

Michael Gerber: Retention...How Not to Fall in the
"Fall Out Trap" in Network Marketing
Monday February 27, 2006 Call

New Compliance around use of third party materials

Mannafest: Be there or be square

Upstream Salmon Club...what are you doing to get you and your people to Alaska

Michael Gerber, author of "E-myth", E-myth Revisited", did an interview for Networking Times on the Network Marketing Industry

1. Why an overwhelming majority of network marketers "quit"...they say their businesses do not work?

A. Because the people who are attracted to them are attracted for the wrong reasons.

1) What are they sold on?

--Imminent Wealth

--Easy Income

--Perfect answer to the imperfect world

--Total time freedom

B. The downside: people most often come to the business without a real business sensibility.

1) They are told "it is easy"; "our product is the ONE"; "our company is the ONE"; like Neo in the Matrix, "We're the ONE"

2) They have no rigor in how to respond to this.

3) The Result: reality is, it is very difficult to get people to do something they're unaccustomed to do...and a very few accomplish great results.

C. We give people the sense that if it's not working, it is just them who are not working.

1) You did not do what the 10% who are successful do.

2) We speak of duplication but the Jett system is hardly duplicable (or realistically, not duplicable by many).

3) Successful networkers are:

--powerful communicators
--driven
--do everything the top producers do
Truth is: "Anybody" can not be just like that. So...

2. We need to inspire people to think an entirely new way...they can not get "there" from where they are now.

A. Stop focusing on the effort to grow and shift to the effort to get it right.

- 1) Look at what it is our business actually does.
- 2) Solution: the epiphany and self-examination that leads to the development of systems.

B. Systems: 3 essential functions in the Network Marketer's Business. They must buy into the need of a turnkey system.

- 1) Lead generation: must have sources of leads...**
- 2) Lead conversion: must have some method of closing the lead, converting them to a consumer or business builder**
- 3) Client fulfillment: grow relationships, retention**

C. First benchmark is the answer to the following question:

"Am I willing to do this?"

- 1) Lots of people are not willing to contact 3-5 new people per day.

The Truth: You need to face the realization that you're going to have to do work you may not like to do...outside your comfort zone.

- 2) To be convinced to do things you do not want to do, or are not accustomed to do, you must have a "higher good"...we would refer to it as a VISION.

What do you want your life to look like when you're done?
And is this the vehicle?

3. How to work with your Business to accomplish this?

A. Approach people: "I only want to teach people who want to become the very best network marketers in the world." You are not looking for 3000 but rather 3-11 or so . As you build that core of true believers who are willing to learn how to do the business, how to do what they do not know nor may not want to do, over time something miraculous happens.

B. Must have a system, but also work on self!

Gerber talks of his book "E-myth Marketing: The Seven Essential Disciplines for Building a World-Class Company"

In this book he discussed the 5 essential skills:

- 1) **concentration**: how to focus attention
- 2) **discrimination**: choosing where to focus my attention
- 3) **organization**: to convert chaos into order
- 4) **innovation**: to constantly seek a better way of doing things
- 5) **communication**: the ability to tell a story and deal effectively with the response to that story

Formula for business to work:

1. Commitment to personal self-examination
 - Are you committed to work the system?
 - What is your Higher Good? (Vision)
 - What is supporting your commitment to work that system?
 - What is triggering living your life with passion?
2. Work the specific how-to strategies...the system
3. Develop yourself...the skills necessary to have a great business