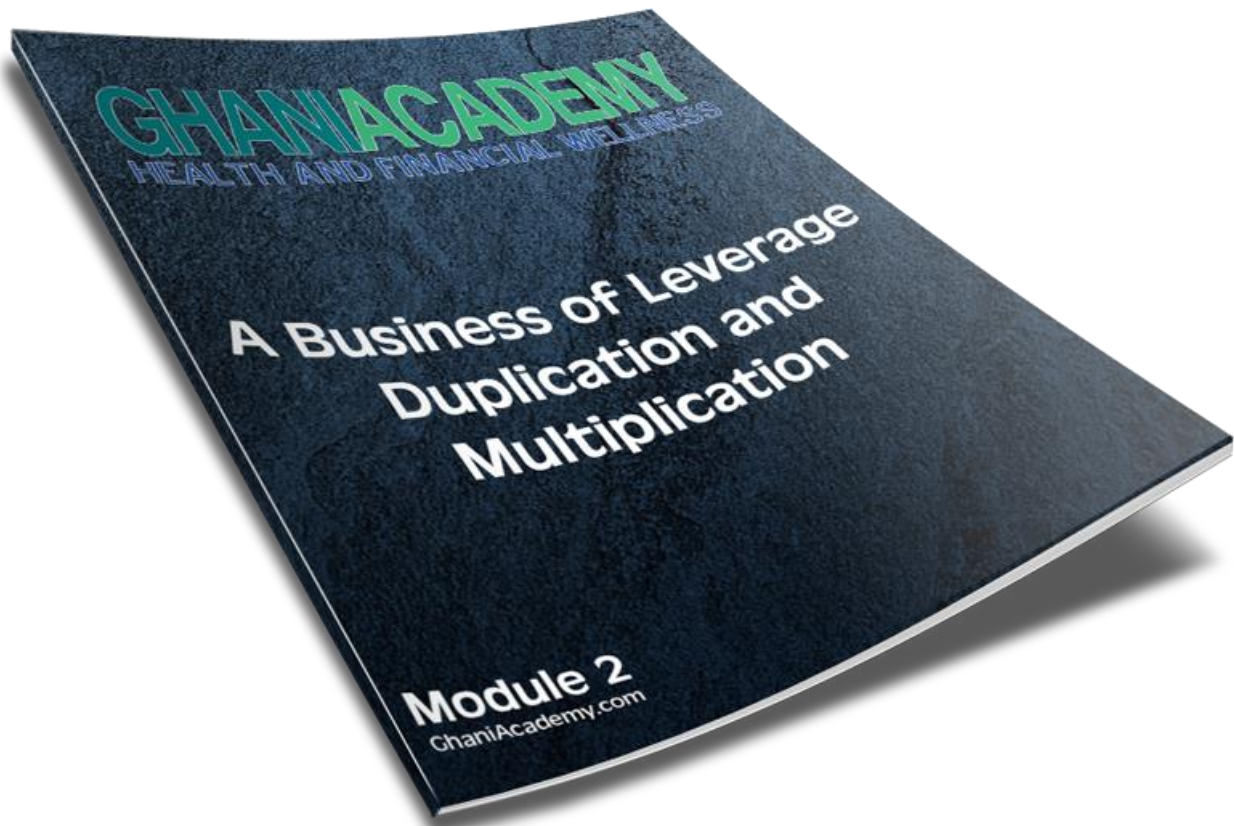


GHANIA ACADEMY

HEALTH AND FINANCIAL WELLNESS

A Business of Leverage Duplication and Multiplication

Module 2
ChaniAcademy.com



Direct Selling ~ Module 2

A Business of Leverage, Duplication and Multiplication

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The author is a successful network marketer of a large Network Marketing company that deals in supplements, personal care products and cosmetic products. Hence it is natural that the examples and references made using network marketing products could be biased towards health and wellness products. The author is recognizing this bias and no intent is being made to prospect and recruit. The sole intent for the mention of products is to give examples in the lessons. In many sections of this course, one will come across terms like; Diamonds, Star Diamonds, Crown Diamonds and the like. The mention of these terms are examples of levels or positions that could be held in a network marketing company. In many of the chapters while quoting examples, gender has been retained in some cases as male only for ease of reading. The author is not gender biased.

A Business of Leverage, Duplication and Multiplication

The best part of Network Marketing is that you need not work forever in business. The fastest way to grow is to follow the footsteps of successful people and just duplicate them - no need to reinvent the wheel. The system of duplication is time-tested and has made many successful networkers. To expand your business and achieve financial freedom, the networker needs to understand the principle of leverage, importance of width and depth, and the power of duplication and multiplication.

NETWORKING MARKETING IS A BUSINESS OF LEVERAGE

“Know your leverage. Know your worth. Know your role. Once you've figured that out you've learned life.” – Unknown

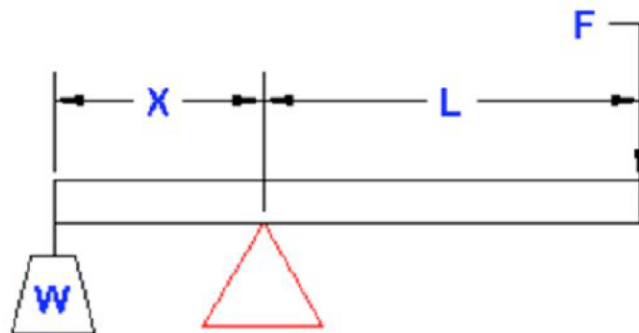
In Physics, a lever is defined as a machine consisting of a beam or rigid rod pivoted at a fixed hinge or fulcrum. A lever amplifies an input force to provide a greater output force, which is said to provide leverage. The ratio of output force to the input force is the ideal mechanical advantage of the lever.

The scientific formula for leveraging goes as below:

$$F \times L = W \times X$$

Or

$$F = (W \times X) / L$$



(F) = Force Required for Equilibrium; (W) = Total Load; (L) = Length from Fulcrum; (X) = Length to Fulcrum

If we just use the simple principle of leveraging in Network Marketing, we can consider the following changes in the formula,

F = Effort by the networker needed to get financial freedom (W).

L = Number of distributors and consumers in your team + number of years in business.

W = financial freedom or residual income - say, \$10,000 per month.

So, if you apply the above formula, to get more income, you need to have more distributors on your team and to achieve this, it will require several years of being in business.

Financial leverage is best explained by J. Paul Getty, one of the first billionaires in the world who quotes -

"I'd rather earn one percent of 100 men's effort rather than 100% of my own."

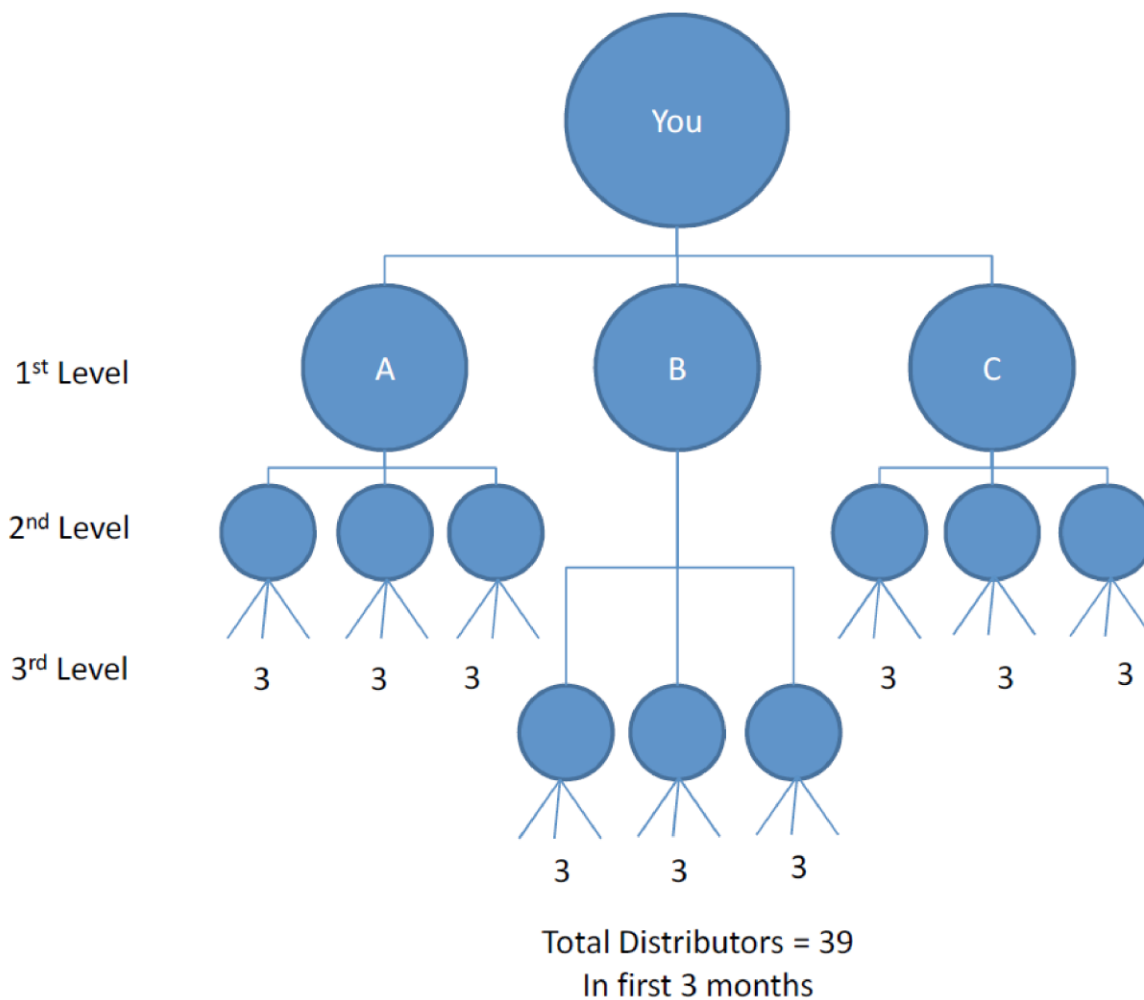
And that is exactly what all business owners do. For example, a small business owner with 10 employees working for eight hours a day, five days a week is leveraging the man hours of the 10 employees. (10 employees' x 8 hours' x 5 days a week = 400 man hours per week).

If you take another example of a bigger company that has 2,000 employees; the total man hours is equal to 80,000 man hours per week. (2,000 employees' x 8 hours' x 5 days = 80,000 man hours per week)

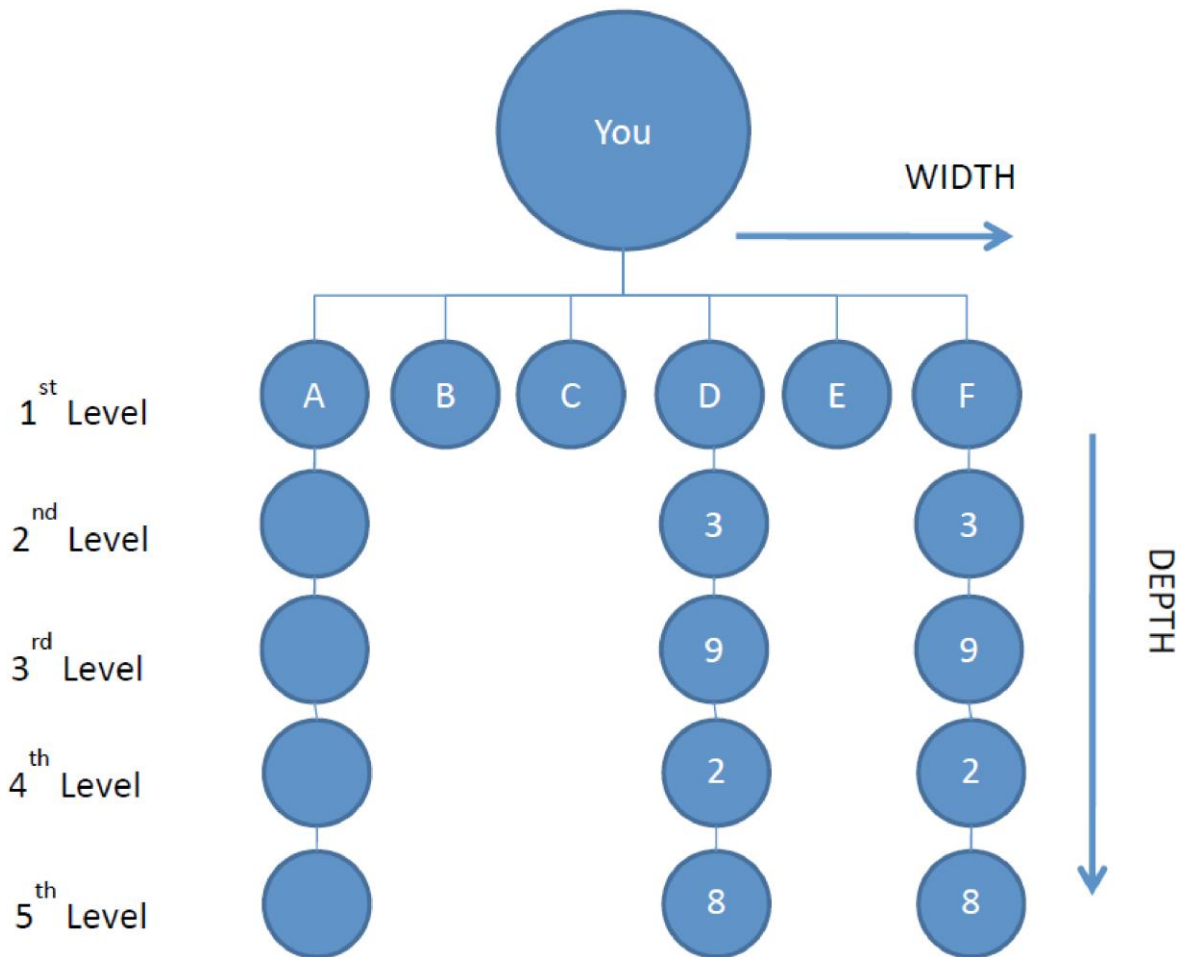
Likewise, in Network Marketing, you get your income because of the number of distributors who are using and selling the products. But one very important point in Network Marketing is anyone joining later can create more wealth than a person who has joined earlier.

IMPORTANCE OF WIDTH, DEPTH, AND PLACEMENT

It is important that right in the first week after joining the business you understand the basic marketing/compensation plan of the business. After you have recruited the first few new distributors in your team, you must learn to put them in the right place in your first generation or front line.



I call this 3x3 placement - start with 3 width-wise (A to C) and build the depth 3 deep and duplicate 3 front lines to do the same for the first three months. This will ensure you get your monthly bonus which should get you your monthly product free.



From 3rd to 6th month, open another 3 width-wise making your front line to 6 (A to F), and in the coming nine months, go 5 levels deep. Also build the depth of A, B and C to five levels. This will ensure you start getting over \$1,000 per month.

If you build your width and depth in this manner, you are assured both profitability as well as a good bonus. This is where the business starts and if you manage to duplicate well, you should stabilize your business in one year and will be promoted to a higher status and start getting a decent income. Even if your growth is 50%, e.g. all your 5 levels get half the distributors in their team; you will still be earning a respectable income.

If for example, you become Star Diamond by having 6 widths and 5 depths, your next target should be to make your front line a Star Diamond, this may take 2 to 3 years, but this will boost your income and by then you will start earning residual income.

Here you must understand that in addition to width, you should focus on making more Star Diamonds depth-wise in every line. The more Diamonds you have in your group, the bigger the bonus you will get, which will ultimately give you the financial freedom.

POWER OF NETWORK MARKETING

The power of Network Marketing is in duplication - what you duplicate best, multiplies exponentially. You might have recruited just 10, but you need to put in 10 months of skilled training to get the right result. And that 10 multiply to 100, and then to 1,000, or even 10,000 in a few years. Your money comes from your 2nd, 3rd, 4th or even 25th level of distributors in your team - most of the distributors you would not even know. But if you train the 1st and 2nd level properly, they will do the same with their 1st and 2nd level, and that will be your 3rd and 4th level. So, you as a leader to ensure the growth in the depth of your downline, should train your leaders to do the same. This is a domino effect which will continue to the 50th level and beyond.

SECRET OF NETWORK MARKETING:

In Network Marketing, what can be duplicated will give you good income for a long time. If you are unable to duplicate, your business will not last for a long time. Most people in the third world countries are not very technologically comfortable or cannot afford to have laptops or multimedia projectors. When they see you with all the modern gadgetries, talking about the opportunity, there is an immediate signal in their mind "I can't do this." You should send a

signal to these non-technical prospects that they can do the business. Best way is to have a simple business folder (System B) and on a plain paper draw the circles and explain to them the business.

This is how in and around 1950 and 1960, the Network Marketing business started. Bottom line, the prospect wants to find a solution to their problems and experience the benefits of the product/service.

From duplication comes momentum and from momentum comes multiplication, and that is where you get financial freedom.

WHAT IS DUPLICATION?

Duplication is the key to success in network marketing. It all starts with your success, followed by how many more you make successful in your team. This is only possible if your team follows a proven system, which I have explained in depth Part 2 of this book. The new member/recruits should be able to understand and implement these simple systems.

“The key word that creates freedom is duplication” - Nathan Ricks

Once you have your first 6-10 front line team members in place, your next most important task is that they follow the duplication system. Then only, will you be able to generate a massive income from the network marketing business. The entire duplication process may take 3-5 years to get a respectable residual income. The power of network marketing kicks in when you start getting money by the effort of people who are doing exactly what you have taught them to do. People join network marketing from all walks of life, some are highly educated and some are not. What makes a networker successful is having the ability to follow a proven system consistently over a specified period of time. A new member in your team needs to build 2 categories of people in his group, consumer group and a new member group. Both the groups produce PV which ultimately translates into a bonus. But a duplication

system is needed and needs to be followed by the new member group, who has joined your team to do business and the new members can only build a large network, provided they upgrade themselves through the different phases of duplication system.

WHAT ARE THE DIFFERENT PHASES OF DUPLICATION SYSTEM?

1) Member/consumer phase: Here member joins the business and need to consume the product, so that he becomes “product of the product” and learn about the benefit of the product.

2) Distributor phase: In this phase, the new member learns about the business (compensation plan and network marketing system) and starts talking to people about the benefits of the product as well as the business. Here he need help from his sponsor or up-line success leaders about prospecting skills. In this stage, his team starts to grow and within a year, he understands the business fully and has reached the Diamond level.

3) Business builder phase: In this phase, he has at least 10 active front lines and has started giving presentations and trainings. He has acquired the role of a leader and his front line new members have started following him. The time period to reach to become a trainer may take two years.

4) Coaching and mentoring phase: This is the ultimate phase, where he has reached the highest level where he is coaching leaders and started making leaders. In order to attain this position, it may take 5 to 7 years. This is the phase all networkers dream of where he starts getting residual income—more than then the income is the respect he gets from his coaches and mentees.

Your success in network marketing is directly related to how many people you have trained and made them into leaders. The duplication system demands mastering of the above four phases.

"Your GOAL is to go from a follower, to a leader of followers, to a leader of leaders. Your goal is to empower your team to be better than you."

- Rob Sperry

The eight weeks' step by step simple coaching program in this book teaches the duplication process. This coaching system puts a new member at the start of his business on the right track. It is just like an airplane flying from point A to point B covering 1,000 miles. This plane needs to be on the exact bearing in order to reach the correct destination. If in the beginning the direction is off by 1 degree, after 1,000 miles, the aircraft will be completely off the track and cannot reach the destination. This is exactly what happens to most of the new networkers who start their business without a map or a compass. My proven 6 simple systems coupled with 8 weeks practical coaching program provides a map with a compass to attain the desired goal for all networkers.

What you need to learn and practice religiously is the six systems coupled with four phases of duplication system. Once you master the two systems, then you can easily teach the newcomers. And this is only possible if you as a coach monitor the progress of the new members in eight weeks through the weekly coaching form given in part 3 of this book.

Out of the six systems, System D - the Natural Approach is the most critical. You need to know the need and the want of the person and once you identify that, you ask a simple question; if I could show you a

way to get an extra income by helping people, would you be interested to find out how?

WHAT IS NEEDED IN DISTRIBUTOR PHASE?

The critical phase of duplication is the distributor phase, where the new distributors have to be disciplined and needs to work hard and do the following:

- 1) To Do Checklist through the eight-week coaching program.
- 2) Learning from the networking marketing video and audios.
- 3) Focusing onto getting the first bonus by making new members and consumers.
- 4) Plugging the new member to the company and your personal training program through seminars, webinars, Skype and YouTube and connecting with them through WhatsApp and SMS's.
- 5) Learning and building team culture.
- 6) Showing the importance of events, which boost one's knowledge on products and business, provides much needed motivation, and gives a platform to build the relationships with other leaders and speakers.
- 7) Home meetings are an informal setting where new members bring their prospects and through demonstration and success stories of other existing members, the prospects are educated about the product as well as the business.
- 8) Learning and using new technology. Compared to yesteryear, today, the biggest change and the effective tools in the network marketing industry is the use of technology – websites and social media.

WHAT DO YOU DUPLICATE?

As per the famous quote, network marketing involves a large group of people doing a few simple things over an extended period of time. Here you perfect the duplication by repetition. What does a networker do consistently?

- 1) Talking to new people with the natural approach
- 2) Qualifying them, followed by giving natural presentation
- 3) Having regular home, hotel and office meetings.
- 4) Attending all seminars, webinars, and events.

WHAT DOES REPETITION DO?

“Doing things over and over again, which ultimately produces predictable results.”-Jim Rohn

COACHING IS THE FOUNDATION OF DUPLICATION

As you are coaching, you learn more; especially from the questions you are asked. In the duplication system, your goal should be to make leaders who can also become coaches and trainers. Leadership training is the ultimate duplication. Remember all members will not become leaders.

Leaders need to give lots of hours to their followers and definitely have to be out of their comfort zone. If you find a fired up new member eager to learn and is constantly asking questions, he has the seed to become the future leader. Invest more time in developing him to become a new leader. We have heard so many times that leaders are not born but made. That making of the leader is the duplication that you are doing.

WHAT SHOULD THE LEADERSHIP TRAINING ENTAIL?

- 1) Basic product presentation
- 2) Basic business presentation
- 3) Home and hotel presentation
- 4) One-on-one group meeting
- 5) System A to F training
- 6) Advanced product and business training

If you are a diamond and if you do the right duplication, you will build 10 to 20 diamonds to reach your top level. Becoming a diamond is easy, but making 10 diamonds in your front line is an uphill task. This can only be achieved if you follow the right duplication system. The objective of leadership duplication is to train one person one to one. And he gets his best 6 active members in his front line. He talks to one person for 30 minutes per week and in 6 days from Monday to Saturday; he has spoken to 6 people. End of the week, he has coached all 6 of the new members. And now you as a master coach have to invest more time with your leader on the 7th day. You need to sit and answer all his questions and find out how he performed with his 6 members. Your one front line leader coaching his new 6 members will ultimately duplicate not one but seven leaders.

WHAT CAN BE DUPLICATED EASILY? (Detailed in later Modules)

- 1) System A – Making and qualifying a prospect list
- 2) System B – Understanding how to handle objections
- 3) System C – Preparing marketing/business tools
- 4) System D and E – 3 way call or meetings
- 5) System F – The follow up and follow through

HOW AND WHY THE DUPLICATION SYSTEM WILL WORK?

If the following are implemented one can master the duplication system in three years' time:

- 1) Prioritizing tasks
- 2) Creating urgency
- 3) Complete commitment
- 4) Consistency and perseverance

CAN YOU DUPLICATE YOURSELF?

Yes, you can, provided the person you are teaching and coaching has the hunger to duplicate.

CORRELATION BETWEEN BONUSCHECKS AND LARGE ORGANIZATION

In Network Marketing, your income is directly proportional to the size of your organization. The larger your organization is, the larger your income will be. Large organizations whose members are regularly maintaining their monthly PV's, (personal volume's) will reward you with big bonus checks and ultimately produce the residual income you have been looking for. So, it is important for you to understand in order to build a large organization, it will require you to duplicate and replicate your front lines. Teach your front lines to do the same. Rinse and repeat. This is how you leverage growth.

DUPLICATION TO MULTIPLICATION:

Your business will only multiply if your duplication is strong. Duplication is much easier if you sponsor one and your first level/frontline also sponsors one and everybody (in your first level) does the same until your 5th level. So, in five months you will have a total of 31 members in that one line.

Levels	Members in Downline					
Level 1	1	2	3	4	5	6
Level 2	2	4	9	16	25	36
Level 3	4	8	27	64	125	216
Level 4	8	16	81	256	625	1,296
Level 5	16	32	243	1,024	3,125	7,776
Total	31	62	363	1364	3905	9330
Multiplying Benefit>		2x	12x	44x	126x	301x

If you increase your number of sponsors by 2 and in all five levels and they duplicate the same amount, you will have 62 distributors and your business multiplies by exactly double, compared to sponsoring one just person.

Imagine if you sponsor six in all five levels in your down-line, and they also sponsor six each, you will have a total of 9,330 distributors. The power of multiplication is evident when you compare sponsoring 1 to 5 levels (getting 31 distributors) and sponsoring 6 to 5 levels (getting 9,330 distributors). Your business will be multiplied by more than 300 times.

I am not saying you sponsor all six distributors at the same time, you start with sponsoring just two passionate distributors per month and in

three months you will have six distributors in the front line and within a few years, all your five levels deep will sponsor six to make the number go up to 9,330. There is no need to rush, but if you duplicate correctly by prospecting only serious distributors, the magic of duplication and multiplication will reveal itself.

WHAT HAPPENS, IF YOU DO NOT USE DUPLICATION?

We have seen, on many different occasions, that many serious Network Marketers burnout in a couple of years and leave the Network Marketing business. The main reason for this burnout is that they never duplicated nor taught their distributors to duplicate the business and without duplication there was no multiplication. They sponsored from the first month all the way through until they quit (2-3 years). And all this time they kept on sponsoring and recruiting distributors without teaching or coaching – at the end of the day they have a small organization which gives them a small bonus/check. At times the income is so small that they cannot afford to even purchase their monthly free products for personal use.

WILL ALL SPONSORS MULTIPLY AND DUPLICATE?

No, it is not practical that all distributors will duplicate you or their sponsors. If you are serious and sponsor 6 and duplicate the same until the 5th level, ideally the figure is 9,330. If your team does 50% of the ideal figure of 9,330 you will still have 4,665. Worst case scenario, if your team does only 10% of 9,330 you will still have 933 distributors and this number is good enough to give you few thousand dollars provided all of them do their monthly PVs.

POWER OF DEPTH

If your compensation plan pays deep, and does not cut off until the 10th or 20th level, you are bound to get a big bonus. Now the secret is to look out for the leaders in depth and help and support them even if they are in the 20th or 40th level. The compensation plan where dynamic compression is used is truly a great plan. I have seen many that join in the first and second level not working while 3rd, 4th, 10th, 11th, 13th levels are working. The beauty of dynamic compression is that their 3rd to 13th working levels will compress and become your front five levels of business.

PARETO PRINCIPLE OR THE 80-20 RULE

The Pareto principle (also known as the 80/20 rule, the law of the vital few) states that for many events, roughly 80% of the effect comes from 20% of the causes. It is a common rule of thumb in business; e.g., "80% of your sales come from 20% of your clients."

In Network Marketing, you get the bonus from the entire group. Interestingly your 80% of your business is done by 20% committed business builders/leaders and their entire groups.

After five to 10 years in the business you may have 15 or 20 distributors in width and your depth may go as deep as 30 or 60 levels. If you monitor closely, you will notice that 80% of your bonuses will come from 4 to 6 lines. We call these lines, your power or dinosaur legs.

The rest of the lines simply give you profitability. In order to get quick money and status, you can build your width, shallow depth. This strategy will not give you big money. The big money only comes from building depth.

In the Funnel theory (Module 7), you will learn that you will have to sponsor a couple of new people each month even if you are a Crown Diamond - to replace all dormant distributors or leaders. You will also want to make sure that every month, you review your bonus statement and make notes to who may have joined your team, review who has met monthly PV's, and who may have reached a new level in your organization. If you closely monitor your organization, you will build a network that will guarantee you long-term financial security.

IMPORTANCE OF MAINTAINING YOUR PERSONAL AND GROUP PV

Network Marketing business and leveraging revolves around product being purchased and PV being done from each purchase. It is paramount that you and your team should buy products for personal consumption. In addition, sell the products by retailing by giving them to consumers. Members are required to do 100, 300 or 1,000 PVs. And many times they fail to do their monthly PVs, resulting in no bonuses. As in real estate business, it is all about location, location and location; likewise, in Network Marketing, it is all about qualification, qualification and qualification, right from approaching a prospect to getting the monthly bonus. If you qualify the right people and you along with your team members every month maintain monthly PVs, you are bound to get your bonus. If you are looking for a big bonus, then a large number of members in your team have to do 300 or 1,000 PV every month.

HOW TO QUALIFY AND MAINTAIN YOUR PV?

- 1) **Personal Consumption:** Buy products for your own consumption.
- 2) **Healthy Consumers:** You should have a growing list of young and old healthy consumers who don't want to become a member, but are interested in buying products from you, so that they remain healthy.
- 3) **Sick Consumers:** These consumers are those who are sick, having minor or major health issues and had been using medicines and are now looking for some natural cure.
- 4) **Gift:** Instead of giving traditional gifts you can make a gift hamper of supplements and other products. With your gift, you are benefiting them health-wise and at the same time you are benefiting yourself PV-wise.
- 5) **Selling:** If you are good in selling and want to sell, you SHOULD sell. You can retail the product person to person or sell in bulk. There are 2 advantages in selling the products; you can get retail profit and make instant money and accumulate all PV's.
- 6) **Building Consumer Base:** If you have products always available in your house, it is much easier and convenient to give your consumers the products on demand. This will create a positive consumer base and when they find the benefit, they may become members.

Worksheet

What is the importance of width and depth in Network Marketing?

What is duplication?

What are the different phases of duplication?

What is needed to be done in distributor phase?

What is the difference between duplication and multiplication?

How are 80-20 rules used in Network Marketing?

How is Network Marketing different from a job or traditional business?

What is the importance of doing monthly PV?

What are the different categories of consumers?
