The History and Future of Network Marketing
In The Beginning
Carl Rehnborg, Lee Mytinger and William Casselberry of Nutrilite Vitamin company created the MLM or Network Marketing concept in 1945.
“Multi Level Marketing” constituted two simple rule changes for how typical Direct Sales operated.
First

Any distributor now at any rank could and should enroll or “sponsor” others.
This created a compounded effect of how fast new distributors could join the company.
Sales representative growth could grow geometrically like lilies on the pond.
Second

Instead of a representative just being paid on their own sales, they could qualify to earn on virtually all of the sales on all of the levels of representatives enrolling as a result of their sponsoring.
This impacted incomes dramatically ... from a few hundred a month to tens of thousands ... even potentially more.
Even back then hype and exaggeration was a common method of operation.
Rehnborg acted as “scientific advisor” telling distributors Nutrilite supplements contained a “secret base of unusual therapeutic value.”
Nutrilite Products
Nutrilite Products

A “how to get well and stay well” booklet was the primary sales piece representing Nutrilite as effective against almost every disease known to man.
The FDA executed many product seizures and ultimately issued a consent decree dated April 6, 1951 against Nutrilite and the booklet was banned.
Top Nutrilite distributors began selling for Numanna Labs resulting in Nutrilite filing suit citing the 2-year non-compete as part of their distributor agreement.
Nutrilite Products

The FTC later ruled Nutrilite’s 2-year non-compete in violation of Fair Trade Acts.
Nutrilite Products

1950

Rich De Vos and Jay Van Andel began a Nutrilite distributorship that peaked at over 2,000 distributors.
1959
Rich and Jay form American Way Association (Amway) selling household cleaning products while continuing their Nutrilite distributorship.
1972
Amway purchases Nutrilite from Carl Rehnborg’s estate.
The early 70’s were The Wild Wild West for network marketing. Pyramid scheme legislation did not exist. “Pyramid” schemes were not defined and not illegal.
Companies such as Holiday Magic, Bestline, Koscot Interplanetary and Dare to Be Great flourished.
Glen Turner with his ‘Dare to be Great’ and Koscot Interplanetary opportunities redefined what “Fast Growth” meant.
Most states, in response to the unprecedented success, wrote specific laws to regulate Glenn Turner’s business model right out of business.
1979 Federal Trade Commission vs. Amway rules Amway is NOT an illegal pyramid scheme.
The Renaissance Period
In March 1992, Success Magazine does the first ever positive endorsement and educational article ever done on the industry by a mainstream magazine...
and outsells every issue in the 100 year history of the magazine.
Authors such as John Milton Fogg dedicate their careers to educating and training the virtues of Network Marketing done right.
1,000,000 copies sold
In 2010...

$125 billion in revenue
150 countries
75 million men and women are network marketing distributors.
Almost 20 years of consecutive growth.

Fewer than 1% of the population involved so far.
175,000 new people in the U.S. and another 300,000+ around the world join a network marketing company every week.
2009 through 2011

The top 7 publicly traded network marketing companies averaged 268% increase in share value.
“Mad Money” market guru Jim Cramer recently told his CNBC viewers:

“Direct selling has never gotten its due from Wall Street. It’s time we recognize that the direct sales model works, and it works well.”
“From 2006 to 2016, there will be ten million new millionaires in the U.S. alone...many emerging from direct selling.”

-PAUL ZANE PILZER, World-Renowned Economist and Best-Selling Author of The Next Millionaires
“...Direct selling gives people the opportunity, with very low risk and very low financial commitment to build their own income-generating asset and acquire great wealth.”

-ROBERT T. KIYOSAKI, Author of *Rich Dad Poor Dad* and *The Business of the 21st Century*
“Network marketing has come of age. It’s undeniable that it has become a way to entrepreneurship and independence for millions of people.”

-STEPHEN COVEY, Author of *The Seven Habits of Highly Effective People*
“You strengthen our country and our economy not just by striving for your own success but by offering opportunity to others…”

-BILL CLINTON, Former U.S. President
Key Note Speaker for the Direct Selling Association’s 2012 Annual Meeting.

-GEORGE W. BUSH, Former U.S. President
“[Network marketing is] a tremendous contribution to the overall prosperity of the economy.”

- TONY BLAIR, Former British Prime Minister
“…you don’t need to create a business plan or create a product. You only need to find a reputable company, one that you trust, that offers a product or service you believe in and can get passionate about.”

“…the first truly revolutionary shift in marketing since the advent of ‘modern’ marketing at P&G and the Harvard Business School 50 to 75 years ago.”

-TOM PETERS, Legendary management expert and author of *In Search of Excellence* and *The Circle of Innovation*
“...a home-based business offers enormous benefits, including elimination of travel, time savings, expense reduction, freedom of schedule, and the opportunity to make your family your priority as you set your goals.”

-ZIG ZIGLAR, Legendary author and motivational speaker
“...How the best organizations of the future might run – in the spirit of partnership and freedom, not ownership and control.”

-JIM COLLINS, Author of *Built to Last* and *Good to Great*
“What works is delivering personal, relevant messages to people who care about something remarkable. Direct sellers are in the best position to do this.”

-SETH GODIN, Best-selling author of Permission Marketing, Unleashing the Ideavirus and Purple Cow
“Direct selling is actually one of the oldest, most respected business models in the world and has stood the test of time.”

-DONALD TRUMP, Billionaire Businessman

*Now owns the Trump Network*
“The direct selling business model is one that can level the playing field and close the gap between the haves and have-nots.”

-RAY CHAMBERS, Entrepreneur, Philanthropist and Humanitarian who now owns Princess House
“…best-kept secret of the business world.”

-ROGER BARNETT, New York Investment Banker
  who now owns Shaklee
“The best investment I ever made.”

-WARREN BUFFET, Billionaire Investor
Owns three direct selling/network marketing companies
99% of Americans are still not involved…

that’s 285 million people
99% of Americans still do not have a solid financial freedom plan
The 40/40/40 plan does not work anymore …
Work 40 hours a week for 40 years for 40% of what was not enough even for the 40 years.
We are Dawning the Day...
When most people in the world are building their wealth via the Asset Value of a Residual Network Marketing Income.
How are we going to do it?
How are YOU going to do it?
Are you ready to draw a line in your sand?

Are you the Ship or the Lighthouse?