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**THE 45-SECOND
PRESENTATION
THAT WILL
CHANGE YOUR LIFE**
2006 Edition

The World's Best-Selling
Network Marketing Guide

DON FAILLA

An adaptation of material presented by DON FAILLA

The 45 Second Presentation That Will Change Your Life

Have you ever thought about what it would be like to Own Your Life?

This is what I think it means to “Own Your Life”?

When you subtract out the sleeping time, commuting time, working time and things you have to do each and everyday of your life, most people don't have more than one to two hours a day to do what they would like to do; and then, would they have the money to do it?

We have discovered a way a person can learn how to “**Own their Life**” by building a home – based business; and we have a system for doing it that is so simple anyone can do it. It doesn't require selling, and the best part is, it won't take much of your time. Does that sound like something you'd like to know about?

PREFACE

The 45-second presentation is all one needs to know to start building a large organization. In fact, if one cannot learn this presentation, they can read it to a friend or put it on a 3 x 5 card and let their friends read it for themselves.

Beyond this presentation you do not need to know anything. Once you realize this and understand you can introduce your business to anyone, because absolutely anyone can build a business if they want to. All they really need is a little desire. Without desire, you have nothing.

The secret to the system we teach is not to talk. Talking is your worst enemy. The more you talk, the more the prospect thinks they cannot do what you are doing. The more you talk, the more they think they don't have time. Remember, time is the number one excuse people have for not getting started.

After your friend reads the 45-second presentation, they may ask you a question. Regardless of what the question is, if you answer it you lose. They will have five more questions before you know it. You will be bouncing all over the place! Simply tell them that they'll have a lot of questions and that the system is designed to answer most of them. Have them read the first four Napkin Presentations and then get back to you.

Never tell the prospect to read the book. They will set it on the shelf and get to it in due time. Tell them to read the first four Napkin Presentations. They will read it right away and over 90% will finish the book at the same time.

After reading the book, your prospect will understand network marketing. This is important, because the number one reason people don't do the business is because they don't understand it. Now they will understand Network Marketing and they will be ready for you to present your vehicle, company, products, and marketing plan. But I said you don't have to know anything other than the 45-second presentation to get started. So now what do you do?

At this point, you would use the tools or your team to do the talking for you. Tools would be brochures, audio tapes, and video tapes from your company. Your team would be your immediate up-line, starting with the person who will be your sponsor.

Let's say you have your first prospect. You have done the 45-second presentation and they have read the book. You invite your prospect to meet you for lunch. Let them know you will also be inviting your sponsor, who can explain the business on your behalf (Key point - Who pays for lunch? You do. Your sponsor is working for you. How many times would you have to buy your sponsor lunch or dinner before you could explain the business on your own?)

We had a man come up to us at a seminar in Germany and say "Not only do you not need to know anything to get started, you could also have a free lunch every day when you are working for your downline."

Happy eating and watch your business grow!

CHAPTER 1

INTRODUCTION TO NETWORK MARKETING

NETWORK MARKETING is one of the fastest growing, yet most misunderstood, methods of moving products in use today. It has been termed by many as the Thing-of-the-Nineties. Believe me, it will go far beyond that. By 2010, more than 200 BILLION DOLLARS worth of products and services will be moving annually through Network Marketing companies. WATCH OUT for Network Marketing in the 21st century!

The purpose of this book is to convey to you the reader, through illustrations and examples, just what Network Marketing IS and what it IS NOT. We will also show you how you can effectively, I repeat-EFFECTIVELY, explain Network Marketing to others.

This book should be treated as a TRAINING MANUAL. It is intended to be used as a tool to help you train the people in your organization. Include it in their initial "kit" of information about your program.

Don Failla developed the "Napkin Presentations," upon which this book is based, in 1973. I have been involved in Network Marketing to one degree or another since 1969. This book will cover the ten presentations developed thus far.

Before going into the details of the "Ten Napkin Presentations, allow me to answer one of the most frequently asked, and probably the most basic of all the questions, "What is Network Marketing?" This question is quite frequently in response to a button we often wear. Throughout this book we shall use "Network Marketing" and "Network Marketing" interchangeably. Let's break it down.

Marketing is simply means moving a product or service from the manufacturer or provider to the consumer. Multi-Level refers to the system of compensation provided to those persons whose are causing the product to move or the service to be provided. "Multi" means "more than one." "Level" refers to what may better be termed as, "generation." It could be called "Multi-Generation Marketing." We will stay with Multi-Level since that is what is most common. It is so common, in fact, many illegal pyramids and chain distribution schemes or chain letters try to pass themselves off as being a Multi-Level program. This creates such a stigma, although unjustified, that many of the newer Multi-Level Marketing companies are using other names for their type of marketing. Some of the names you will hear are "Uni-Level Marketing," "Network Marketing," and "Co-op Mass Marketing. "

There are really only three basic methods of moving products. (Hold up three fingers as you demonstrate this point.)

1) **RETAILING**-I'm sure everyone is familiar with retailing--The grocery store, the drug store, the department store. Going into a store and buying something is retail.

2) **DIRECT SALES**-would usually, (but not always) include insurance, cookware, encyclopedias, etc. Fuller Brush, the Avon lady, Tupperware home parties, etc. are some examples of Direct Sales efforts.

3) **NETWORK MARKETING**-Network Marketing is the one we will be discussing in this book. It should not be confused with the other two, especially with the Direct Sales method with which Network Marketing commonly is confused.

A fourth type of marketing that is sometimes added to the list (hold up the fourth finger) is MAIL ORDER. Mail Order can be an Network Marketing type, but most generally is included in the Direct Sales category.

A fifth type, often confused with Network Marketing, I have already mentioned is PYRAMID Sales. The fact is, PYRAMIDS are ILLEGAL! One of the main reasons they are illegal is their failure to move a product or to provide a valid service. If a product doesn't move, how can you even call it "marketing," let alone "Network Marketing!" NETWORKS they may be-but MARKETING THEY ARE NOT!!!

Most objections that people have about getting into Network Marketing are due to not realizing the differences between Network Marketing and the Direct Sales methods of marketing. This confusion is understandable because most reputable Network Marketing companies belong to the Direct Selling Association. You may have been conditioned, perhaps, to think of them as door- to- door direct sales programs, because your first encounter with them was when a distributor knocked on your door to sell you something.

There are some features that differentiate Network Marketing from Retail and Direct Sales companies. One very significant difference is that in Network Marketing you are in business for yourself-BUT NOT BY YOURSELF!

By being in business for yourself whether or not but especially if you are operating out of your home, you may be entitled to some substantial TAX BREAKS. We won't get into TAX ADVANTAGES in this book. Most people can get that information from their accountant or from the many books that have been written on the subject.

Being in business for yourself, you are buying the products wholesale from the company you are representing. This means that you can (and should) use these items for your own consumption. Many people get involved in a company, at first for this reason alone, to buy wholesale. And many of those will get "serious." Since you are buying your products at WHOLESAL, you can, if you wish to, sell those products at RETAIL and make a PROFIT. The most common misunderstanding about Network

Marketing is the notion that you HAVE TO sell retail to be successful. There is a lot to be said for selling retail and it should not be not be ignored. Some programs even require a retail quota be met in order to qualify for a bonus. You may sell if you want to or have to due to you particular program's requirements, but in regard to making the larger sums of income-the real success is in building the organization.

IMPORTANT POINT. Let your sales come as a natural result of building the organization. More people fail than succeed by trying to do it the other way around- they try to build the organization by emphasizing selling. As you read through the Napkin Presentations that follow, you will see this concept unfold before you.

The word "selling" triggers negative thoughts in the minds of about 95% of the people. In Network Marketing you don't need to "sell" the products in the traditional sense of the word. However, PRODUCT DOES HAVE TO MOVE or nobody, but nobody, gets paid. Don Failla defines selling as "calling on strangers and trying to sell them something they may neither need nor want." Again, PRODUCT HAS TO MOVE OR NOBODY GETS PAID!

When you build an organization, you are actually building a network through which you can channel your products. Retailing is the foundation of Network Marketing. Sales in Network Marketing or Network Marketing come from distributors SHARING with their friends, neighbors, and relatives. They never have to talk to strangers.

To build a LARGE SUCCESSFUL BUSINESS you need a BALANCE. You need to sponsor and teach Network Marketing and in the process of doing this you can build a customer base by retailing to your friends, neighbors, and relatives.

Don't try to sell the world on your program yourself. Remember, that Network Marketing is building an organization in which a lot of distributors retail a little. This is far better than a few trying to do it all.

With virtually all the Network Marketing companies, the need to spend large sums of money on advertising is non-existent. Advertising is done almost exclusively by word-of-mouth. For this reason, they have more money to put into product development. As a result they usually have a higher quality product than their counterpart found in retail stores. You can SHARE with a friend a quality product of a type that they are already using. You're simply replacing their old brand with something that you have discovered through your own experience to be better.

So you see, it's not going door-to-door-every day calling on strangers. All Network Marketing programs that I know of teach that if you simply SHARE the quality of their products or services with friends, that's all the "selling" that is involved. (We prefer to call it "Sharing," because that's what it is!)

Another thing that differentiates Network Marketing from Direct Sales is the SPONSORING of other distributors. In direct sales, and even in some Network Marketing companies, it's called RECRUITING. However, "sponsoring" and "recruiting" is definitely not the same thing. You SPONSOR someone, then TEACH them how to do what you are doing building a BUSINESS OF THEIR OWN.

We emphasize that there is a big difference between sponsoring someone and just "signing them up." When you SPONSOR someone, you are making a COMMITMENT to them. If you are not willing to make that commitment, then you are doing them a disservice by signing them up.

At this point, all you need is to be WILLING to help them to build a business of their own. This book will be an invaluable tool in showing you what and how to do just that.

It is the RESPONSIBILITY of a sponsor to teach the people, they bring into a business, all they know about that business. Things such as: ordering products, keeping records, how to get started, how to build and train their organization, etc. This book will go a long way toward making you ABLE to meet that responsibility.

SPONSORING is what makes a Network Marketing business grow. As your organization grows, you are building toward becoming an INDEPENDENT, SUCCESSFUL businessperson. You are your OWN BOSS! With Direct Selling companies, you work for the company. If you decide to quit that company and move to another area, you end up having to start all over again. In almost all of the Network Marketing programs that I am aware of, you can move to another area of the country and sponsor people without losing the volume generated by the group you left behinds.

In Network Marketing programs you can make a lot of money. It takes a little longer with some companies than it does with others, but making a lot of money comes from building an organization, not by just selling the product. To be sure, you can make a good living in some programs by just selling the product-but you can make a FORTUNE by building an organization as your primary function.

People will get started in a Network Marketing business with the idea of making \$50, \$100, or even \$200 per month, and suddenly they will realize that if they want to get serious about the business they could be making \$1000 or \$2000 per month-or more. Again, remember that a person doesn't make that kind of money by just selling the products ... they make that kind of money by building an organization.

THAT IS THE PURPOSE OF THIS BOOK: to teach you the things you need to know to be able to build an organization and to build it FAST -by developing certain and proper attitudes about Network Marketing. If a person thinks Network Marketing is illegal, having a connotation of being like a pyramid (and they do make that comparison), you are going to have trouble sponsoring them.

You must teach them the facts to eliminate their attitude of mistaking a true Network Marketing organization for a pyramid. One example you could show them is the illustration I am about to explain. The pyramid is built from the top down and only those in at the very beginning can ever be near the top. In the "Network Marketing" triangle, everybody starts at the bottom and has the opportunity to build as large an organization. NETWORK MARKETING is one of the viable ways for an inventor or manufacturer to put a new product on the market without having a millions dollars, and without having to totally give up their product to someone else.

A new person can build an organization many times larger than his sponsor's organization if he wants.

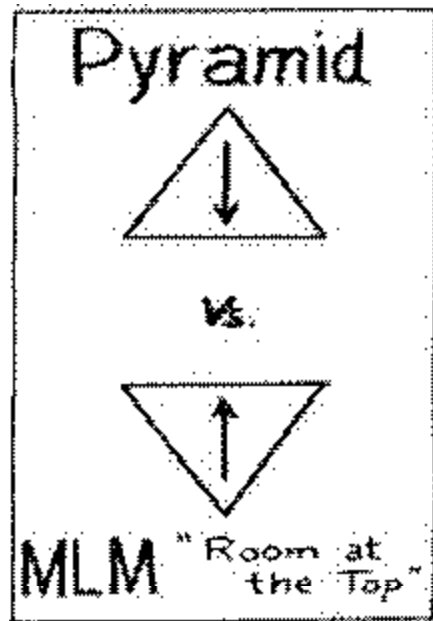
The main objective is: to get your prospect into a general discussion concerning Network Marketing, and explain with your three fingers, the differences between Retailing, Direct Sales, and Network Marketing. Then you will have a good start at sponsoring them into your particular Network Marketing vehicle.

As I stated earlier, by the year 2010, Network Marketing will be doing in excess of \$200 BILLION annually. That is BIG BUSINESS!

Most people don't realize that Network Marketing is that big! Network Marketing has been in our midst for over 50 years! Some companies that have been around for over 45 years are already doing billions of dollars per year by themselves.

We know of one company that did over \$6.5 MILLION in it's first year of operation. In its second year they made over \$62 MILLION. For their third year they projected \$122 MILLION. They are on track to hit ONE BILLION per year by their 10th year. The principles expounded in this book will make that goal reachable. That's a pretty fast start in anybody's league!

NETWORK MARKETING is one of the viable ways for an inventor or manufacturer to put a new product on the market without having a millions dollars, and without having to totally give up their product to someone else.



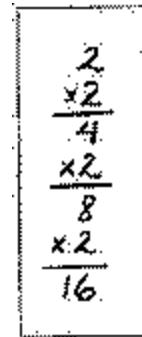
CHAPTER II

Napkin Presentation #1: TWO TIMES TWO IS FOUR

THIS one you can show a person BEFORE they see the program or the vehicle you want to share with them. It is an absolute MUST to show them this Presentation as soon after you have introduced them to your program as you can. You want their thinking to be going in the right direction from day one. What this will do is take the proverbial "Monkey off their Back" in thinking they have to go out and "sponsor the world" to make a large amount of money in Network Marketing.

This Presentation will also show them how important it is to work with their people and help them to get started.

This Presentation starts by writing down "2 x 2 is 4, "etc., and multiplying on down. We tell a joke on people, that if they sponsor someone who can't do this right here-PASS-because you are going to have trouble working with them.

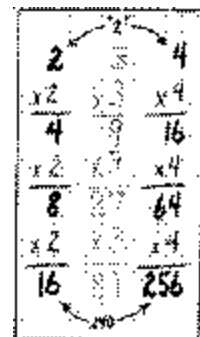


Notice that we start using the word "sponsor" now. To the right of the 2 x 2 column, write 3 x 3 saying, "Over here you sponsor three people, and you teach (We also start to use the word "teach") those three to sponsor three, making nine more. Then you teach your three people how to teach those nine to sponsor and now you have 27. Going on down 1 more level, you will have 81.

Notice the difference between 16 and 81. Bring it to their attention and ask them if they would agree that it's a pretty good difference. Then point out to them the REAL DIFFERENCE is ONE! Everybody only sponsored ONE MORE! You will usually pick up some reaction from this, but continue right on, it gets better.

Let's say you sponsor four people into the business. Moving to the right of the 3 x 3 column, you again run down a column of figures, writing them down as you speak. "Let's see what happens if everybody sponsored only TWO MORE."

As you continue to write, say, "You sponsor four and teach them to sponsor four. Then you help your four to teach the 16 they have to sponsor four, adding 64



to your group.

Working down only one more level, and before you know it, your group has 256 more. And again you point out, "Now that's getting to be a considerable difference right there, but the. . ."

You will usually catch some sort of reaction again as they begin to pick up on the concept, and cutting in they will say before you do, "The REAL DIFFERENCE is that everybody only sponsored TWO MORE!"

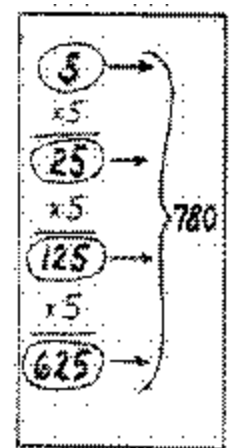
We end it with five. They will usually pick up on it by now and mentally or verbally follow right along with you as you write in the final column of figures. By now you can leave out "sponsoring" and "teaching," writing down the figures and commenting, "5 times 5 is 25, times 5 is 125, times 5 is 625. Now that is a FANTASTIC DIFFERENCE! Again, the REAL DIFFERENCE is that everybody only had to sponsor THREE more.

Most people can relate to sponsoring one, two, or three more, but usually find it difficult to relate to the figures on the bottom line. (16, 81, 256, and 625).

So picture yourself in the last column, having had the time to sponsor five serious people into the program. The "five" at the top of the column represents the ones you sponsored who want to get SERIOUS about building a business of their own. You may have to sponsor 10, 15 or 20 people to get these five.

However, once you totally understand all ten of the NAPKIN PRESENTATIONS, you will find that your people will get serious QUICKER than people who come into organizations that don't know this material. This book will teach you how to work with them so they will get serious QUICKER.

Notice that when you have sponsored five, and they have sponsored five, and so forth, right on down the line ... you add all these (circled figures) up and you will have 780 serious people in your organization. Doing this will help you answer the question, "Doesn't somebody have to sell the product?"



You've all heard that question before if you've been at all active. So just go through this NAPKIN PRESENTATION with them and explain that 2 times 2 is 4 ... right on up to 780 distributors. In ANY KIND of Network Marketing organization if you have 780 people USING the product themselves, you have a tremendous volume. (And we haven't even included those who are not serious, but are just "product buyers.")

Now if they all have two, three, four, or five friends ... let's just say they all had 10 customers from among their friends, relatives, and acquaintances, that's 7,800 customers! Add to that the 780 distributors in your organization-do you think 8,580 customers plus the "product buyers" will be able to provide you with a profitable enterprise? That's how you make a lot of money in any business-by having a lot of people doing a little bit. But remember, you are only working with five SERIOUS PEOPLE, not a whole army!

We run into people constantly in other Network Marketing programs, as well as our own, who are amazed at how FAST our own organizations have grown. They have been in their programs longer than we have, but are scratching the "think tank" on top of their heads and asking, "What are you doing that I'm not doing?"

Our response to them is, "How many people in your FRONT LINE are you working with?" (The Front Line are those people directly sponsored by you. They are also called your "first level" distributors.)

I will usually hear figures anywhere from 25 to 50 or more. I know people in Network Marketing who have over 100 in their front line, and I'll guarantee you, that once you understand the principles outlined in this book, you'll pass those people up in six months, even though they have been building their organizations for six to eight years.

As we go into Napkin Presentation #2 covering the "Salesman Failure" syndrome in Network Marketing, I will give you a simple parallel showing why having so many front line people isn't good.

Consider the ARMY, the NAVY, the AIR FORCE, the MARINES, or the COAST GUARD. From the lowest private up to the top brass in the Pentagon, nobody has more than five or six people they are trying to DIRECTLY supervise. (There may be rare exceptions.) Think about it! Here we have West Point & Annapolis with over 200 years of experience each, and they don't think anybody should supervise more than five or six people. So you tell me why people get into a Network Marketing organization and think they can effectively work with 50 people in their front line. They CAN'T DO IT!

That's why a lot of them fail, and you'll see why as you read on. You shouldn't try to work with more than five serious people at a time. However, make sure that when you sponsor them, you start working down-group. There is a point when they won't need you and then can break away and start another line on their own. This will also free you up to work with yet another serious person, keeping your number of those that you are working closely with at five. Some programs may allow you to be effective with only three or four at a time, but none that I know of can be effectively built with more than five. These NAPKIN PRESENTATIONS tie together, so some of the questions you may have at this point will be cleared up as you read, listen and absorb.

CHAPTER III

Napkin Presentation #2

SALESMEN FAILURE SYNDROME

WHY do so many salesmen fail when working in a Network Marketing business? This #2 Presentation will clarify the common mistakes made by sales-oriented professionals.

Let me explain why we would rather sponsor ten teachers than ten salesmen.

Now DON'T GET ME WRONG, I think professional salesmen can be a tremendous asset to your organization-if like everyone else, they go through the Ten Napkin Presentations and thoroughly understand them.

Most people get confused by the statement above, but remember, they still don't understand that Network Marketing is a METHOD of marketing. We are NOT sponsoring people into a Direct Sales organization. We ARE sponsoring them into a Network Marketing program.

Much of the time, the problem you will have with a salesman, is that when they see the high quality of the products you represent, they just launch out and take off, so to speak. They can put their own presentation together-they don't need us to tell them how to sell-they're the professional. The point is: we don't want to tell them how to sell. We just want to teach them how to TEACH and SPONSOR and build a large successful Network Marketing organization. And they, and anyone for that matter, can do just that WITHOUT SELLING ANY THING in the normal sense and definition of the word "selling."

If you can't sit down with them and explain a few simple things about Multi-Level Marketing, and why it is different than Direct Selling, then the tendency is for them to go off in the wrong direction. As we continue on with the Napkin Presentations, we will give you a few examples.

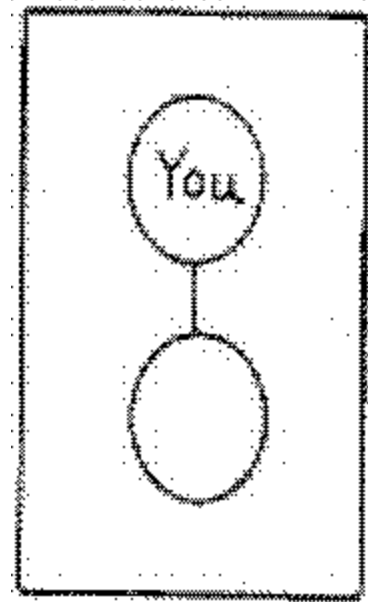
Most people think (and especially salesmen) that if you sponsor someone, you have duplicated your effort. (Draw one circle under the other.) There was one, and now there are two. It sounds logical, but that's NOT TRUE.

The reason that it's not true, is that if the one represented by the top circle (sponsor) goes away, the one they sponsored will go away also; they won't continue on. You must explain to your people that if they truly want to duplicate themselves, they have to be at least THREE LEVELS DEEP; only then are they DUPLICATED.

If your sponsor dropped out before you had an opportunity to see that the program really will work, you most likely will assume that it doesn't because it didn't for him.

After all, he's your sponsor and certainly must know Teach more about it than you.

Let's say that you're here. (Draw a circle and put "YOU" in the middle of it.) You sponsor Tom. How to (Draw another circle under the one with "YOU" in it, write "TOM" in it, and teach connect the circles with a line.) Now, if you leave and Tom doesn't know what to do (because you haven't taught him), then that's the end of it. To Sponsor But if you DO TEACH Tom how to sponsor, and he sponsors Carol, you are ONLY BEGINNING to duplicate yourself.



But if Tom DOESN'T learn to teach Carol to Sponsor, or it will fizzle out and and that's the end of it. You have to teach Tom HOW TO TEACH Carol how to sponsor. Then she can sponsor Betty or whomever.

Now you are THREE DEEP. If you go away (to work with someone else or to a different area of the country), this sub-group will continue on. I emphasize: YOU HAVE TO GO THREE DEEP! You have nothing until you are three deep and only then are you DUPLICATED.

If you never communicate anything but this one point to the people you sponsor, then you will have the key that will make you more successful than most others in Network Marketing programs.

Here's what happens to the "salesman": He looks at the demonstrations of the products, hears or reads of the testimonials of the results others have had with their use, and how they work. Armed with this information, just get out of his way, and he will go out and "sell like crazy" remember, they're SALESMEN! They have been in the Direct Selling business and they don't have any problem calling on strangers.

Great! So you say to your super-salesman (let's call him Charlie), "Charlie, if you want to make the BIG BUCKS, you cannot do it by yourself. You need to sponsor people."

So what does Charlie do? He goes out and sponsors, sponsors, sponsors ... he will just sponsor up a storm. A good "salesman" in a Network Marketing program could



sponsor three or four people per week.

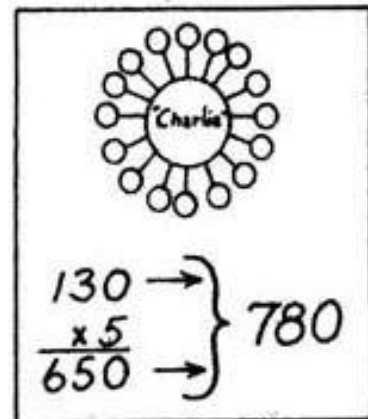
But here is what happens: It gets to a point, (and it doesn't take long), that people are dropping out as fast as they are being added. If you don't work with them EFFECTIVELY (and you can't be effective if you are trying to work with more than five at a time), you will see them becoming discouraged and giving up.

So Charlie, being discouraged and a little bit impatient, doesn't think anything is happening and he goes off to look for something else to sell. The person that sponsored Charlie, thinking Charlie was going to make them rich, gets discouraged and they give up also.

Most people who have made it big in Network Marketing don't have a sales background. They may not be TEACHERS professionally, but most of them come from backgrounds with an element of teaching in it. I know of one teacher and school principal who, after only 24 months in a Network Marketing program, was earning in excess of FIFTEEN THOUSAND DOLLARS PER MONTH. He did it and is doing it by TEACHING OTHERS how to do it also.

Let's put some numbers in Charlie's approach so we can more clearly see where he went wrong. We will assume that Charlie, being the super-salesman that he is, went out and sponsored 130 people. Let's also say that he somehow got each of them to sponsor five others, adding 650 more for a total of 780 in his organization. (Sound familiar?)

Ask your people this question when you show this to them, "Which do you feel you could do more quickly, sponsor five people who are serious and TEACH THEM HOW TO TEACH, or...?" Incidentally, the question will come up, "What do I teach them?" The answer is:



You teach them what you are learning right there in this book-the Ten NAPKIN PRESENTATIONS. They need to have an understanding of all ten, but initially the first four will work.

Teach them that $2 \times 2 = 4$, and why people fail, etc. How long do you think it would take you to sponsor 130 people? How many of the first ones would be left when you sponsored number 130? You would find that you are losing them pretty fast. Yet you will discover the retention rate on the 780 in Napkin Presentation #1 to be quite high.

Once you show this to a salesman and they understand it, they will say, "Aha! Now I see what I've got to do"... and they will go do it. CAUTION: You must hold them back.

Because they don't understand what we have just gone over in this chapter, most people in Network Marketing will literally encourage their people right out of the business!

They will sponsor someone and their new distributor will come to them and say, "Hey, I got five new people last week!" So you say, "Great!" and encouragingly slap them on the back. The following week they sign up five more people. What has become of the five they signed up the first week? They're gone.

If you understand this "Salesmen Failure Syndrome," you can still encourage them, but at the same time stress the point of how IMPORTANT it is to take those first five you sponsor and HELP THEM GET STARTED. After I have sponsored someone, it's more important for me to go with them and sponsor another person for myself. I just cannot emphasize this point too much.

This point will come up again in a couple of other Presentations.

Of the Ten Napkin Presentations, the first four are really a MUST. If you don't have time for all of them at least get started with #1 and #2. (Ch. 2 & 3). You can show them to someone, depending on how much you elaborate, in as quickly as five to ten minutes, once you have practiced them.

Don Failla relates this experience of having one of his people present the Napkin Presentation over the phone after they had received it over the phone.

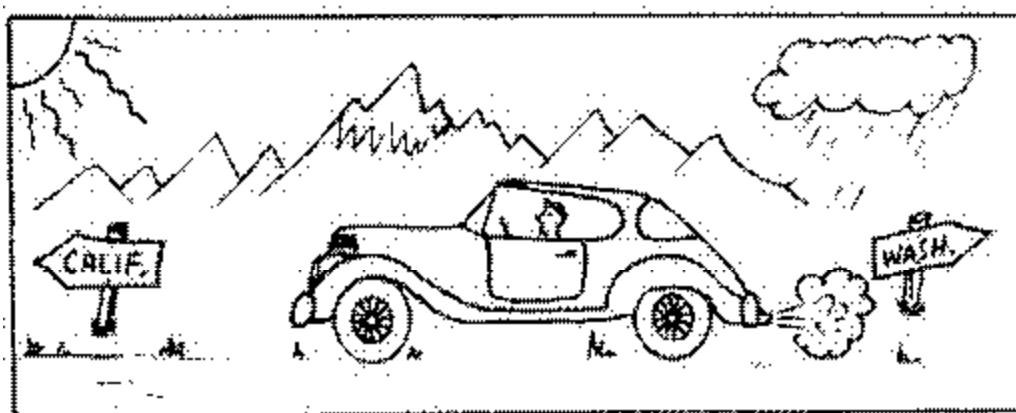
"In one of the programs I was involved in, I sponsored this fellow named Carl. Carl told me about sponsoring his daughter in Tennessee, and that she knew everybody in town. I was talking to Carl on the phone and related to him that I thought it was great. I quickly added however, that I needed to tell him something to pass on to his daughter. I asked him if he had a piece of paper and pencil handy (which he did) and I had him write down 2×2 is 4, and right on through it. I instructed him to immediately phone his daughter and let her know the mistakes to avoid, and get her started in the right direction. He did call her, and it's working out very well for both of them.

CHAPTER IV

NAPKIN PRESENTATION # 3

"Four Things You Have To Do"

IN THE FIRST PRESENTATION we told you some of the things TO DO, and in the second Presentation we told you some things NOT TO DO, as far as working in depth with your organization. In this Napkin Presentation we will show you four things you HAVE TO DO to be successful in an Network Marketing program. These four things are an absolute MUST! Everybody in Network Marketing who is making \$ 100,000 or \$200,000 per year (and more), DID and ARE DOING these four things.



To help you remember these four things, we have paralleled the points to a story which you can relate to your people. They will not only pick up on the parallel, but will REMEMBER the "Have to do's" also. The way the story goes is this: "Let's imagine you want to take a trip in the family car and leave rainy Washington (it really isn't as bad as some people like to make it out to be) and drive to sunny California. The sunshine in California will represent reaching the top in the program that you're in. When you get there you are SUCCESSFUL you're AT THE TOP!



The FIRST thing that you have to do is to GET IN and GET STARTED.

There isn't anybody in Network Marketing who has made a lot of money unless they first got started. The amount of money it takes to get started depends on the company and the program you choose as your "vehicle." It can range from nothing on up to \$12.50, \$45, \$100, \$200, or even \$500 or more.

The SECOND THING you need to do as you take this trip, is to buy GAS and OIL. As you travel to the top (California), you will use up the fuel and oil (Products), and it will

be necessary to replace them. Network Marketing works best with products that are CONSUMABLE. You will use the products up and buy them again, and again, and ... what this equates to is you must USE THE PRODUCTS of the company you represent, YOURSELF.

Remember, we showed you in N.P #1, that with 780 distributors it doesn't matter which program you are in, you will have a very sizable volume. Naturally, you can see the advantages of building a business with a vehicle that has consumable products. Most Multi-Level companies are in that category. Non-consumables are usually marketed through retail or direct sales methods, but not always.



The other result of using the products yourself is you will get excited about them.



Rather than spend a large sum of money on advertising, Network Marketing companies put their money into product development and as a result will usually have a higher quality product than that which is normally available in a retail store.

The THIRD thing you have to do is to get into HIGH GEAR. Of course you realize that nobody starts out in HIGH gear. We all start out in NEUTRAL.

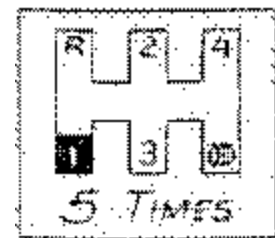
(Incidentally, notice that we are not driving an "automatic.") We may be in the car, still in the driveway, with the key turned on and the motor racing, but if we never get out of neutral we will never get to California-or anywhere else for that matter. .

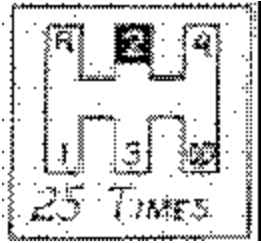


To get your car into gear, you must sponsor someone into the business.

When you sponsor someone, you are in FIRST GEAR. We believe you should be in first gear five times, with five SERIOUS people.

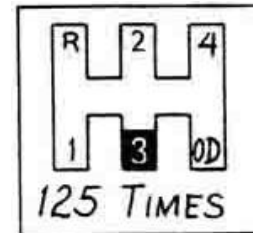
In one of the other Presentations we show you how to determine which of your people are serious. You will want your five people to get into gear ALSO. You TEACH them how to get into first gear by sponsoring someone.



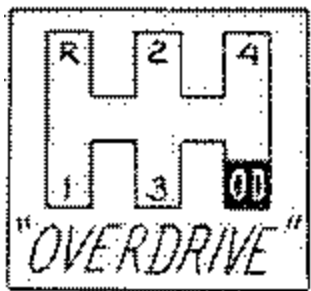


When each of your five people are in first gear five times, you will be in SECOND GEAR 25 times.

Teach your five people to teach their five to get into first gear five times, they are now in second gear 25 times each, and that puts you in THIRD GEAR 125 times.



When you have third level distributors in your organization, you are in THIRD GEAR



Have you noticed how much smoother your car runs in fourth gear? So does your organization! You want to be in HIGH GEAR (fourth Gear) as soon as you can. When your first levels are in third gear, you will be in FOURTH GEAR. Naturally, you want your people to be in HIGH or FOURTH GEAR as well, and when they are, You are in OVERDRIVE. How do you get into OVERDRIVE? YOU simply HELP TEACH the people you sponsored to get their people into THIRD GEAR, which puts them into fourth gear and puts you into OVERDRIVE.

The FOURTH THING, while you are on your journey to California, is to use the time you have to SHARE your products with the people who are going with you. Let them try them. Let them experience the benefits of the products. When they want to know where they can get them ... guess what you do at that point. So share with your friends. For a number of people, this is the retailing part of the business.

At this point it is important to notice that as we went through Napkin Presentations #1 and #2, and now here is #3, we've told you the FOUR THINGS YOU HAVE TO DO to be successful. Not once did we tell you that you HAVE TO go out and SELL. We say you don't have to sell the products in the normal sense of the word "sell". We DO SAY you need to SHARE the products with your friends. You can even share them with strangers. When they see the benefits of your products and your marketing plan, they will become NEW FRIENDS.

You don't even need a large number of customers ... say ten, or even less. If all you ever had was ten customers... hey, that's okay. All it means is item number four is a

very small portion. So what if we cover up the "four" altogether-you could still get to California by doing the first three?



NOTICE HOWEVER- If you didn't do number three, (get into HIGH GEAR), and did a lot of number four, you would never get out of the driveway. (That's what salesmen do.) Once you understand this and tie it in with number one and number two, you start developing the proper Network Marketing attitude.

Starting from square one with your new person, you want to get into their subconscious, the NUMBER "five". All you need to do is find five serious people who want to get serious about the business. When you run into people and ask them how they are doing, you may hear the response, "Gee, I can't find anyone who wants to sell." There's that word "sell" again!



QUIT LOOKING for people who want to sell! START LOOKING for people who want to earn an extra \$600, \$1,200, or \$1,500 per month without having to "go to work" everyday. Do you or they know anybody like that? Your answer and theirs, like mine, will be, "Yeah-everybody!" Well those are the people you want to talk to, because everybody would like to have that kind of dough coming in.

Simply point out that it may take five to ten hours a week of their spare time to build a business. But then we hasten to say, "What's wrong with that?"

People sometimes get into Network Marketing programs and think somehow it's all going to happen just because they signed up. Not so! Remember, the car we are driving to California does NOT have an AUTOMATIC transmission.

I know, and surely you know, people who have gone to college to get a degree, and there is absolutely nothing wrong with that. Maybe you're one of them. You go to

school everyday. You study all day and half the night, week after week, for YEARS. Then when you finally graduate-how much money can you make?

So give five to ten hours of your time each week to LEARNING the Ten Napkin Presentations and everything you can about the Network Marketing company you are representing. When you learn and understand them, you can teach the Napkin Presentations to others. The book you are now reading is your key to tomorrow's success. We don't want you to get up tight by thinking you can't teach someone what you are learning here. Sure, this may be the first time you've read or heard these concepts and we really can't expect you to know it all well enough to teach it. But then you DON'T HAVE TO!

Remember, to get into a Network Marketing program, you have to have a SPONSOR. If your sponsor is a REAL "sponsor", he will help you with, your first five people. Notice: It's a HELPING RELATIONSHIP. In the process of showing the Napkin Presentations to your friends at meetings (one-on-one or groups), your sponsor is training you as well. As a suggestion, we ask that you set some sort of goal for yourself. When you are about 20% up the ladder in your program, you should KNOW and UNDERSTAND the ten NAPKIN PRESENTATIONS. By the time you get 3/4 of the way, you should be able to TEACH others. When you are at or near the top, you will be able TO TEACH your people TO TEACH others. It's something beneficial that you can MASTER over a relatively short period of time.

With this book and/or the audio recording on the same subject, you can sit down and read and study, or listen to the recording again and again and again. If you were given an "assignment" to do the above, and you had to go through the material five, six, or even ten times, and a year from now it meant you could be making two, three, four, or even six THOUSAND DOLLARS A MONTH; is it worth spending five to ten hours a week? Now you have to admit, that's a pretty neat way to "go to school, right? Take a look at some of those college textbooks and trying to learn what they contain; they're not going to make that kind of money for you!

Welcome to Network Marketing University!

Four Things You Have To Do

1. Get in - Get Started
2. Use the Products
3. Shift into High Gear
4. Share with friends (Retail)

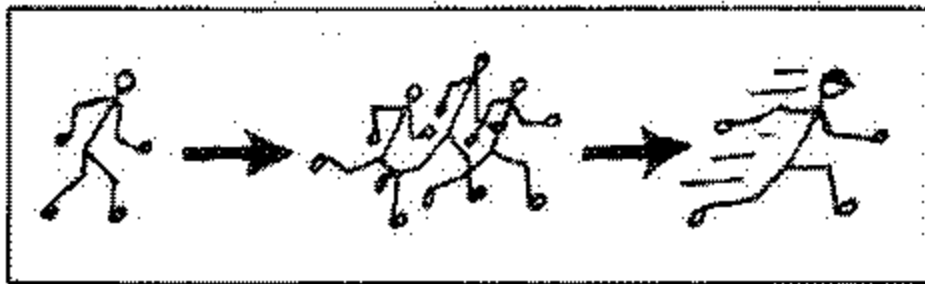
CHAPTER V

Napkin Presentation #4

DIGGING DOWN TO BEDROCK

DISCOURAGEMENT is one of the problems that can beset a new distributor that you have sponsored if you fail to impress upon them the importance of getting a HEAD START. That is why we stress that they DO NOT START COUNTING their months-in-the-business until they have had their TRAINING MONTH or their Training Period of whatever length of time they need.

When they first get into an Network Marketing organization, they may have a tendency, without a HEAD START, to look up at the leaders way out in front and become discouraged and think they will never be able to catch up.



Draw a picture of a crowd of runners. Note the arrows showing a runner trying to catch up to the crowd-and the runner going even FASTER trying to stay ahead of the others. (You may find it simpler to draw circles to illustrate this point.) Remember when you were in PE in school and were running "Laps?" People will run faster to stay ahead of a crowd, than to catch up to it. Since there is no "Finish Line" in this race, you can all be winners. I have a quote from my pastor that is displayed in my office that reads:

"THE ONLY LOSERS ARE THE QUITTERS"

However, to run a good race, one should train for it. When you sponsor someone, have him or her consider the first two to six weeks in the business as their training month. The NEXT month will be their STARTING month.

Everything they read, listen to, meetings they attend, getting together with their sponsor and other people, the products they try, and the products they move-all this TRAINING is giving them a HEAD START on their STARTING MONTH in the business, which is NEXT MONTH. When next month comes, if they're not yet ready to get serious about the program, consider that they are still in their TRAINING MONTH or period.

Don't have them start counting their months until they are ready to get serious. That way, when they finally do get serious, they will be "warmed up" for the race and can get off to a HEAD START and a FASTER RACE.

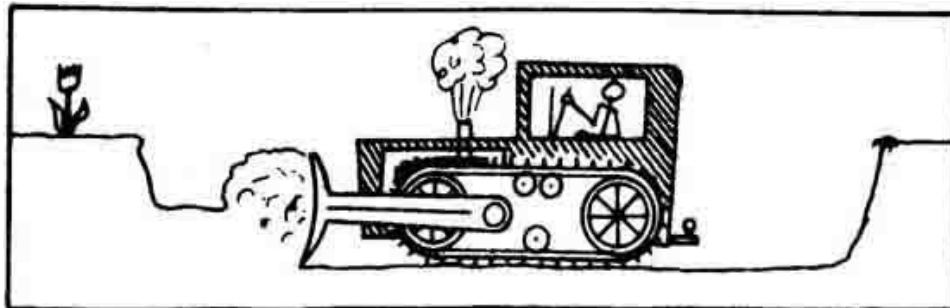
One of the major benefits of all these Napkin Presentations is that as you share them with your new distributors and prospects and have training programs, they have a tendency to become SELF MOTIVATORS. Every time I show the "2 x 2 is 4" Presentation, I get all excited again about the possibilities in Network Marketing. Once you read and study and understand what I am going to show you in the following pages, you will be motivated and encouraged every time you see a new high rise office building under construction.



Notice that when construction begins it seems like it takes months and months, almost forever, before you see it begin to rise out of the ground. But once it gets above ground level it seems to rise about one floor per week-it goes up FAST!

So picture that tall office building as your own organization as it will be SOMEDAY, and ponder what you will have to do to get it. When you first began to sponsor those first five serious people, you were digging the foundation with a SHOVEL or a SPADE.

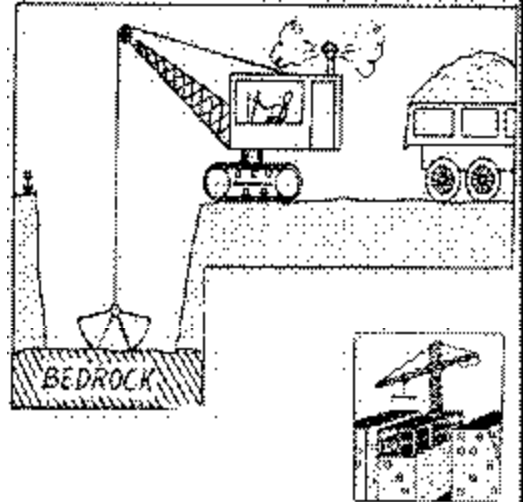
But notice that when you dig down into the second level by teaching your people to sponsor, that's 25 people now, and you have to bring in the BULL-DOZERS.



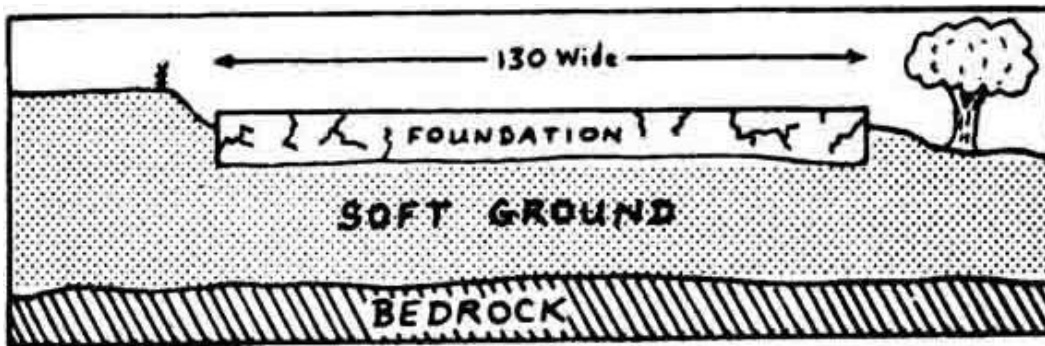
When you have taught your people how to teach the people in their group to sponsor, you are well on your way to bedrock and you are now beginning to excavate with STEAM SHOVELS! When you have begun to see the 125 third level people, you have reached BEDROCK.

Now you can start going up. When you are Down FOUR DEEP in your organization, it means you are now starting to "become visible" and your building will rise up quite rapidly. So, if you have been in the business for several months, and don't see anything happening, don't get discouraged; it's just that the foundation is still under construction.

It's sort of like the gold prospector who spent months and months digging a mine, only to give up and quit when he was just six inches from the main vein.



Again, let's go back to the salesman. That's what happens to them. They move on to something else just as they were about to hit bedrock and start seeing the building rise. You really can't expect to see the visible results of real growth until you've gone down at least four deep; if any one of your lines is four deep it means you are starting to build floors and are visible.



Picture an illustration of what the foundation of the person that sponsors 130 will look like. Notice that they haven't reached bedrock even if they each sponsored five "product-users" or "wholesale buyers" and had a group of 780.

Without a solid foundation sitting on bedrock, the building can't get too tall or it will crumble.

Relating this back to taking a trip to California, the person that sponsored 130 was in first gear too many times. If they all sponsored five, he would never get out of second gear!

LEARN these Napkin Presentations and USE THEM! You won't get stuck in second gear. Build your foundation deep, down to BEDROCK, and you'll reach HIGH GEAR!

When we get to Napkin Presentation #9 (Ch.10) on Motivation and Attitude, and the other Presentations, you will thoroughly understand why it's important to BUILD DEEP.

Before going to N.P #5, I want to remind you that these first four Presentations you want to SHOW your people AS SOON AS POSSIBLE. The ones that follow can be introduced any time after your people have started sponsoring others into the business.

CHAPTER XVI

Why Network Marketing

When you understand the following presentation, you will see why 90% of the population should be in network marketing.

In most Countries, the name of the game is to work until you retire and accumulate enough funds so you can live comfortably until you die. Living on social security would not be considered living comfortably. When you are living in the home of your choice (with no mortgage payment), driving the car of your choice (with no car payment); when your credit cards are all paid up and you have no phone bill - in other words, you have no bills - when you are in this situation and have \$10,000 coming to you each and every month whether you get out of bed or not, you would have the lifestyle better than most millionaires.

For most people to have \$10,000 coming in every month it would take \$2,400,000 in the bank at 5% interest. Refer to the Chart #1 and you will see how much money it takes at various interest rates to produce various monthly incomes. Pick the income you would like to have, then see how much you would have to accumulate to be able to get it. Remember, before you can accumulate you have to make the money, pay your taxes, mortgage, car payment and all of your bills. How much do you really have left to accumulate?

So we now know it takes: \$2,400,000 to give you \$10,000 per month.

Cut this in half: \$1,200,000 to give you \$5,000 per month.

How many people do you know that could accumulate \$1,200,000 to \$2,400,000 by the time they retire?

A person in network marketing can in 2 to 5 years build a part-time income of \$5,000 to \$10,000 per month. This money will spend the same as the money they would get from 5% interest on \$1,200,000 to \$2,400,000.

The above example is where you could be in 2 to 5 years with your residual income. Let's take a look at the first few months to one year:

It takes \$48,000 in the bank to produce a \$200 monthly income. How many people do you know that could save \$48,000 in 3 months? Almost anyone, using our system, could build an organization that would pay them \$200 per month.

Note the following:

\$48,000 in the bank to produce \$200 monthly income

\$24,000 in the bank to produce \$100 monthly income

\$12,000 in the bank to produce \$50 monthly income

\$6,000 in the bank to produce \$25 monthly income
\$3,000 in the bank to produce \$12.50 monthly income

How many people do you know that could save \$3,000 to \$6,000 per month? Most people would say no one. How many people do you know that could sponsor one friend a month? Remember this only takes 45 seconds of talking, then loan them the book to read the first four Napkin Presentations. Then get them together with your sponsor. This can be done with a 3-way call. Isn't it interesting that anyone using this system can sponsor one Friend a month and teach them to do the same.

Note: if you only sponsored one a month and taught your people to do the same, your organization would look like this:

1	Month	2
2		4
3		8
4	Month	16
5		32
6		64
7		128
8		256
9		512
10		1024
11		2048
12		4096

What if you only did this once a year and taught your people to do the same. You would be financially independent by the end of 12 years. How many people would love to be retired in 12 years? One a month would get you there in 1 year!

Network Marketing is not a numbers game like sales. A salesperson goes to work for a sales manager. Network marketing is the opposite. When you sponsor someone, you get to go to work for them. You get to choose who you go to work for!

What you really need to do to be successful in network marketing can be said in two sentences:

1. Make a friend (if you don't have any).
2. Meet their friends.

“ARE YOU SECURE IN YOUR RETIREMENT”

Do you know how much money you require in the bank to receive the amount of money you would like to have at retirement? To “OWN YOUR OWN LIFE” means to us, that you would be able to do the things that you would like to do and not worry about the cost!!!! The following chart shows the percentage of interest being paid by the financial institutions and the amount of money you would be required to have to generate the monthly amount that would meet your needs. Find the amount you would like to have and then the current interest rate being paid by the financial institutes and see how much you need to save to retirement!

<u>\$200.00 per month</u>		<u>\$600.00 per month</u>		<u>\$800.00 per month</u>		<u>\$1000.00 per month</u>	
INT RATE	AMOUNT IN THE BANK	INT RATE	AMOUNT IN THE BANK	INT RATE	AMOUNT IN THE BANK	INT RATE	AMOUNT IN THE BANK
2%	\$ 120,000.00	2%	\$ 362,000.00	2%	\$ 480,000.00	2%	\$ 600,000.00
3%	80,000.00	3%	240,000.00	3%	320,000.00	3%	400,000.00
4%	60,000.00	4%	180,000.00	4%	240,000.00	4%	300,000.00
5%	48,000.00	5%	144,000.00	5%	192,000.00	5%	240,000.00
6%	40,000.00	6%	120,000.00	6%	160,000.00	6%	200,000.00
7%	34,286.00	7%	102,857.00	7%	137,143.00	7%	171,429.00
8%	30,000.00	8%	90,000.00	8%	120,000.00	8%	150,000.00
9%	26,666.80	9%	80,001.00	9%	106,667.00	9%	133,334.00
10%	24,000.00	10%	72,000.00	10%	96,000.00	10%	120,000.00

<u>\$2000.00 per month</u>		<u>\$4000.00 per month</u>		<u>\$5000.00 per month</u>		<u>\$10,000.00 per month</u>	
INT RATE	AMOUNT IN THE BANK	INT RATE	AMOUNT IN THE BANK	INT RATE	AMOUNT IN THE BANK	INT RATE	AMOUNT IN THE BANK
2%	\$ 1,120,000.00	2%	\$ 2,400,000.00	2%	\$ 3,000,000.00	2%	\$ 6,000,000.00
3%	800,000.00	3%	1,600,000.00	3%	2,000,000.00	3%	4,000,000.00
4%	600,000.00	4%	1,200,000.00	4%	1,500,000.00	4%	3,000,000.00
5%	480,000.00	5%	960,000.00	5%	1,200,000.00	5%	2,400,000.00
6%	400,000.00	6%	800,000.00	6%	1,000,000.00	6%	2,000,000.00
7%	342,857.00	7%	685,714.00	7%	857,143.00	7%	1,714,285.00
8%	300,000.00	8%	600,000.00	8%	750,000.00	8%	1,500,000.00
9%	266,667.00	9%	533,334.00	9%	666,668.00	9%	1,333,335.00
10%	240,000.00	10%	480,000.00	10%	600,000.00	10%	1,200,000.00

We have a system whereby you can, by going back to school a few hours per week to learn how to do it. Meaning getting involved, you can secure your financial security at whatever level you wish to work for. We know if you'll learn our system you could be financially independent in 1-3 years at better than \$50,000.00 per Year. How many college graduates do into debt for their education to get a good job, yet are not able to be financially independent in 1-3 years after graduation at \$50,000.00 per year? I personally don't know any job except a home based business that can give you this opportunity. If you would like to take advantage of OWNING YOUR OWN LIFE contact the person that gave you this chart.

AN INDEPENDENT DISTRIBUTOR:

ABOUT THE AUTHOR

Don Failla started his network marketing career in 1967. He developed a proven system for building a large organization by paying attention to what worked as he built his business.

Today, Don and his wife Nancy travel worldwide teaching their proven system as international networking trainers.

They live in Las Vegas and can be reached through www.ownyourlifefunclub.com. They have two sons—Doug and Greg, and three grandchildren—Christian, Jessica and Joshua.

This book has sold millions of copies and is in many languages. It is a major part of Don's proven system.