

Subject: Great info from Harvard biz school on evaluating your network marketing opportunity
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Date: October 6, 2009 5:08:20 PM EDT

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Subject: Great info from Harvard biz school on evaluating your network marketing opportunity

hi, friends, i thought you would appreciate this info:

Harvard Business School Network Marketing Criteria
Network Marketing is being taught in more than 200 colleges including Harvard Business School. After extensive research into the network marketing industry, Harvard Business School developed three criteria that a network marketing company must meet in order to make it a most desirable opportunity. They are:

1.

The company should be at least 18 months old, as 90% of all network marketing companies that fail do so in the first 18 months.

2.

The company should have a product which is unique and highly consumable, unique in this case means that you have an exclusive product that can only be purchased from your company's distributors. Having a product that is highly consumable means repeated sales, thereby guaranteeing customers loyalty versus a one time sale and having to locate new customers.

3.

It needs to be a "ground floor" opportunity. Harvard Business School suggests that in order for the opportunity to qualify as "ground floor" the number of existing active distributors should be less than 1% of the population (300 million in the United States) in the country where this network marketing company exists. In the United States this figure is equal to 1.5 million people. Harvard Business School also stated that if there were less than 500,000 people involved, you would be on the cutting edge of a great opportunity. If the company has less than 100,000 distributors, Harvard Business School considers it to be a once in a lifetime opportunity.

There are four states of growth in a network marketing company:

Foundation:

This usually lasts 6 months. This is the period when a company develops its product and marketing plan.

Concentration:

This period lasts from 2 to 4 years when distributor network is started.

Momentum:

This period lasts 2 to 4 years also. This is when the company experiences phenomenal growth. Both retail and distributorship explode in terms of expanding growth. It is during this period that a company virtually sweeps across the nation.

When a company's sales reach \$50 million annually, they reach what is called "critical mass", (sales go vertical right off the graph). Also, approximately 2/3 of the company's growth of new distributors occurs during this period. When "Herbalife" reached 50 million in retail sales, they jumped to 151 million in retail sales in only 12 months. They also added over 800,000 to their organization.

Let us assume you have an organization which is producing an override bonus check to you of \$1,000 per month. When the company reaches "critical mass", distributors automatically experience a ten fold increase in their earnings. In other words, \$1,000 per month becomes \$10,000 per month. This is the reason for getting involved on the "ground floor" so you will experience the benefits of explosion growth.

Stability:

This period lasts for the life of the company. A network marketing company that is dedicated to the success of its distributors will experience longevity, thereby ensuring that an active distributor will realize continued earnings and growth.

Wishing you love and abundance

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