

SPECIAL REPORT

The 7 Laws

of Network Marketing
Leadership

RANDY GAGE

Author of the international bestseller,
Making the First Circle Work

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Network Marketing is all about leadership development. To really succeed at a high level, you need the ability to identify existing leaders, recognize upcoming potential leaders, and then help those potential leaders step into their greatness.

Not only must you lead your team, but you must eventually step aside and make room for new leaders to emerge and take over your role. Your job is to work yourself out of a job.

After spending 25 years working and analyzing these processes, I've quantified them into seven leadership laws. To truly become a great leader in the Network Marketing profession, you have to be in accordance with all of these laws. Now only must you work in accord with them, but you must live your life in accord with them. Let's look at the list, and break down how you apply them...

Leadership Law #1:

The First Person You Lead is Yourself

When I was a year or two into the business, I was complaining to my sponsor about my team. Most of them were lazy, never brought guests to the meetings, and just wanted to wait around for their group to make them rich. I wondered why they couldn't be more like me.

Unfortunately they were. That was the problem.

I had made the classic mistake of many beginners in Network Marketing: thinking that you can sponsor a few people and then manage them into making you rich.

Sorry, that dog don't hunt.

As I pointed out in my book, *Making the First Circle Work*, it's really about personal responsibility. Because our business is one of modeling behavior. It doesn't really matter what you tell your people; what they're really taking note of is what you do.

You're never really off display. They notice if you bring guests, sponsor new people, attend events, and follow the system. They study how you respect and edify the sponsorship line (or don't). They watch how you handle problems, interact with the company, and speak about others when they're not around.

You are responsible for going first, testing the way, finding what works, and then sharing that information down the group. (Although hopefully you have a sponsorship line that has done much of that, and your responsibility is more about teaching and perpetuating the existing system of duplication.)

Success requires you be a unique amalgamation of mentor, coach, teacher, commanding officer, and partner. People don't work for you, they work for themselves, but of course what they do impacts your own results and income.

This requires a delicate dance of supervision, training, demonstrating, and leading by example. And that's not something you're going to learn in your distributor kit.

In fact, the best training I ever got for Network Marketing didn't come from Network Marketing...

What helped me more than anything else was the work I did running political campaigns, serving on my condo board, and being president of the Chamber of Commerce, the local chapter of the speakers association, and my church board. Because in each case I was working with an all-volunteer army. When you can't hire and fire people, you're forced to learn how to inspire, lead, and partner for a common goal.

And all leadership starts by example...

You have to prove you are capable to lead yourself first, before you can expect anyone else to decide to follow you. And the paradoxical thing is that when you control your own actions, it actually influences the actions of your whole team. You cause certain behavior to happen and a culture to be formed, but you do it by modeling the behavior yourself and being the example people decide to duplicate.

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Leadership Lesson:

When you're ready to lead, start with the person in the mirror.

Leadership Law #2:

You Grow Your People, and They Grow the Network

You can't actually grow your network, no one can. Networks are constantly morphing organizations, made up of many divergent kinds of people, culture, work habits, systems, and philosophy. The individual actions of the majority become the driving factor of what the network does.

And that starts with personal growth...

One of the things I've been saying for more than twenty years now is – *you business will grow only as fast as you do*. Everything you do to grow yourself somehow helps your business grow.

Learning a foreign language, taking a philosophy class in night school, or even studying yoga will cause good things to happen in your biz. There is an osmosis that takes place as you grow in any area that transfers to other areas.

You develop confidence, poise, wisdom, knowledge, and skills. All of these things make you more attractive to prospects and increases the respect you receive from your team.

The key is creating a culture of personal growth in your team...

It's not enough to tell your people to read positive books or listen to positive audios. Truth is, most people don't even know what that means.

If you have a structured self-development program for your team, you'll see dramatically better results. Things like a book of the month program or subscription series for audios work amazingly well.

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Leadership Lesson:

Just like your own growth grows your business, the growth of the individual people on your team is what causes your network to grow.

Leadership Law #3:

You Don't Manage People – You Lead People and Manage Things

One of the big problems in Network Marketing is the terms companies adopt for rank advancements. They love to give people titles like Manager, Directors, and Supervisors. And these are usually for entry-level ranks.

So what happens?

Someone sponsors four people and becomes a “Manager.” Now they want to stop recruiting and “manage” their team. Or they have ten team members, which makes them a “Supervisor.” Now they think it's all about supervising their group instead of actually doing the business.

Network Marketing is not about managing people, it's about leading them. That means setting an example, modeling the behavior and reaching down in the group, guiding and training.

About ten years ago I was asked to contribute a chapter to a book on leadership. They asked me to define it. I said...

Leadership is the ability to cause people to willingly do things, they wouldn't ordinarily want to do.

That's all leadership is in a nutshell. Not *forcing* people to do things; *causing them to want to do things*. Especially things they normally wouldn't want to do.

We often look to the military for leadership examples, because the examples are so compelling. Someone decides to charge a machine gun nest, throw themselves on a grenade, or take some other heroic action to save their unit or innocent civilians. That doesn't happen without strong, powerful leadership from the field leaders, perhaps even up to the head of State.

Now obviously we don't need such dramatic actions from people in our business. But when you lead the team adroitly, you do cause them to decide to do things they didn't want to do when they first joined the business. These can range from buying and wearing their first tie, hosting their first home meeting, or speaking in front of a large crowd.

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Leadership Lesson:

Manage the things: autoships, event attendance, volume, training, etc. But when it comes to your people – lead them.

Leadership Law #4:

True Leaders Don't Develop People's Belief in the Leader — They Develop Belief in the Followers

Many people think leadership is about creating confidence and belief in them as a leader. Demagogues may do this, but they're not really advancing the cause. Leaders who make a positive difference, build the belief and confidence in the people who follow them – in themselves.

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Leadership Lesson:

Don't sell your team on what a great leader you are. Sell them on their own ability to have more, do more, and become more. Build their belief in their own unique abilities to be great, and you will truly be a great leader.

Leadership Law #5:

If You Ask Everyone to Lead — No One Does

You probably heard about the study regarding human behavior when a large crowd witnessed a mugging. No one called the police because there were so many bystanders, everyone assumed someone else was doing it. There's a similar dynamic about leadership in Network Marketing, and it leads us to what is probably the biggest mistake people make in the business...

They assume everyone that joins the business is a leader, or wants to become a leader, so they treat everyone as a one.

Big mistake. Nothing kills the growth of a team faster. Here's why:

Go collect 100 people from any downtown street. Probably five of them have leadership potential and desire. The other 95 percent are much happier being followers.

Now in our business, the numbers are usually higher if you're doing a good job with your marketing efforts. You're attracting entrepreneurs and people with entrepreneurial aspirations, so you may have 10 or even 15 percent of your team with leadership potential.

That still leaves you with 85 percent...

They don't want to lead. They're afraid to lead. And they don't want the responsibility that leadership entails. They love the products or services, they want to earn enough to cover their cost, and they may be happy with a few hundred dollars a month in additional income.

They can get these benefits with a minimal amount of effort, so they're happy in this situation. Don't make leadership behavior the cost of entry. If you do, it will cause two things to happen...

1. You disempower many potential leaders because they think everyone else is handling the leadership functions; and,
2. You scare away the 85 percenters, because they don't actually want to be leaders.

Don't set up your system and training expecting that everyone who joins the business is a leader. Know that many

people will join the business simply because they like the products and want to get them at wholesale. Others will join thinking they are going to be big builders, but when Tuesday night rolls around, they're not going to make it out of the house because the remote control is beckoning them. Others will stay involved simply because they like being around positive people at the events.

Some people will stay in your business because they love the recognition they get for setting up beautiful product displays. Others will stay because you have a talent show at the convention every year and that's their chance to show off their Karaoke skills. Yet others hang around because you have nachos or cookies at the events.

If you berate, belittle, or humiliate these people because they're not willing to do leadership activities you simply drive them out of the business. And a network with 15 percent leaders and no 85 percent of followers will quickly turn into no network at all.

When you leave the judgment aside and just let people participate at the level they're comfortable with, they hang around a lot longer. And if you keep them hanging around the team, there's a good chance that somewhere down the road they will decide they're ready to be a leader.

Leadership Lesson:

You need the whole spectrum: leaders, followers, and product users. Let everyone self-select what category they want to belong to.

Leadership Law #6

Leaders Nurture and Celebrate the Success of their Followers

You're in business for yourself and have a responsibility for it. You have goals you set, ranks you reach, and other benchmarks that tell you when you're on or off track. This can make you become self-centered and take you down the wrong path.

One of the things capable leaders do is measure, monitor, and modulate their progress by using benchmarks of people on their team.

Instead of focusing on just your rank advancement, think about getting five of your personal enrollees to their next rank. Doing this will certainly help your own advancement, and it will do it better. Because there will be a stronger foundation underlying your progress. Zig Ziglar's been saying it for 40 years: If you help enough people get what they want; you'll get what you want.

And it should go without saying, but won't, *leaders don't fear their people's progress or get jealous of it.* They celebrate it!

For five years in a row, I was the top income earner in my company. By the third year in my acceptance speech I said I wanted one of my team members to take it from me the next year. And while some came close, no one unseated me.

Then earlier this year, for one month, one of my personal Diamond Directors was the top earner, beating me out. I couldn't have been happier.

My goal is to have at least five of my personals earning more than me. Which of course would probably combine to make me the top income earner again. And then I will work again to get at least five earning more than me. And continue the vicious cycle of abundance...

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Leadership Lesson:

Recognize and celebrate the achievements of your team, and there will always be more to recognize and celebrate.

Leadership Law #7

The True Test of a Leader is Not How Many Followers You Have – It is How Many Leaders You Develop

This is very related to law number four. And in no business is this more vital than Network Marketing. In our biz, it's all about developing leaders. For maximum duplication you need to have the next generation of leaders coming up the ranks every few months.

So don't get seduced with numbers like the number of people in a line or the total number of people on your team. These statistics do have value. But they're not nearly as important as how many leaders are in a line and on your team as a whole. That means giving up the need to always be in control, do all the presentations and conduct all the training events.

It means allowing developing leaders to make mistakes...

And they will make mistakes. And they'll be doing things sometimes that maybe you could do better. But if you don't let your people attempt new things and learn and grow through mistakes, you'll always have to do everything.

If you help your followers develop belief in themselves, a greater number will graduate into leaders. And that's where the real breakthroughs live!

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Leadership Lesson:

Your real criteria should be never to do something for a team member that they are capable of doing themselves.

Share the Information...

What you're reading now began as my next book. And even though I had a publisher lined up, I changed course and decided to give it away as a Special Report for free. All I ask in return is that you spread the word and circulate it to everyone on your team and others you know in the profession.

It's time we came together as a profession. Instead of fighting over the pie, we can lock arms to build a bigger pie. That's the real leadership lesson for us all. We need to stop competing with each other and compete instead with the broken economic model in the rest of the business world.

Government entitlement programs, socialistic policies and corporate greed is tearing the structure apart. We've lost our way. We must get back to the principles of hard work, integrity and fair competition. We must get back to operating on the principles of free enterprise.

There will always be people that leave one network marketing company and decide another is a better fit for them. That's natural and there's nothing wrong with that. But we have to stop attacking other companies and concentrating our recruiting efforts of trying to pirate distributors from other companies.

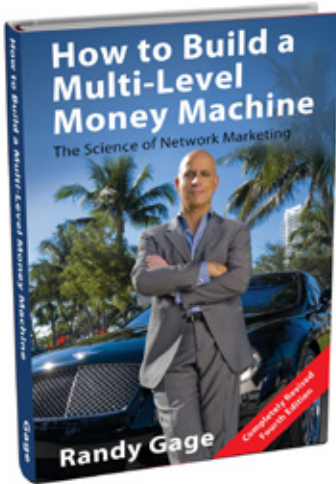
Tearing down another company does not make your company look better. In fact, it diminishes us all. Network Marketing is creating a revolution in the business world today. It has never had more recognition in mainstream media, acceptance from government regulators, and fascination from the public. We need to build on this and move forward.

But to reach that goal, we have to work together as a profession, competing fairly with each other with good sportsmanship, ethics and professionalism. Mass acceptance won't come by shuffling distributors between companies, but reaching the people that aren't in our profession yet.

There are more than six billion people in the world who aren't in Network Marketing yet. That's where the tipping point is. And to reach that level will require stronger leadership. From me, from you, and from others in our profession. That's why I wrote this Report and I'm asking you to circulate it around. Now a couple more things before I go...

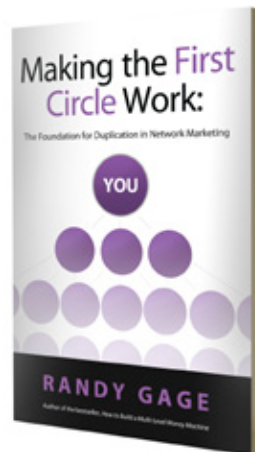
Recommended Resources:

I have an entire library of prospecting, skill training and leadership development resources that can help you grow your business. I won't go into them all here, but there are a few that are very relevant to our discussion and bear mentioning.

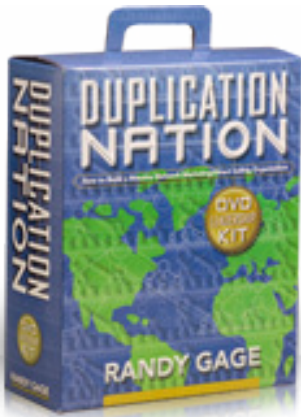


The first is my book, *How to Build a Multi-Level Money Machine*. That is my complete generic outline for building a large network.

I already mentioned my last book, *Making the First Circle Work*. The first printing sold out in two weeks and leaders around the world have embraced it for its message on how to grow your business by taking personal responsibility.



Resources available online at NetworkMarketingTimes.com



Next is my *Duplication Nation* training album. This is available to you on audio or video, and is presented unedited, just as it was recorded before a live audience. It's got in-depth sessions on topics like recruiting, presenting, working long distance, and developing leaders.

There are 12 sessions in all, and you'll find this especially helpful if you're part of the team responsible for creating a duplicable system in your company.



Finally if you are a serious leader, or want to become one, you simply have to own the *Mega-MLM Home Study Program*.

Frankly, this is the most intense, information-dense training ever conducted in the space. This is high-level stuff, a lot of it not even known by multi-million-dollar producers. It's a roadmap for building an organization of at least 50,000 team members. A lot of this information has never been presented outside my own network before.

Resources available online at NetworkMarketingTimes.com



Also, make sure you're a regular visitor to **www.NetworkMarketingTimes.com** This is the place where the serious players in the profession hang out. You see training articles, business building resources and a blog that can really help you grow your business.

While you're there, subscribe to my free MLM Leadership Report e-zine. You'll get updates on what I post on the Success Blog, special announcements you need to know about, and training articles. The sign up box is here: **www.NetworkMarketingTimes.com/mlm-training-ezine** (Please note that we never Spam, so you'll receive an email that you'll need to confirm your subscription.)

My regular site **www.RandyGage.com** is about success and prosperity in general, not Network Marketing. I believe it's the most important work I do. There are more articles, training and resources here, as well as a prosperity blog.

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Remember the most important thing about this Report isn't learning all these leadership laws. It's getting that information to everyone on your team! The faster you disseminate this info down the group, the better you're going to duplicate. So be sure you tweet, share and email the download page: **www.NetworkMarketingTimes.com/7laws**

Thanks for being a part of this amazing profession, and making the commitment to learn and grow. Like I said before, your real competition isn't other network marketing companies. It's the broken economic model in traditional business.

If we're talking to the same prospect I'm going to make the case for why my company is a good fit for them, and I expect you to do the same. But we can both do this in a spirit of professionalism, as mutual colleagues and leaders in this amazing profession. And not only does that help everyone in our business – but it allows us to help millions of other people around the world.

Thanks for being a part of the revolution!

—Randy Gage

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About Randy Gage



There is probably no one on earth better qualified to help you reach more success in MLM than **Randy Gage**. His *Duplication Nation* (formerly *How to Earn at Least \$100,000 a Year in Network Marketing*) is the top selling training album in MLM, and his *Escape the Rat Race* is the #1 recruiting tool in the business. His resources have been translated into more than 25 languages and sold in the millions around the globe. Randy helped introduce Network Marketing in places like Slovenia, Croatia, Bulgaria and

Macedonia. He's been a company VP of Marketing, and served as a consultant to numerous companies, designing compensation plans, creating marketing materials and developing duplicable systems for them. Randy has conducted training for the finest companies in the industry, and spoken in more than 40 countries.

Through his coaching programs and private consulting, Randy has helped the top income earners in numerous companies. He has arguably trained more MLM millionaires than anyone alive today. But most importantly, Randy teaches from real-world experience, earning millions of dollars as a distributor. Randy has conducted thousands of training programs and presented thousands more opportunity meetings. Several years ago he dusted off his white board and starting from scratch he quickly rose to become the #1 income earner in his company worldwide. He knows what is working in the marketplace right now, and he'll teach you exactly how to reach mega success in these conditions. Randy has made his money, and continues to work only for the challenge and to support his personal enrollees. He has achieved the perfect balance between work and life. When he's not drawing circles, you'll find him playing 3rd base for the South Florida Carnivores, riding his bike, racing cars, or collecting comic books. His guilty pleasures are Sci-Fi, Krispy Kreme, and watching "So You Think You Can Dance." Randy splits his time between Miami Beach, Sydney, and Paris.

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