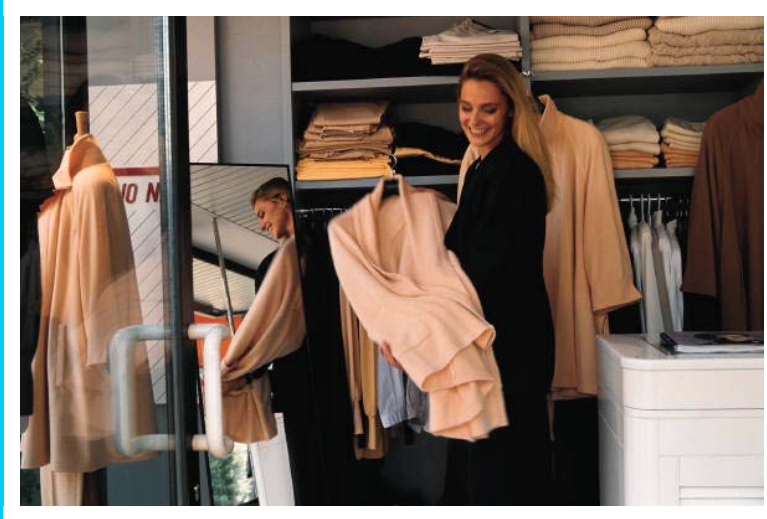


The Jobs and Moms Guide to:



Careers in Multi-Level Marketing and Direct Sales

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www.jobsandmoms.com

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Dear Reader:

Greetings -- I am delighted that you have chosen to download this book.

As a career counselor who specializes in working with professional women, I receive many e-mails asking for suggestions on better ways to blend work and family. Without question the single most popular question I get is:

“How can I make a reasonable income working from home?”

Being a work-from-home mom myself, I can personally attest to the joys of being my own boss. No commute, no nagging boss, and best of all, no pantyhose to tug on in the morning. I can come and go as I please -- if my children are sick, if they have yet another snow day or if we want to take a family vacation, I can arrange my schedule around their needs.

While there is no “one size fits all” answer to the “I’m dying to work from home” issue, one of the possibilities that I find myself recommending more and more frequently these days is selling from home. If you enjoy selling, work hard, and choose a reputable company, then selling from home can be a viable way to earn a reasonable income. It’s flexible, requires relatively little start-up capital, and has good potential for income growth.

Unfortunately, there is much misinformation about this subject on the Web which makes it difficult to separate the scams from the legitimate opportunities. My goal in writing this book is to present you with an objective evaluation of both the advantages and drawbacks of selling from home.

In the upcoming pages you’ll find an overview of the direct selling industry, suggestions for evaluating companies, and a listing of companies you might want to contact for further information. It is my sincere hope, that even if you ultimately choose not to pursue selling from home, that this book will leave you a better educated consumer.

At a time when it is still surprisingly difficult to find good work from home opportunities, direct selling holds out potential for many women. So, without further ado, let’s get started!

Nancy Collamer
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Overview

For years, I have been approached by direct sales companies interested in having me share their information with my clients and for years I turned them away.

Why?

Quite honestly, I had experienced more than my fair share of over-zealous MLM representatives who just wouldn't leave me alone -- I found them distasteful and was left with the unfortunate impression that all network marketers worked that way. But after careful consideration, I've decided to change my tune. The truth of the matter is that in spite of my skepticism, I've slowly come around to seeing the value of direct sales opportunities.

What changed my mind? Several things...

1. **Success Stories**- Direct selling is a \$30 billion dollar industry in the U.S. alone and many of the people sharing in that money are women. In recent years, I've met Moms who are making excellent work-from-home incomes in direct sales. They are genuinely enthused about their jobs and clearly have found a good answer to their work-life balance needs.
2. **Direct Sales Companies Provide Structure** - Many women want to work from home, but they don't want to create their own companies. Direct sales companies provide infrastructure, support and training -- thereby eliminating many of the stumbling blocks involved with starting your own business.
3. **Variety of Opportunities** - Gone are the days when direct selling meant selling for just a handful of companies like Avon or Tupperware. In today's economy, there are an ever-expanding variety of products and services that are being marketed through direct selling channels.

“Thirty-eight percent of adult Americans surveyed in 2000 have some interest in purchasing a product or service in the future via direct selling.” – Direct Selling Association Website

Direct Sales...MLM's...Party Sales... What's the Difference?

Before I go any further, let's make sure we both have a common understanding of the language of the direct selling industry.

In the simplest of terms, "direct sales" simply means that goods are sold directly to the customer away from a fixed retail location. The goods are marketed by an independent representative (who may also be called an independent distributor, sales representative or consultant) and are sold through one-on-one selling, party sales, via a catalog or through a website.

Depending upon the type of compensation plan available, the sales person (you) will be compensated:

- Solely for the products or services you sell or ...
- If the company offers a multilevel (MLM) compensation plan you will also be compensated both for your own product sales, and on the product sales of their downline. A downline is the chain of people you have brought into the business, and in turn, those people that they have brought into the business.



Tip From Nancy...

When considering the type of company you'd like to sell for, give some careful thought to whether you'd prefer working for a MLM that compensates you primarily for recruiting people into your business or those that compensate you only for your sales efforts, without requiring you to get involved with recruitment.

Go with what feels right. In order to find a work situation that will be productive for you long term it's important to be true to your personal strengths and comfort zone.

What are the benefits of working in direct sales?

There are many advantages to working in direct sales.

One of the biggest attractions is that you get to work from home and determine your own schedule. Even if you end up working forty hours a week, the flexibility of being your own boss, setting your own hours and planning your day around your personal needs, can make even a busy direct sales job seem flexible in comparison to working in an office.

Most companies allow you to work as little or as much as you'd like. Consequently, your career can grow as your personal needs change. Your career path will evolve and expand according to your own timetable.

Another advantage to working in direct sales is that you don't need to worry about many of the logistics involved with starting your own business. The company will provide you with start-up materials, inventory and all the necessary paperwork to get you rolling. For a small fraction of what it would cost to start up a conventional business, you can begin your direct sales business and be positioned to benefit from the existing infrastructure, training and support right from day one.

When you work for a direct sales company, you get ready access to a network of support. Even though you are on your own, you are not alone. Companies sponsor meetings and conferences where you can meet your fellow sales representatives, network for ideas, and enjoy the camaraderie of being part of a larger company. Even if you can't get away from home to attend a conference, many companies offer you the opportunity to participate in training calls and video-conferences from the comfort of your own living room.

Best of all, unlike so many positions in corporate America, your income is not limited by a pre-determined salary. Your earnings will grow in proportion to your success and hard work.



According to the Direct Sales Association:

80% of their member companies use a multi-level compensation plan.
90% of people involved with direct sales, do so on a part-time basis.

Are there any costs involved with selling from home?

Yes.

Companies will charge you a fee for a basic sales kit. The cost of the start-up kits is generally modest – sometimes even less than fifty dollars. In some rare instances, the cost of the start-up kits can be more significant. Higher than average start-up costs should not necessarily be a cause for alarm, but you do want to make sure that you understand what you are being charged for, why you need to purchase the materials, and what the company policy is for refunding any unused inventory. Keep in mind that any business you start will require some level of start-up capital, so it is perfectly reasonable that you should be expected to bear some of the costs of getting set-up with this business as well.

In addition to the cost of a start-up kit, you will incur miscellaneous costs, such as telephone charges, travel expenses or advertising costs associated with the day to day running of your business. While you will be responsible for paying these business-related costs, many of them will be tax deductible to the extent allowed by the law.



Tip From Nancy...

Beyond the obvious costs of doing business, such as the price of the start-up kit, you should compare the costs of ongoing support and training offered by different companies. Some companies offer their representatives the opportunity to attend conferences at incredibly low prices while others charge more. Over time, these expenses can add up so do your research carefully.

Compensation Plans

Your compensation will depend partly upon whether the company offers a single level or multi-level compensation structure.

Single Level

With a single level structure, you are compensated for a percentage of the goods or services you sell.

For example, let's say you invite eight friends to a home party where you demonstrate cookware. During the party you sell \$500 worth of product. If your plan compensates you at a commission level of 20%, then you earn \$100 for your efforts that evening. In addition, you might earn other incentives, such as a significant discount on cookware or a bonus payment. It's not a get rich quick plan, but it's not a bad way to earn some extra cash while having a fun evening out. Just as a point of reference, the Direct Sales Association reports that the average American party sales representative earned \$2500 in 2002.

But, if you continue to host other parties during the year, or sell the goods through other means such as craft fairs or one-to-one sales, then your sales potential increases. With most companies, as your sales increase, your commission level and/or bonus level increases when you exceed certain sales thresholds. In addition, some companies offer miscellaneous incentives, such as free trips or gift certificates as additional perks for high performers.

MLM Plans

Multi-level plans offer you the added bonus of being compensated for the sales of the people that you recruit into the organization, and the people they recruit, right on through your downline. Clearly then, part of your job if you work for a MLM becomes not just selling, but insuring that your downline is well-trained and motivated, so that they can produce good sales results.

Just as the percentage you are compensated for selling increases as your sales go up, many MLM's will increase the percentage you earn from your downline sales as the numbers in your downline increase.

Compensation plans vary from company to company, so you'll want to give some serious thought to evaluating your earning potential before signing on as a sales representative.

“Sounds intriguing, but can I really make a reasonable income doing this?”

By now you must be thinking, “Interesting, but how much can I realistically earn in this line of work?”

The answer to that question depends on a number of factors.

Many people, especially stay-at-home Moms, enjoy selling from home mainly as a means of supplementing their spouse’s income. They work when they have available time, earn a small amount of money, and take advantage of special discounts on products they would have purchased anyway. As a result, their income is minimal, ranging from a few hundred to a few thousand dollars.

Other people choose to sell from home as a career choice, working the equivalent of a “regular” job. Assuming you have or are willing to learn solid selling and organizational skills, represent a company with quality products, take advantage of company training, and consistently pay attention to the business, then your income can be significantly higher.

Just like in corporate jobs, there are people who earn small salaries and others who generate six figure incomes. But also like corporate jobs, the number of people earning the big dollars is far fewer than those who earn smaller amounts. Do not be swayed by representatives who promise you “instant riches” – it takes consistent effort and commitment to build up your business with any company. Most people who work in direct sales do not earn large amounts of money nearly as quickly or easily as some would have you believe!

How Do I Know if This is Right For Me?

The core function of working for a direct sales company is selling.

No matter how excited you are about the idea of being your own boss and no matter how wonderful you think the company’s products are, at the end of the day you will only be successful at this type of business if you sincerely enjoy meeting people, educating them about your product and completing the sale. If your company has an MLM structure, then you must also be comfortable with introducing the business opportunity to those who are looking for ways to earn additional income. If you don’t enjoy or have an aptitude for selling, and are not willing to learn the skill, then you should look elsewhere for career opportunities.

Remember though that “selling” is a generic term that takes varying forms depending on the situation. Selling at a home party where you

demonstrate cooking products in a congenial environment of friends is different from selling high-tech services to people through cold-calling. Selling passively through a website requires different skills than marketing to strangers at a trade show. As a result, it is important to find out how successful people in your target companies achieve their results to determine if the company's preferred method of selling is a good match for your skills and comfort level. Some home businesses have the flexibility of allowing you to choose the approach that best fits your style.

As you evaluate direct selling as a career, think about the types of activities you will be required to spend time on:

- How much of your time will be devoted to selling?
- Is there much paperwork involved?
- Can you use the Internet as a component of your selling strategy?
- Will you be expected to call on family and friends as potential customers or recruits? If so, do you feel comfortable with this?
- What percentage of your income comes from sales vs. building your downline?

Find a Product That Excites You

Without a doubt, one of the most vital components to success in direct sales is finding a product that you are really excited about – something that you enjoy and believe in.

Fortunately, there are lots of options to choose from – a smorgasbord of products and services to fit virtually every budget and interest:

- The largest category of goods is home/family care products such as cleaning products, cookware, clothing and home-decor items.
- Personal care products such as jewelry, cosmetics and nutritional supplements are also popular choices.
- Leisure and educational products, as well as other consumer services are also now sold via direct sales.

Many people chose to sell products that their peers would buy, making it easier to find clients, arrange home parties and interest recruits for your downline. Others choose to entirely build their businesses using Internet systems that direct people to their websites.

Seek Out Marketable Products

In addition to finding a product you like, it's helpful to find a product that you can easily sell in your community. Items that sell well in one region or town may not sell as well in another locale.

For example, in my community there are a number of executive-level women who have lots of money but little time. As a result, selling high-end work clothing should work well in my locale.

But, high-end clothing may not sell well everywhere. My mother lives in a retirement community where people have little need or desire for suits. Clearly, while her friends have no need for a work wardrobe, they might be quite interested in buying moderate priced clothing geared for seniors.

Depending on the product, you will not necessarily be limited by geographic borders. With the aid of the Internet, it may be feasible to build a business base that extends well beyond your local community as you sell your products to a worldwide cyber-based community.

Do an analysis to make sure your market isn't already saturated with competitors or other salespeople from your company (some direct sales firms offer exclusive territories, others are willing to have as many salespeople as possible, which can lead to market saturation).



Tip From Nancy...

Sometimes you can still sell a product, even when the market appears to be saturated, because your product is unique, superior or more cost-effective. If your customer can easily buy the same product at Wal-Mart or other local stores, you won't be able to sustain long-term sales. In these days of "no service at the malls" offering terrific customer service, or promoting your goods through innovative marketing, can make a big difference between success and failure.

When you evaluate the types of products you'll be selling, think about how frequently people might purchase the product. Consumables, such as nutritional supplements, can be sold through an automatic renewal system, thereby enabling you to quickly build up your customer base without having to continually source out new customers. On the other hand, items such as high end clothing or jewelry will be bought less frequently but can be sold for a higher-price point per purchase.

Find the Right Company

You'll want to associate with a company that provides ongoing training, support and opportunities for growth. Just like in the corporate world, if you have a supportive boss and a reliable management team, you'll find it much easier to succeed long-term. Finding the right company and product for your needs takes a bit of work. Here are some guidelines to assist you along the way:

- ▶ Think about the type of products/services you would enjoy selling.
- ▶ Talk to friends and associates to find out if they know of any companies that might be a good fit for your interests.
- ▶ Check out the information provided by our sponsors at the back of this book.
- ▶ Go to the website of the Direct Selling Association, www.dsa.org, the national trade association for that industry. You'll be connected to more than 150 companies, including many well-known brand names.
- ▶ It is unfortunate that I even need to bring this up, but there are some dishonest players out there. The Direct Sales Education Foundation has two excellent articles online to help you better understand the warning signs of a questionable company:
 - Promises: Check 'em Out! Business Opportunity Fraud
http://www.dsef.org/information2175/information_show.htm?doc_id=28958
 - Pyramid Schemes: Not What They Seem!
http://www.dsef.org/information2175/information_show.htm?doc_id=29897
- ▶ Thoroughly research the company. How long have they been in business? Who is on their Board of Directors? Being a new company is

not necessarily a bad thing, but you should be extra vigilant in checking on new companies, with less than a five year track record.

▶ If you haven't already done so, try out the company products to make sure that the product quality measures up to the highest standards.

▶ Assess the fit of your company to your interests, personal profile and professional experience:

- Are the products you'll be selling of interest to your circle of friends or network of business associates? Are they needed by people you don't yet know? Likewise, are there trade associations, industry publications, local groups or effective Internet systems that could lead you to a network of people who are looking for what you have?
- Do you have any industry experience with the products/services you are considering selling? It isn't necessary, but it can make it easier to sell because you'll have added credibility as an industry expert.
- What type of training, support, and resources does the company offer?
- Does the prospective company cater to specific age groups, populations or social groups that you can relate to? If the company is an MLM, do you have connections to potential recruits?

▶ Evaluate the requirements needed to become a representative for the company. Some companies allow anybody willing to pay for the initial starter kit to join. Other companies, particularly those with restricted sales territories, have specific selection criteria that you must meet in order to work with the firm.

▶ Carefully analyze start-up costs. In addition to the expense of the start-up kit, think about the cost of miscellaneous work-related expenses such as travel, phone, inventory and advertising costs.

▶ Review the compensation plan offered by the prospective companies. Try to get a better understanding of how many hours you will need to work in order to meet your income objectives. Be sure to ask questions about training and career growth opportunities.

Finally, don't allow yourself to be pressured into making a decision. If your gut reaction makes you feel uncomfortable, pay attention.

Ready to get started?

By now, I imagine you're intrigued enough to begin collecting information about some companies that might be a strong match for your needs.

Collect information from at least a few companies (see www.dsa.org for more options) so that you can compare and contrast their relative merits. On Jobsandmoms.com, I have some direct sales companies listed who have paid to advertise on the site. I encourage you to contact them directly to learn more about their opportunities. Ask lots of questions, test out their products and do a thorough background check.

I wish you all the very best for much success in your new venture!
Please let me know how you fare – I'd love to get your feedback and hear your success stories.

All my best for much success,

Nancy

About the Author

Nancy Collamer, M.S. is a nationally recognized career consultant based in Old Greenwich, CT and the founder of www.jobsandmoms.com. Her advice has appeared in **Fortune**, **Redbook**, **Ladies Home Journal**, **Family Money**, **US News and World Report**, **Working Mother** and the **Wall Street Journal**.

She holds a M.S. in Career Development from the College of New Rochelle and a B.A. in Psychology from the University of North Carolina/Chapel Hill. Prior to establishing her private practice, she was the co-owner of an employment agency and worked as the Director of Human Resources for Air Express International Corporation, and as the Assistant Director of Personnel for Saks Fifth Avenue. Nancy can be contacted at Ncollamer@aol.com

If you have enjoyed Nancy's advice, consider signing up for her free bi-monthly e-newsletter at www.jobsandmoms.com