

# The Three Main Powers Of Network Marketing

By Kirk Bannerman

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Network Marketing, 'MLM', and Multi Level Marketing are all terms that refer to the same type of business model. This industry has had more than it's share of scumbag crooks and con artists that have used and abused the concept. However, if you do your homework and get involved with a legitimate network marketing organization, this business model has exceptional income potential.

Network Marketing can produce outstanding results if you know a few simple concepts, the understanding of which is critical to your success.

Network Marketing, MLM, and Multilevel Marketing are unlike franchises or conventional businesses in that they take advantage of all three of the important, yet misunderstood principles of:

- 1) Leverage (of Time and Money)
- 2) Residual Income
- 3) Geometric Growth Through Duplication

Unfortunately these principles are not well understood by many of the people that undertake network marketing. And that's just one of many reasons why so many fail at network marketing. There are lots of other reasons, and it would take volumes to cover them all. But this is one of the more common ones. Because if you don't comprehend and believe in these principles, it's impossible to help others fully understand and appreciate them.

First, lets look at LEVERAGE:

Every successful person or business takes advantage of leverage. There are only 24 hours in a day and no matter how talented you are or how much you get paid per hour, if you don't take advantage of leverage you're limited by the number of hours in a day. As a side note, I have heard of cases where an occasional lawyer was billing more than 24 hours per day...but, I guess that's another story. By learning to leverage your time, you can also benefit from a percentage of other people's efforts, and dramatically increase your income while creating more free time for yourself.

The unique and wonderful thing about the Network Marketing business model is that everyone has the same opportunity to become the 'owner' of his or her own business - with a fraction of the investment of time and money of a franchise or traditional business.

In network marketing the people at the top definitely have a vested interest in helping others on

their team succeed.

Would you rather receive 100% of one person's efforts, or 5% of the efforts of 100 people?

Obviously 100% of one is always only ONE. But 5% of 100 is FIVE.

Not only will the total result with leverage almost always be amplified, but your income is not dependent on only one person. If your income is produced by the activities of many, it is much more dependable. Even if something unexpected or negative happens to one or more of those people, it only has a minor effect on the total production.

It's great to get paid while you're sleeping or away on vacation. That's one of the many advantages of leveraging your time.

Now, lets consider RESIDUAL INCOME:

When someone mentions residual income many people automatically think of actors or musicians.

Residual income is recurring income that you continue to receive long after the work you've done to produce it has ended. There are lots of ways to produce residual income. However, many people don't understand it, and still others have never thought about or been exposed to it.

A very simple example of residual income is interest earned on money in the bank or investments. You continue to receive this income without having to invest any more time to produce it.

Suppose you had the choice of doing a job and earning \$1,000 once, or getting paid \$50/month for the rest of your life...which would you choose? If you chose the \$50/month you obviously "get" the concept of residual income.

Clearly, \$50/month will surpass a single payment of \$1,000 relatively quickly. And if it lasts for a few years, or better yet - the rest of your life - it will really be a blessing.

Residual income is certainly not about "getting rich quickly", even though with the right opportunity it's possible to produce a substantial residual income stream in a relatively short time.

Most people who fail at network marketing either choose the wrong network organization or just give up too soon and quit because they expect overnight results. It is important to recognize that the real beauty of residual income is on the back end, not the front, and that once you build it you have the financial security and time flexibility to do just about anything you desire for the rest of your life!

Last, but not least, lets address GEOMETRIC GROWTH (DUPLICATION):

The classic illustration of geometric growth is the frequently used penny-a-day example.

If you save one penny on the first day, and double it every successive day, (day two you have 2 pennies and day three you have 4 pennies, and so on) how much will you have at the end of 30 days?

The answer, to the astonishment of many, is \$5,368,708! Amazing, but true.

That's a simple and dramatic illustration of how networking can work. If I can teach you, I've doubled myself. If we each teach someone else, we've doubled again. As this duplication or geometric growth process goes on and on, it can produce some amazing results in a relatively short period of time, just like the penny example above.

So there you have it, understand and apply these three principles

- 1) Leverage (of Time and Money)
- 2) Residual Income
- 3) Geometric Growth Through Duplication

and, given sufficient time and effort, you should enjoy a successful and financially rewarding network marketing experience.

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Kirk Bannerman operates a successful home based business and resides in California. For more details, visit his website at <http://business-at-home.us>

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