.**

Quick cash = quick crash. Normal people can’t sleep at night when they have ripped off people and stolen their dreams. You have to get this understanding.

Network marketing is a business that can pay you and your children and your children’s children for the rest of their lives ... when you build it with a “5 Pillars” company. **For details on a “5 Pillars” company, go to [“5 Pillars To Success.”](#)**



But so many people get sucked in to “build it fast.” I just did a call with a very excited lady. She’s in a binary and tells me, “Oh, they put me in a spot where I’ve already got 700 people down one leg.”

Good. How much money are you making?

“Well ... none, yet!”

And that is because they don’t pay anything on the strong leg. They pay it on the weak leg ... which no one will ever give you. You have to build that one. But they’ll promise you all those people on your strong leg, because it doesn’t cost them anything, and many people will just sign up because they don’t know any better.

## **Mistake #11**

### **You study products when you should be studying people.**

Never ever study the amount of mold scraped off a rock on the full moon by a one-eyed leprechaun. People are your business. People are your product. Learn the Color personalities. Get the [“Color to Success” CD](#). Learn to listen to people. Get the agenda out of the way, and pay attention to what your prospect says.

Focusing on people will make all the difference in the world to your business.

## **Mistake #12**

### **Thinking that being sponsored by a “Heavy Hitter” will guarantee your success.**

This business is called netWORK marketing. Not netHELP, netFREE, netGIFT, netGROUND FLOOR, netOVERNIGHT, OR netHEAVYHITTER.

Success is inside you. But most people don’t see that. They think their only hope for network marketing success is to be sponsored by a “Heavy Hitter,” who will take responsibility for them.

It doesn’t work that way.

Most Heavy Hitters are slamming salespeople, and there is no way you can duplicate what they do. They are deluged with people who want to join them. So they’ll happily

sign you up and then let you sink or swim on your own. Most of them provide no personal training at all ... unless they charge you for it! If you don't survive, that's no big deal to them. There are 20 others waiting in line to take your place.

THAT is reality. Success is inside YOU. If you start out thinking YOUR achievement depends on somebody else, you have no hope.

All you can really ask from your upline is that they have developed a good business-building system, and that they don't destroy what YOU are building. It's all about you becoming the person you need to be, in order to make the income you want to make.

I sponsor people into my business, and I ask them for their WHY ... the reason they MUST be successful. Some people send it, some don't. Guess what? The ones that don't send it drop out. They quit. They don't know why they're doing the business.

It's not being sponsored by a Superstar Space Commander that's going to make you successful. The success is inside YOU!

You definitely want to join a group that has a tested, successful network-building system. And then it is up to you to use that system to make yourself successful. If you think your success depends on connecting with some "Heavy Hitter", then you are in for a very, very difficult road ahead.

## **Mistake #13**

### **Focused on the *fastest* way to success.**

Here's the secret: a proven, duplicatable system. Keyword: proven.

There's a company right now that is promoting to their distributor base that they should mortgage their home for \$35,000. What the company is saying is that in 6 months, you'll be making \$60,000 a month! And then you can just pay off that silly little \$35,000 mortgage.

I'd love to talk to those people. And my question would be, "OK. Prove it. Show me your Heavy Hitters, rolling in dough, who mortgaged their home to be successful. Show me your big moneymakers who used THIS nutso system to have success."

You definitely need a system. But it's got to be a logical, PROVEN system.

I got a call a month ago. Lady said, "Michael, how would you like to put 12 awesome people into your business every week?"

I said, "Sure. That's great. Put me on the phone with the 12 people you sponsored last week."

Total silence.

“Well, how about 12 people you put into the business in the last 4 weeks?” That’s only 3 people a week. But I got no answer.

You must require “proven.” You need a PROVEN system that works. Talk is cheap.

## **Mistake #14**

### **Insisting on perfection.**

Every Green personality, I hope you are listening to this. Nothing is perfect in marketing. Waiting for perfection becomes your excuse not to take action. You can’t fail if you don’t act. That’s why you always dot the “i”, cross the “t”, double-and-triple-check the spelling, make sure the alignment of the paragraphs is perfect, get the exact right color combination on the website ... any excuse will do. Insisting on perfection means you never need to take action.

But the truth is, action is way more important to your success than perfection. Just pick a direction & get started. If you need to change your path along the way, you can do that. Choosing the alternative – doing nothing, waiting for perfection – is hopeless.

## **Mistake #15**

### **Joining a company long after their momentum phase.**

The more name recognition a company has, the less of an opportunity YOU have. Here’s where you start to tell a professional network marketer about your company, and they laugh ... because they know about this company and they’ve heard all the horror stories associated with it.

They know the compensation plan has changed 10 times and the company name has changed. You’ll be fighting a real uphill battle trying to promote a company that has such widespread name recognition.

Most of the old-time companies made vital mistakes when they were in their start-up phase ... mistakes that can’t be changed now. They didn’t leave themselves room to grow in forward thinking. For instance, many new pay plans are weekly pay plans. Reps certainly favor weekly pay, rather than monthly. It’s a good selling point for you to use.

But the older companies are locked into a plan that pays monthly, and trying to change from monthly to weekly would be a nightmare for them.

The older companies have massive overhead. Many of them have more people on their corporate staff than players on a basketball team. It's like General Motors. GM right now is in terrible financial shape because they grow this huge, wasteful corporate conglomerate. Many of the big, old-time MLM companies did the same thing.

One long-time MLM company will spend about a hundred million dollars in the next year trying to streamline the company and cut the overhead. They see the handwriting on the wall. They know the company's existence is threatened if they don't cut the overhead.

And if they're spending a hundred million to cut overhead, just imagine the dollar value of the overhead they're cutting!

## **Mistake #16**

### **Bad advertising choices.**

The certain way to make GOOD advertising choices is to track all your advertising to see what works and what doesn't. You can do that in our Mentoring For Free Back Office. You get a complete advertising system – including ad resources & training – for just \$19.95 a month. You can read about the [Mentoring For Free Pro System](#).

Whatever your ad budget is, if you're not tracking it, how in the heck will you ever know which ads to continue buying and which ads to stop?

## **Mistake #17**

### **Get 100 "No"s and you're closer to a "Yes."**

Stupidest thing I've ever heard. If 3 "No"s hurt real bad, why do you need 97 more? Most new reps will be dead before they ever get to 100 "No"s. Instead, target your market.

I don't like "No." I haven't gotten a "No" about my opportunity in years, because I don't position myself to get a "No." Just talk to people who have raised their hand, who are interested in what you do. That alone will change your life.

We have a system that allows you to do that. When you promote my ["Success In 10 Steps"](#) ebook, you ONLY get interested people who want to talk to you. And when you call them up, we train you to use a script that is 100% successful. That doesn't mean they

will all join you, of course. But it does mean you NEVER get a “No.” You’ll be able to hear this script in action on our FREE nightly training phone calls.

## Mistake #18

### “I’ve got to have the best product out there!”

Wish I had a nickel for every time I’ve heard this one.

Some people – especially those GREEN, introverted, data-driven personality types – search network marketing companies by product only. They want a product THEY love, something that totally changes THEIR life, and that’s all they’ll ever promote.

The result is, they personally try lots of products. But they’ll only promote something that gets them personal, earth-shattering results. That way, they can totally focus on their wonderful product, and never have to do the icky part of the business – building a relationship with their prospects!

Sure, it makes sense to some people ... but in this business, it leads you far from success. **The key is, pick a product that OTHER people want.** That is the key. You target a starving crowd for your market. If the product turns you on, that’s a bonus. It MUST turn on a big market for you to have long-term success, and that is your first consideration. But a lot of people make that mistake over and over, choosing only a product that THEY love.

One way to find a starving market – and the product that fills their need – is to do some Google searches and compare the number of web pages available for different products. If one product has 10 million websites, and another has 300,000, which one probably offers the bigger market for you to approach?

## Mistake #19

### Not leveraging the talent & brains of a Mastermind Group of like-minded people.

Everyone gets down from time to time. When you’re plugged in to like-minded people, they will always lift you up.

Even better than that ... you have an idea. You share the idea with your Mastermind Group. So 1 mind becomes 3 minds becomes 23 minds. It just grows exponentially, when you’re working with a Mastermind.

We do a weekly Mastermind Conference Call that anybody is invited to join, where we talk about great ideas & get lots of different thoughts on how to use them. If you'd like details on how to get on this call, email Richard Dennis at [rtdennisfl@mail.com](mailto:rtdennisfl@mail.com).

## **Mistake #20**

### **Not taking this business from your head to your heart.**

Network marketing is a level playing field. It's mandatory that you know in your heart that you are working with a **"5 Pillars"** company. And you will get that from your head to your heart.

I frequently hear people say, "Well, I know this thing won't last very long. But I'm gonna get in there and make a bunch of money."

No, you're not.

It's going to crash and burn around you ... and it will help destroy your credibility with people as it goes down in flames.

I could put up an "MLM Horror Stories" website. A lady I met recently built a business for 7 years. The company is 11 years old, and it has gone through 9 compensation plans. They've got it really figured out now. **This lady has a quarter-million dollars of volume in her group, and she didn't even qualify for a check last month!**

When she joined the company, how much volume was underneath her? That's easy – ZERO!

So her efforts over 7 years – and the efforts of her recruits – have brought in a lot of people. But she started it. Without her, it would not have been there.

So now it's there. She created this volume for the company. And the company has consistently figured ways to rip off the distributors and pay them less money.

Once you get it from your head to your heart that you **MUST** be in a "5 Pillars" company, then you own it. I could be talking to a widowed woman raising 3 children, and I know in my heart that she's got just as much of an opportunity to make her business work as I did when I started.

## **Mistake #21**

# **Not understanding & leveraging the spiderweb effect.**

You have been recommending and promoting products & services since you were age 5. You could look at it as a spiderweb you have created – lines here, there and everywhere to many different people. Your spiderweb will attract to you the people, the places & the products that will lead to your success in life ... if only you build & nurture it.

We recently had 35 team members attend Tom “Big Al” Schreiter’s **Power Marketing Workshop**. They learned techniques that will change their lives and change their business. But it wouldn’t have happened without the spiderweb effect.

They joined [Mentoring For Free](#). We put out an email promoting the Workshop. And these people said, “Yes! I need to expand my knowledge base.” Because of the spiderweb effect, they are able to do that.

They are opening their eyes. They walked away from that training with brand-new, brilliant marketing concepts.

Five years ago at a **Power Marketing Workshop**, I came up with the idea for Mentoring For Free. It’s in my notebook. THAT is a spiderweb.

## **Mistake #22**

# **Closing a prospect.**

Here’s one word picture for every person who closes a prospect.

Have you ever been to a funeral for a friend or loved one and watched them close the casket? They crank the handle down and that seals the casket ... forever ... never to open again.

That’s what you get when you close a prospect. You close them. You’re done. They’re done. They’re toast.

The truth is, if you sell a prospect and close them, then you will need to call them up every month and close them again to get them to ever actually DO anything. “Closing” is why so many people have such a high drop-out rate. It does not work in network marketing. Each person in your group must, must, MUST sell themselves. THAT is what duplicates.

## **Mistake #23**

### **Not understanding what your prospects want.**

When you enter into the relationship focused on YOUR agenda, you are not listening to the prospect's wants, needs, & hurts. They will quickly see that what is important to you is what YOU want. That's not the way to build stable long-term relationships.

And that's why it's critical that you learn to listen. Get the agenda out of the way so you can hear what your prospects want, and you'll start building life-changing relationships right before your eyes.

Best training for this is the ["Color To Success" CD](#).

## **Mistake #24**

### **Not getting a "WHY" from your people.**

Your WHY is a concise statement of the driving force(s) in your life, those reasons why you absolutely must have success and must not fail. Many people don't have a clue what their WHY is. Others have one, but it's not thought out completely, and it's not nearly as strong as it could be.

People will quit when their WHY is at 71% and they come up to a 72% problem. Your WHY has to be 99.9%. You need to know WHY you are on this planet.

One of my WHYs is to feel good about myself. People ask me, "Michael, my gosh! You're on these conference calls, you do all these trainings, it's just one commitment after another. Why do you do that?"

And the answer is, to feel good about myself. I get "Thank-you" emails from people that say,

- "Michael, your Colors training saved my marriage!"
- "Colors saved my business. I'm making full-time income now because of what we learned."
- "I finally understand. I was working a company that was not a 5 Pillars company."



THOSE emails make everything worth doing. That is one of my 3 WHYs. I save those emails in a file folder. And from time to time, I read them again. They always give me a boost.

I get more out of our Saturday night Coaches Corner Mastermind Conference Call (to request a spot on this call, email [rtdennisfl@mail.com](mailto:rtdennisfl@mail.com) ) than probably anybody on the call. I'm growing as a person probably more and faster than anybody on the call. So I do all those calls because I'm selfish!

## **Mistake #25**

### **Not understanding why people quit.**

People quit because they believe they don't deserve success. They think success is outside of themselves. So they'll blame the upline, the product, the compensation plan, the time of day, the month of the year.

But the real reason they quit is, they don't believe they deserve success. If you don't work on that with them, they will quit. And they'll use every excuse. "You sponsored me and you never called me!" They will blame YOU. But in reality, they just know that success is outside of them.

You must have the personal development that goes hand-in-hand with MLM success. For you to make more, you have to become more. And here's what's so cool about that. As you're working with a team, a group of mastermind people, they're all making money. They're learning about handling money, investing, getting their assets protected, and so forth.

And when you're working in that environment, around all those people, just the fact of being there ensures that you will learn all that stuff. You will grow to be more than you ever thought possible.

As you grow, as your people grow, your team becomes stronger & more stable. You get staying power, one of the most important criteria in achieving long-term success.

## **Mistake #26**

### **Talking when you should be LISTENING!**

Again, your product is people. Just ask them what their two biggest business challenges are. Then shut up and listen. You'll be amazed at what you learn about these people and their wants, needs, & hurts.

The Lord gave us one mouth and two ears. That should tell us something. Listen twice as much. Talk half as much.

Listening is the most basic, most critical skill you need. The all-time best listening training is our [Colors CD](#), because to use the Colors technology, you have to listen to what people are saying to you. Listening doesn't come easy to most people.

But I've had dozens of people thank me because our Colors training forced them to listen. I highly recommend it.

## **Mistake #27**

### **Joining a company that does not have a remarkable product.**

So you shouldn't join a company only because it has a great product.

On the other hand, when your product is *not* remarkable, you are invisible. People want to see or feel the difference in days, not weeks or months. You need an emotional attachment with the product.

I just did a 3-way call with one of my reps to a lady in Austria. She's selling a service. We gave her some great coaching tips & ideas about how she needs to create a relationship with these people. And that's what she's doing. She's focusing on that. She'll have success, because service-oriented programs change overnight. What used to be \$39.95 a month is now \$9.95 a month, because of technology.

Products come and go and change like crazy. You have no control over that, and you shouldn't base your choice of company on the product. But still, one of your criteria is that you have an outstanding product to promote.

And then you can easily start building those "know, like & trust" relationships that take your business to the next level.

## **Mistake #28**

### **Not understanding that people join people - not companies.**

People join people because of the relationship of "know, like & trust." It amazes me how many people buy company T-shirts, caps, headbands, waist wallets, keychains, all this

paraphernalia with all the company logo and information on there. Here's the problem with that.

We can talk about Excel because they're out of business. I used to see the Excel people walking around with their hats and T-shirts and all their stuff. They had "Excel" on their license plates.

Problem was, everybody had already heard of Excel. Everybody knew it was way past its prime. They knew there were no margins left in long distance. None.

So here was the point. When I met that person, I *already* knew, "I'm not interested in their opportunity." It's past. It's gone. It's history.

But wait a minute! IF they had built a relationship with me first, and I did not know what their company was, maybe they could educate me on what had changed in Excel, why they were a good company now to get active in.

Your business is all about that magic relationship: know, like & trust. THAT is why people will choose to join you or not – it has nothing to do with your company license plates!

## **Mistake #29**

### **Not answering the 2 unspoken questions every prospect has: Can I do this? Can YOU teach me?**

That is ALL your prospect is thinking. Can they do it, and can you teach them? If they can see themselves doing it, and if they believe you can teach them how to do it, then you'll have massive success.

Here's the problem: people spend thousands, tens of thousands, hundreds of thousands of dollars learning sales strategies & closing techniques. And the new person is sitting there thinking,

"Wow! That's really good! You are amazing! I could NEVER do that!"

In 1987, I was building a business. Every week I did 3 meetings in hotels & restaurants and 2 home meetings. Five business overview meetings a week. I got good at it. In fact, I was really good. If you had 12 new people come to the meeting, 14 joined.

What? How's THAT?

Well, two of the 12 called friends & got a credit card number, told their friend they had to get in now!

It was amazing. The thing was growing like crazy. I was traveling all over the country building this thing.

Then one night I did the presentation. And a lady maybe 10 years older than I am said, “Wow! That was the best presentation I’ve ever seen.” It was music to my ears. I was thinking how special I was.

And then she said the magic words, “I could NEVER do that!”

It was like you took a sledgehammer and smashed me between the eyes. I thought to myself, “You flippin’ idiot! You’ve done something nobody can duplicate!”

That’s not what network marketing is. Everything you do has to duplicate.

For example: hundreds & hundreds of MLMers across the country now are reading their company Policies & Procedures because of our [“5 Pillars”](#) training. They don’t need me to read the P & Ps for them. They don’t need me to analyze them. They are intelligent people. They read them and see key words in there like “ongoing”, “continued performance”, “regular”. When there’s a clause that says you have to keep your retail sales receipts for 3 years, you know that nobody in that company is doing any retailing.

So these people are getting smart. It’s about duplication. Now there are hundreds of people reading their P & Ps, with just a little bit of education & a little bit of coaching. Soon, it’ll be thousands ... all because of our group. It’s magic.

## Mistake #30

### Not telling stories to illustrate the points you want to make.

People see in pictures. When I say “pink elephant” ... you see a pink elephant in your mind. I could describe it, big trunk, big ears, 4 legs, long tail. I could try to explain it to you. But as soon as I say “pink elephant”, you see that word picture.

If we cut your brain open, we wouldn’t see the word **e-l-e-p-h-a-n-t** in your mind. Instead, we’d see a picture of this pink elephant.

How about the name, “Marilyn Monroe”? When you say that to a baby boomer, most will picture a blonde-headed lady in a white dress, standing over a subway cover, and the subway underneath is blowing her dress up, showing her beautiful legs. If we cut your brain open, we’d see that picture of Marilyn.

You've got to tell your story in pictures. That is what's real, what gets people's juices flowing. And the more time you spend actually talking to people about this business, the more stories you will have to tell others.

I strongly recommend that you keep a daily diary of your "events of the day," where you record a few notes of the stories you've heard that day, as you talk with prospects, friends, & family. As you think through these stories, consider what points they illustrate ... because these stories give you a way to leverage yourself into people's heads.

And that is priceless.

## **Mistake #31**

### **Trying to work a compensation plan that goes against your personality.**

This is the most overlooked problem in network marketing. The Red personalities (hard-driving salespeople) do amazingly well with an Australian 2-up compensation plan. They have convinced everybody why it is so good for you to give them your 2 best people!

And that is because the rest of the ones you recruit will give you their two and their two and their two ... the Reds will convince you that this compensation plan is fantastic.

And it is ... for a Red!

Reds also love a stairstep-breakaway compensation plan. It's recruit, recruit, recruit, sell, sell, sell. That's what they live for. Go, go, go, find the 5% hot prospects, toss the other 95% - the dead bodies - out of the way.

Reds only make up 15% of the population, yet they convince the 85% of the merits of their own favorite compensation plans. "Look at all the money I'm making!"

So here's the problem: when you build a team, 95% of your group will be part-time people. And part-time people cannot build a stairstep-breakaway compensation plan. It takes a hard-driving salesperson with a full-time commitment. Part-timers just can't do it.

Remember: business models drive the behavior in the field. Consider a breakaway plan for a moment. Let's say the "breakaway" happens at \$20,000 volume, and I now have \$19,000 monthly volume. You are my sponsor.

Are you going to work with me, help me get over that \$20,000 hump ... and when I hit \$20 K, you lose me and the income I generated for you?

There's one company, over 20 years old, and it's a true breakaway. When I hit that benchmark, you lose ALL of me. Completely. And the Red says, "OK. I'll just go find another one." But it's massively devastating to the Yellow personalities & others.

That type of plan is for recruit, recruit, recruit only. Now, what's the lifeblood of any business? It's product movement. Retailing. If you don't have product movement, there's no money being made. So those plans create recruit, recruit, recruit. And for the Yellow & Green personalities, 70% of the population, there's nothing harder in this business than to recruit.

In other words, in a stairstep breakaway comp plan, 70% of the people are set up for failure before they ever join. Toughest thing in the world for them is to recruit, and you throw them in a plan where they have to do nothing but recruit to be successful.

It's an absolute disaster for them.

A few years ago we worked with a lady, Yellow personality, she'd spent about \$50,000 trying to do network marketing. She tried to build 3 companies. All 3 companies were stairstep-breakaway.

It didn't work. She needed a comp plan that rewarded her for building deep, helping her people build. Then she started building a plan that went deep, and that worked for her personality, and she had success. She replaced her income in one year, owned her life in 2 years. THAT is magic.

## Mistake #32

### **Not understanding the prospect's viewpoint.**

Your prospect has to be your focus. Your agenda has to be 100% to help the person you are listening to. If you aren't 100% focused on them, they feel it.

It's like if you were interviewing me and I was reading all my answers from a book. You'd know it. Same thing here. When you are talking to somebody, you must understand THEIR viewpoints. What is THEIR "know, like, & trust"?

What do they want from life? Do they have kids? Do they have grandkids? What do they want?

And how can YOU help them? It really comes back to how well you understand personalities, and how well you listen. And you get that ability by learning the ["Color To Success"](#) technology.

### **Mistake #33**

## **Not recognizing the danger signals in those you would work with: greed & ego.**

Everytime I've seen a company or a large downline explode and disappear, it's the same reason: greed & ego. Greed & ego destroy everything.

Twenty-seven years in the industry, TWICE this happened to me. We built a huge organization, and then we saw an upline egomaniac destroy what we built. The 2<sup>nd</sup> time it happened, I said, "Wow! This is not an accident. THIS is by design!"

It shook me to the core. And I prayed about it. I wanted an answer. And the answer came to me absolutely, instantly. It was as if you were in my office and you said these words to me: "Michael – NEVER have a hard-driving Red egomaniac salesperson in your upline!"

What amazing enlightenment that was for me. Twice in my career, those people destroyed what I had built. Was that an accident, or was that by design?

It was definitely design. And that meant I could design it so there was no Red in my upline! That way, it could never ever happen to any of my team members ever again.

### **Mistake #34**

## **Sponsoring with an individual or group without a proven, tested business-building system in place.**

You'll often hear how only 1% or 2% of the people in MLM actually succeed. And it's true. But there's a secret behind that stat that very few people recognize. That stat is an *average*. If you understand that, you can give yourself an excellent chance of success.

No matter what company you choose, if you are sponsored by an individual who has no proven, tested business-building system in place, you have about 99.9999% chance of failure.

On the other hand, if you find a strong team with such a business-building system in place, you may have as high as a 15% or 20% chance of success ... which is WAY better than you'll find in any other business you try, network marketing or otherwise.

So your job is to look for and find a proven system that works today in the real world ... not 2, 5, 10, 20 years ago. Today.

A lot of people today charge hundreds of dollars to coach & mentor others in their home-based business. And this coach is a person who cannot build it today. I challenge these people. If they could build a downline today, they would do that. Sure, they did it 10 years ago. Or 5 years ago. But today is way different ... and they can't do it today. So instead, they charge you to teach you what used to work.

The money is way better when you build a big downline than it is from coaching people. And it's residual. So you've got to have a proven, tested business-building system in place. Everybody can use [Mentoring For Free](#) as that system. It's proven. It works in the real world right now.

When you choose a coach, you need to know who you're listening to. If that person is not building it today, the reason is, they CAN'T build it today. One coach I know of pulls out this huge genealogy. He built it one time when his timing was perfect. Right company, right product, right time. He's never been able to build anything else before or since.

So now, he's out there coaching people. Is that who you want coaching you? If not, then you'd better shop around and find someone who is building it TODAY.

## **Mistake #35**

### **Getting involved with many businesses, but never building one strong one.**

“Multiple streams of income” is one of the worst lies ever told to the network marketing industry. Robert Kyosaki talks about it in the correct application.

When you are making full-time income with your network marketing company, THEN you should invest in multiple streams of income. Buy a barbershop & pay the barber to work there. Maybe it's real estate. Or the stock market, or bonds, or currency exchange rates, or asset protection.

If you want to develop another MLM income, then retire from your current company. Walk away, and start another one without taking people from the one you built. In 27 years in this business, I've never met a single person who was building more than one business at a time and who was successful doing it.

Sure, you can build something small, make a couple hundred dollars a month. But I've never seen anyone build 2 businesses with full-time income from both, at the same time.



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*OK. That's 35 Mistakes. But another one comes to mind here, and it's pretty important.  
 So let's just add ...*  
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## **Mistake #36**

# **Not understanding that you need a TEAM to build an empire!**

The "Heavy Hitters" give you self-talk to use when you look in the mirror: "If It Is To Be, It's Up To Me."

But no skyscraper or successful network marketing organization has ever been built by one person. It takes teamwork, people from every walk of life & experience level coming together, working together. It takes hundreds, often thousands of people working for one common goal, to build the skyscraper or the network marketing organization.

Consider:

- No steel mill worker = no steel = no building.
- No glassmaker = no windows = no building.
- No makers of carpet, tile, marble, lumber, air-conditioning, drywall, concrete, paint, shingles, plumbing fixtures, electrical wiring, tar paper, drywall compound, elevators, mortar, bricks, paint brush, doors, crown molding, wallpaper, nails, screws, lights, cabinets, etc. = no skyscraper.

A critical for your success is a LOT of people working together. Lone wolves do not make it in network marketing. So you should join a team, learn to function as part of that team, and then they will help you build your own team.

THAT is how to get successful in network marketing.

## **Conclusion**

If you're reading these words, then that means you've read all the Mistakes. Anyway, I sure hope that's what it means ... for YOUR sake.

I know a lot of people who've achieved fame & fortune in MLM. But I also run into MLMers all the time who've been used & abused. The information in this ebook will

save your butt. Evaluate *every* company you look at, using “**35 Mistakes**” as a guideline. Your determination to avoid the big mistakes is just as crucial to your success as your ability to build a business.

I wish you great success in your career. If you have any questions, please call or email me:

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