

A photograph of two men, Robert Kiyosaki and Donald Trump, walking through a doorway. Robert Kiyosaki is on the left, wearing a dark pinstriped suit, a white shirt, and a patterned tie. Donald Trump is on the right, wearing a dark suit, a white shirt, and a blue tie. The doorway has ornate ironwork. The background shows a blurred outdoor scene with greenery and a red structure.

WHY WE RECOMMEND NETWORK MARKETING

There are many benefits
the network marketing
industry offers those
who want more from
their lives.

by **Robert Kiyosaki** and **Donald Trump**

FOR THOSE OF YOU WHO MAY NOT BE FAMILIAR WITH MY PREVIOUS BOOKS, in Rich Dad's *CASHFLOW Quadrant*, the second book in the *Rich Dad* series of books, I go into why some people find getting rich easier than others.

Rich Dad's CASHFLOW Quadrant is the most important of my books for people who want to make changes in their lives. Some of the terms used here will refer to the letters in this *Quadrant*:



E – stands for employee

S – stands for small-business person, self-employed or specialist

B – stands for big-business owners such as Donald Trump

I – stands for investor

Why Network Marketing?

When I first heard about network marketing, I was against it. But after opening my mind, I began to see advantages that few other business opportunities offer. Long-term success in life is a reflection of your education, life experience and personal character. Many network marketing companies provide personal-development training in those key areas.

Most schools train people for the E or S quadrants, and that is great if those are the quadrants in which you want to spend your life. Most MBA programs are training students for high-paying jobs in the corporate world as an E, not a B.

Network Marketing: The Industry for People Who Want to Change Their Lives

What if you're in the E or S quadrants and you want to change? What if you want to be in the B quadrant? Where do you find the education that trains you for that quadrant? I recommend a network marketing business. I recommend the industry for people who want to change, and get the necessary skills and attitude training to be successful in the B quadrant.

Being an entrepreneur and building a B-quadrant business is one of the toughest challenges a person can take on. The reason there are more people in the E and S quadrants is simply because those quadrants are less-demanding than the B quadrant. As they say, "If it were easy, everyone would do it."

I had to learn how to overcome my self-doubt, shyness and fear of rejection. And I had to learn how to pick myself up and keep going after I failed. These are some of the personal traits a person must develop if they are to be successful in a B-quadrant business, whether it is a network marketing business, a franchise or an entrepreneurial start up.

An important personal skill required for any B-quadrant business is leadership. Are you able to overcome your fears and have others overcome their fears to get the job done? This is a skill the Marine Corps taught me. As Marine Corps officers, it was imperative that we were able to lead others into battle, even though we were all terrified of dying.



Why Network Marketing?

Donald's Trump's Response

Marketing is a powerful tool, and network marketing can increase that power, provided you're self-motivated. In a simple visual, see a product and remove the advertising agency from it. It's up to you to do the marketing and advertising.

That's a big job, but it can be done if you're passionate enough to get going on your own, and to keep the momentum and motivation going at a high level. It requires an entrepreneurial spirit, and that means focus and perseverance. I don't recommend network marketing to people who are not highly self-motivated.

Another important aspect of network marketing is that it's inherently social, so if you're not a social or outgoing person, I'd think twice about going into it. Sociability is a requirement.

Just like in advertising, there's no point in having a fantastic advertising campaign if the product is unequally fantastic. Also, keep in mind that if you decide to become a distributor, you'll be legally responsible for the claims you make about the product, the company and the available opportunities. But above all, make sure the product is worth your energy and total devotion. Otherwise, you could be energetically spinning your wheels.

Robert mentions the importance of going beyond your comfort zone when it comes to network marketing. He also mentions



giving yourself enough time. These are good points to consider. I agree that leadership qualities are critical for success. You definitely have to have a take charge, can-do attitude.

As with any other undertaking, know everything you can about what you're doing before you began. Network marketing has proven itself to be a viable and rewarding source of income, and the challenges could be just right for you. There have been some remarkable examples of success, and those successes have been earned through diligence, enthusiasm and the right product combined with timing. As with so many issues, there are tangibles and the intangibles involved, but success is not a total mystery, and that applies to network marketing, as well.

Most people have heard of focus groups, a research tool advertising agencies use. When they're testing a new product they go to different locations and simply ask everyday people what they like and don't like about new product. It's best if you can keep the focus group idea close at hand when deciding about a product. Just because you like it doesn't mean everyone else will. Finding a common denominator in product appeal will matter.

My advice about network marketing is to do your research, and put everything you've got into your product. Genuine enthusiasm is hard to beat, and the odds will be with you.

I meet many people in the S quadrants, the specialists or small-business owners, who would like to expand, but they simply lack leadership skills. No one wants to follow them. The employees do not trust their leader, or the leader does not inspire the employees to better themselves.

Forbes defined a big-business owner, a B-quadrant business owner, as a person who controls a business with more than 500 employees. This definition is why leadership skills are vital for the B quadrant.

Where can you find a business that will invest the time in your education, your personal development and building your own business? The answer is most network marketing businesses.

Network Marketing is a B-Quadrant Business

Building a B-quadrant business is not an easy task. So you need to ask yourself, "Do I have what it takes? Am I willing to go beyond my comfort zones? Am I willing to be led and willing to learn to

lead? Is there a very rich person inside me, ready to come out?" If the answer is yes, start looking for a network marketing business that has a great training program. I will focus less on the products or the compensation plans, and more on the education and personal development program the company offers.

A network marketing business is a B-quadrant business because it meets several criteria I look for in a business or investment. Those criteria are:

1. Leverage: Can I train other people to work for me?
2. Control: Do I have a protected system that belongs to me?
3. Creativity: Will the business allow me to be creative, and develop my own personal style and talents?
4. Expandability: Can my business grow indefinitely?
5. Predictability: Is my income predictable if I do what is expected of me? If I am successful, and keep expanding my business, will my income increase with my success and hard work?

ISN'T NETWORK MARKETING A PYRAMID SCHEME?

I am often asked if network marketing is a pyramid scheme. My reply is that corporations are really pyramid schemes. A corporation has only one person at the top, generally the CEO, and everyone else below.

A true network marketing business is the exact opposite of a traditional business model. The network marketing business is designed to bring you to the top not keep you at the bottom. A true network marketing business does not succeed unless it brings people to the top.

ADDITIONAL POINTS WORTH MENTIONING

1. **Tax breaks increase.** By starting a network marketing business in your spare time and keeping your regular job, you

begin to gain the tax advantages of the rich. A person with a part-time business can take more tax deductions than employees can. For example, you may be able to deduct car expenses, gasoline, some meals and entertainment. Obviously, you need to check with your CPA for exact rulings on your situation, and the cost of your CPA is tax deductible. In other words, the government will give you a tax break for advice about how to pay less in taxes.

2. **Meet like-minded people.** When I started out, most of my E-quadrant friends thought I was nuts. They could not understand why I did not want the steady job or steady paycheck. So one important part of becoming a B is to surround yourself with other people who are Bs—and I want you to become a B.

3. **Give yourself time.** It takes time to be successful in any



Donald Trump and Robert Kiyosaki are concerned. Their concern is that the rich are getting richer, but America is getting poorer. Donald and Robert want you to be rich.

of the quadrants. Just as it takes time to climb to the top of the corporate ladder as an E or become a successful doctor or lawyer in the S quadrant, it takes time and dedication to become successful in the B quadrant. It took me years before I built a successful B-quadrant business. So give yourself time. I'll allow at least five years to learn and develop into a B-quadrant person.

4. Network marketing companies are patient. One of the beauties of a network marketing business is that it will invest in you, even if you're not successful. In the corporate world, if you're not successful in six months to a year, you

are often fired. In the network marketing world, as long as you're willing to put in the time, most companies will work with you in your development. After all, they want you to get to the top.

5. Leverage the systems already in place. These systems are already tried and proven, which allows you to hit the ground running instead of trying to build the internal systems of a new company.

In Conclusion

After opening my closed mind, I could finally see some of the unique benefits the network marketing industry offers people who want more out of their lives.

Generally, it costs much less to get started in a network marketing company than to build a business on your own.

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Donald Trump, is the very definition of the American success story. A graduate of the Wharton School of Finance, his real estate developments are the most prestigious, nationally and internationally. Among them are the world-renowned Fifth Avenue skyscraper, Trump Tower, Trump Park Avenue, the historical Mar-a-Lago Club in Palm Beach, Fla., and the Palm Trump International Hotel and Tower in development in Dubai. His four award-winning golf courses, and one soon to be developed in Scotland, reflect his passion for golf. As the Emmy-nominated star and co-producer of the reality-television hit show, The Apprentice, and author of seven best-sellers, he is truly a media giant.

*Robert Kiyosaki, author of Rich Dad Poor Dad, the international runaway bestseller, is an investor and entrepreneur specializing in mining and real estate and educator whose perspectives on money and investing fly in the face of conventional wisdom. Rich Dad Poor Dad, published in 1997, has held the top spot on the New York Times best-seller list for nearly six years. Translated into 46 languages and available in 97 countries, the Rich Dad series has sold more than 26 million copies worldwide and has dominated best-seller lists across Asia, Australia, South America, Mexico, South Africa and Europe. He has, virtually single-handedly, challenged and changed the way tens of millions around the world think about money. **YB***

