

The following interview was conducted by Tom 'Big Al' Schreiter in 1996. Tom Paredes, well-known author and professional network marketer, agreed to share his techniques regarding telephone recruiting. The results of that interview follow, minus the insults and verbal sparring that seem to characterize conversations between these two marketers.

This interview is available on two CDs, convenient for listening while you drive. Go to: <http://www.fortunenow.com> for more info.

Tom Schreiter: 'This is Tom 'Big Al' Schreiter. I'm in the studio today with Tom Paredes. Tom Paredes is the author of 'MLM War Stories,' a best selling book on generic recruiting for multi-level marketers. He's also the author of 'Network Marketing Techniques That Work.' It's a tape album that he's developed because he's an international trainer and speaker and gives seminars throughout the world. He has about eighteen years experience in multilevel marketing, and he's been a really good friend for the last fifteen years. One of his specialties is talking on the telephone. Now, there are several ways of working the business. Some people use party plans, some people use referrals, some like in-home meetings, some like hotel meetings. Everyone, whether they do mail order or advertising, has a technique that they like to use that works best for them. Now, for me, I'm a phonophobic. I'm probably one of the worst people ever on the phone. But I use the other techniques that work for me. But that's why I like talking to Tom Paredes, because, well, he's a pro on the phone. Now, some people use the phone for cold calls; others use it to maybe follow-up, making phone calls to people they mailed information to from a mailing list. Some people use it for direct response ads, to follow up. Or maybe referrals. Some even use it for training and relationship-building. There are several uses for the telephone. To use it correctly, we're going to talk to Tom Paredes today. The first thing we'd like to talk about is prospecting. Now, we know, working your warm market, people you know, is best, because they don't have a problem with trust, you have that out of the way, so they can listen to the facts about your business opportunity. But once you've finished your warm market, then where do you go? Some people have already used up their warm market; they've talked to everybody. Some don't have a warm market. Maybe they're born from orphan parents or something. Other people may have just moved to a new community. Or maybe, maybe you're young, eighteen years old, and your warm market is eighteen years old, and maybe they don't have the business acumen or desire or direction that you have right now. So, you're going to say 'Gee, I need to build a brand new warm market. And it looks like I'm going have to use the telephone.' So that's where Tom Paredes comes in. So, I'm going to switch over to Tom here and ask Tom, 'Tom, when you use the telephone, one of the first things people say is 'Gosh, I'm afraid when I talk people, they may be giving me objections, they may not trust me.' How do you go about building a relationship, getting kind of a warm connection with somebody over the telephone that you don't know? What kind of techniques, what do you say to people when they say ' Well, I'm not sure.' And they kind of clam up and don't tell you what they want. Tom, what kind of things do you use to help people get started?'

Tom Paredes: 'Well, first of all, a lot has to do with the person I'm calling. For example, I wouldn't call somebody off the Yellow Pages, or somebody off an ad or something like that unless I had some connection with them. For example, if I have a name of a person

who's in network marketing already, or possibly, they're looking for an opportunity, First of all, what I want to do is create curiosity.'

T.S.: 'Okay, that's a good point. Instead of trying to sell right away over the telephone, and tell them all about your opportunity and how long the company president has been company president, and how big the bank account is, the very first thing, before you even present your company, and talk about the marketing plan, is building curiosity. Why do you want to build curiosity first?'

T.P.: 'Well, because if they're not curious, they're not going to listen to you. So, obviously the first thing to do is to build that curiosity so they say 'Hmmm. Maybe I want to listen to this guy.'

T.S.: 'Okay. Once you build the curiosity, people say, 'How do I do that? Do I give them a riddle or a tough question? How do you get people where they're kind of hanging on the edge of their phone, wanting to hear what you say next, or maybe want a follow-up phone call?' What techniques do you use to build that curiosity with people?'

T.P.: 'Well, let's take for example, if I call somebody who is from a mailing list, or maybe an ad they ran or something like that. I'll say 'Well, Tom, I saw your name in this magazine', or 'I got your name from a list' or whatever, and, I understand you're in network marketing. How are you doing with it?' And you say things like 'Well, you know, I'm not doing real good with it', or 'I'm doing great.' It doesn't really matter what you say. But if you say, for example, 'Well, I'm not doing really good with it. I've been doing this for a year now, and it's really not where I want to be. The next thing I may say would be, 'Well, you know, I learned some skills from a friend of mine who's been doing this for a while, and one of the things I learned, well, let me just share a couple of things that might help you out.' So I immediately try to give you something that you can use. So I'll say, for example, 'Most people, do they like to sell, or do they hate to sell?' And the answer's always, 'They hate to sell.'

T.S.: 'I can believe that. I'd say just about everybody would say that.'

T.P.: 'And, the second thing is, most of us are sales-resistant. Have you ever gone, for example, to a place where they have commissioned sales people? And when you walk into the store, immediately the sales person comes up to you and says, 'May I help you?' And what do we say? 'No thanks' or 'Just looking.' So, you know, we really are sales-resistant. So, if most people that we meet are sales-resistant, then we have to find a way to approach them without us appearing to be like sales people. One of the things I like to do, is when you create that curiosity, we talk maybe about one of the important things is having the skills to be able to build an organization. And that's really what they want to do, they want to build an organization. So I say a few things to them that might get their attention, for example, 'I think it's important to be able to have the skills to build an organization, don't you?' and they always say 'Well, yeah.' 'And I say, 'I also think that one of the things is, if we had a way of doing this where people would only have to follow instructions, instead of selling, that would be easier, wouldn't it?' and they say

'Yeah.' I mean, think for example, the guy that works at the burger joint. The boss says 'I'll give you minimum wage and all you have to do is take these French fries, these frozen French fries, put them in the grease. And when the bell rings, take them out and put them over here. And if you can do that, I'll give you minimum wage.' And the young man, or the young girl, says 'Hey, I can do that.' So, all of us can follow instructions. All of us don't like change. So, if we can do that, it's a lot easier than trying to teach somebody how to sell. So, once we get done with that, they're kind of curious. What are you really talking about? I really didn't say anything. All I talked about was learning some skills and having people follow instructions instead of selling.'

T.S.: 'So, you pique their curiosity, you don't go right into the company, don't talk about the product or the marketing plan, you start talking about skills and learning to develop the skills. Now, if they're brand-new, obviously they want to learn the skills, and even if they've been in multi-level marketing for a while, they're probably interesting in learning a lot of new skills. So, when you create that curiosity, what happens then? What happens on that second call, because you create that curiosity now, what do you say the second call? Do you continue with the curiosity, or where do you go next?'

T.P.: 'Well, when you create the curiosity, you visit with them a little bit, and that's it. You hang up. And you may make another call later, but most of the time they call you because you have them pretty curious. They'll call you back and they'll say 'Hey, that was really, really interesting.' Or, if you want to do this in the first call, they'll say, 'Hey, that sounds really interesting. Can you tell me a little bit more?' Because they obviously want to learn some of the skills. And you say 'Well, I'd love to tell you, but why don't we do this? Why don't we set up an appointment, it will take about 25 minutes, and we'll visit some more?' Because, you don't want to tell them the presentation right there. The purpose of the first call is create the curiosity. The second call is to do your presentation.'

T.S.: 'Okay, to create that curiosity, it sound like that's going to be the key, or else you won't even have a second call, and to create that curiosity, you talk about skills. Now, I've heard you speak before, and you say, 'One thing about skills: it doesn't matter what company you're in, if you don't have the skills, you're not going to be successful in any company. It doesn't matter what kind of product you have; it doesn't even matter what type of compensation plan. Because if you don't have the skills to build a downline, it doesn't matter how much the compensation pays. So you really settle heavily on learning the skills that will make you successful no matter what you do, and use that as the keystone to get people curious on the very first call. Is that right?'

T.P.: 'That's right. I say that the skills are the most important thing. However, that doesn't mean the company isn't important. That doesn't mean the products aren't important. Those are important. But the most important thing is to have a downline, to be able to build a downline. Because if you can't build a downline, it doesn't matter what company you're with. Because if you can't build a downline, it won't matter if the products are good or not. That just won't matter.'

T.S.: 'Well, I can see where this would set you apart from a lot of other people that telephone a prospect. Imagine an ordinary prospect. They maybe pull out a newspaper like USA Today. And init, there are maybe fifty or maybe even one hundred different ads for multi-level programs. It would be pretty hard to believe that a person would call just one ad and that's it. I'm sure they'd probably call 10, 20, 30, or 40 or maybe even all 50 ads if they're interested in looking for a business opportunity. Most of these people, when they respond, when they talk to the prospect, they're going to say 'Join me. My company's better. The first letter is higher in the alphabet or lower in the alphabet.' Or maybe, 'We have the only product of its kind.' But if you're a prospect, after you hear, 'We have the only product of its kind,' about 30 times, it kind of loses something because you hear it all the time. Everyone that's talked to this prospect has probably said, 'Gosh, we have the best compensation plan, and the best products, and the best company president and we've been around the longest and we're the greatest.' After you hear that so many times, you become immune to it. So you kind of shock them by talking about learning skills, something they really want, and creating a desire in them to learn these skills. So you'll stand out quite a bit different than the other 49 callers out of 50 who are all trying to sell a feature, or their product, or their compensation plan. So, your second step is: you're going to create a desire to make them want to come meet you, talk to you on the phone further, maybe send them some more information. You're going to create the desire so they come to you. And when people come to you, it's a little bit more of a comfortable relationship over the telephone. Any tips on how to create desire? How to get them on that second phone call to say, 'Gee, I really want to meet with you, to visit with you and get that information?' What would you do?

T.P.: 'Well, sure Tom, let me just back up here just a little bit here, about going back to creating the curiosity. One of the things is that when you talk to a lot of these people, they talk about how great their company is, how great their products are. When you start saying something like, oh for example, if I say, 'Tom, I just got involved in this great, terrific company, and we have a fantastic product.' And immediately you translate that into, 'What do I have to sell?' And you hate to sell. So why do I talk to you that way? Well, because that's the way I learned from my upline. Who really didn't understand this business. But it's really not his fault or her fault, because they learned it from their upline. And it goes all the way up the line to someone who no longer is in the program, and we're doing the same thing they were doing. And that's what happens with a lot of people. They're doing the same thing over and over again, and they're talking the same language. They're talking about the company and the products, to try to get people in, instead of talking about creating that curiosity. And the curiosity really is created by talking about something different. How to construct a network. How to build a downline. Because that's what really everybody wants. Because if you can build a downline, then of course, you can sell the products, you can talk about how great the company is, and so forth. Now, the next step we talk about is: how to create desire. You know, think about it for a minute. People will not do this business unless they can see themselves doing it. They see a guy come up there and he's just a polished guy and he gets up there and talks about the nice fancy car he has and the big house and all this other stuff. While those might be nice things, most people won't see themselves doing it. I mean, how can a person who makes five bucks an hour, say, 'Oh yeah, I can see myself making \$100,000 dollars a year.' They

just can't see it right then. However, we create desire by talking about our story. That's why the first step in the presentation that we do is we talk about our story, who we are as a person. For example in the story there are three different parts. Number one: we talk about our childhood, our teen years, and adult years. I talk about when I was a child, I was a very, very, very skinny kid, and when I was in the sixth grade, I remember changing schools three different times, and it was very embarrassing for me to be able to do that. I was skinny, and I was a minority. It was just very, very, very tough. So when somebody says, 'Wow, this guy was shy! And he no longer is shy? Maybe there's hope for me.' When I talk about as an adult, how I had a lot of debt, and I was just trying to figure out what I was going to do to pay my rent and so forth, somebody says 'Wow, that guy's just like me! Maybe there's hope for me!' So, they can see themselves do this business. Now, once they see themselves do this business, then you can talk about the dreams. The curiosity is created throughout the story, and now they see themselves doing the business.'

T.S.: 'So you tell your personal story in the phone call. Obviously, it helps people realize, 'Gee, you're just like me! 'If they hear you talk about something personal, they're going to be a little bit relaxed to talk about something personal. Do you create the curiosity on your first phone call, and then talk to them about the desire on the second phone call? When do you go through your story with the prospect?'

T.P.: 'That's on the second phone call. The phone call really is just a very short call, it's probably about 7-10 minutes, I'm talking about. Normally I'm talking about my upline, because you can't really talk about yourself on the phone when you're doing the curiosity. I'll say something like: 'I have an upline who has taught me a lot of these skills.' For example, in my case, I talk about my upline, Tom Schreiter, who's taught me a lot of things, and some of the things I've learned about how to construct a network. People say 'Wow, I want to learn these skills.' Now they have that curiosity. We move to the second step, which is creating desire. I start off by saying, 'Hey, let me just share a little bit about who I am, since you have no idea who I am, I was born in ..' And I start off on my story.'

T.S.: 'So the second phone call, you cover your story, you're going to create a desire so you meet for a presentation, or maybe set up a later presentation over the telephone because it's very, very long distance. What would you do in the third phone call? You've already made the first phone call, which was to create curiosity. The second one creates a desire. You gave a presentation, you have a third phone call on your system. What do you cover during phone call number three after the actual presentation?'

T.P.: 'The third phone call is actually to answer any questions that they may have about the presentation I gave them. Because once I do the presentation, for example, on the telephone, I send information to them. Now, there are different ways you can send information. For example, you can mail a packet of information to them, and normally the packet of information is about the compensation plan, about the company and some of the products. Those are things they'll want to know anyway. So it's done after the presentation. Or, you can fax the information to them. That way they can have it right

away. So during the follow-up call, I ask them questions like 'What did you think of the information I sent you?' And you answer those specific questions.'

T.S.: 'So, you don't send them any information after the first phone call. You just use that to pre-screen them and to create curiosity. And after the second phone call, once you've created a desire, then and only then do you invest money in mail information and literature to them. Is that right?'

T.P.: 'That's right. You know, Big Al likes to use the two-on-one, and that works really well also on the telephone, because I have my sponsor on the phone with me, or I have a downline distributor. For example, a distributor would have his sponsor with him on the second call. On the first call, they don't have their sponsor on the line. They're talking about their sponsor, a guy or a gal, who has taught them the skills to build a network. So now this person is curious to see, 'Who is this person? I want to meet this person!' And we set an appointment on the second call to say that, 'Oh, maybe you can talk to them and maybe pick their brain, and be able to get some ideas, maybe to build your business.'

T.S.: 'So, it's a little bit different that most people who say 'Gee, if I get somebody on the phone, and if they just show just a sliver of interest, or if at least they weren't mean, I'll mail them a whole bunch of literature.' Which of course wastes a lot of literature and supports the Post Office. So, what you do is pre-qualify and get all the non-qualified people out of the way so you can spend more money, more time, and more effort with the people that are the most qualified. Is that right?'

T.P.: 'That's right. And you know, we have to be able to identify these people quickly. And unfortunately, a lot of people who are new to the industry don't know how to do this very quickly. What they do is immediately they get somebody on the phone, 'Oh sure, go ahead, send me the information.' And they're really not interested. They just want to get you off the phone. And you start sending everything that you have. So you spend \$20 in product and \$1,000 on literature.'

T.S.: 'Now, that's true. When I have a salesman on the phone talking to me I say, 'Please send me the literature.' I'm in kind of a hurry right now to get him off the phone. You're probably right. People who just request literature are probably not the most interested parties. I guess you kind of have to test it and listen to what they say. But many of us probably send out literature way too early in the presentation. Is that right?'

T.P.: 'Yeah, that's true. I like to have the person qualified first, and then after I give them a presentation on the phone, then I send the information to them. Because really, if you send the information first, you know, they're not going to get excited about the products you have, or the company president that they don't even know. They're going to get excited about whether they can do this thing or not. So, in the story, it's designed to create desire, they're going to say 'Wow, I think I can do this.' And then when you talk about the dreams, 'Wow, I guess I can reach those dreams.'

T.S.: 'You have a person in your organization, Lauren Whittmore, and she's one of the best people I've ever heard over the phone. Whenever I talk to her on the phone, I just guard my wallet. She's that good. She really relates to people, and she's one of those type of people that when you meet her, you instantly have a relationship. You're comfortable with her. She's very, very good, especially over the telephone. I was talking to her about how she handles her phone calls that, let's say, were to come from an ad that she ran. She handles it something like this: She says, to the prospect, 'When you answered my ad, there must have been something that attracted you toward it. What were you looking for or what did you like about it?' So, before she even presents her company or opportunity, she starts asking the prospect what attracted them to make that phone call. What were they looking for? After they've mentioned that, she asks a few questions such as, 'Have you ever been in multi-level marketing before?' And she listens to their story. She asks 'What happened?' And of course, they say 'Well, this didn't work out.' 'My sponsor stole my dog.' 'The company went out of business.' Something like that. And she says, 'Well, how did you feel when that happened?' And all of a sudden, the emotions and the feelings come through that somebody's actually listening to them, and they tell how they felt when the sponsor stole their dog or when something didn't work right with their company. And then she asks, 'What did you do before that multi-level marketing experience?' and 'What did you do before that?' She finally comes down to say, 'What are you looking for in a multi-level marketing opportunity?' So she's gathering information, creating desire. She's listening to what they're interested in, and she finally ends up by asking, 'Well, why do you want to do this type of business? What do you have in the way of dreams? What do you want to achieve?' And they start talking about their dreams. And after a twenty-minute phone call with Lauren, she has that type of personality, that people think of her almost like their sister. They have that type of relationship with her. When she gets done, she's learned a little bit about their dreams and so on. What's amazing, listening to Lauren, is that after 20 minutes of her just asking a couple of questions and listening, most people are saying, 'Well, this sounds really good, Lauren. How do I get involved with you?' She hasn't mentioned the company, the product, anything like that, and they're ready to join. So she builds a relationship over the phone, and she has that magic type of personality. But for those of us who don't have that magic sort of personality, what you're saying is we can create first of all the curiosity, second of all, we create desire, and third, we follow up on that presentation. Now you mail them information, or fax them information if it's long-distance and you can't meet them personally, so what type of information would you send a person to do a presentation? Would you send them an audiocassette tape, a video, some literature? What information do you send somebody who, let's say answered an ad, Tom? What would you send them?

T.P.: 'Well, in the presentation, I do talk a little bit about the compensation plan, but I don't go into detail. I mean, I don't tell them all the different levels, and all the different breakaways, and all the different things about it. So I give them just a concept, an overview of the compensation plan. I send them some information about the marketing plan in detail, a complete brochure on the marketing plan. I also don't talk about the products, as in every product that a person has or service that a company has. I just give them an overview, a concept, of products or services in general. So I send that

information to them. Some of these programs have car bonuses, or house payments, or whatever. I send them information on that. So, those are the things that we send.'

T.S.: 'What magic words do you listen for in a prospect? Obviously, when you're talking to people over the phone, you're doing some sorting, you're saying, 'These people are just curiosity seekers or tire-kickers, or wasting their time. And some of these people here really have that desire, they really want to go for it. What key words do they say, or how do you pick up in a telephone conversation, the level of desire and commitment that the person has? What do you listen for?'

T.P.: 'I listen to a lot of things. For the emotion, some of the things they've done in the past, and why they haven't done it. See, most of the people who haven't really succeeded in multi-level didn't fail because their sponsor left them and they didn't do anything. It's because they didn't really have the skills. They were doing it basically wrong, and they were trying to do it the wrong way. I know there are a lot of different ways to build a business, but, I think the thing is, they really didn't have anybody to teach them. Everybody has different ways of building, but they never really had a mentor to teach them. And that's one of the things I try to get across.'

T.S.: 'Do you look for any success patterns in the past? Do you look and see if they've been successful in other things they've done, or do you look for failure patterns? What do you use to kind of sort through people to see if they're the type of person that would like to invest time in your business and be successful? What do you look for?'

T.P.: 'Well, you know it's funny that you mentioned success patterns or failure patterns. Really, what I look for is a person who has the desire. Let me give you an example. Thomas Edison. You know, he had gone through a lot of failures before he came up with the light bulb. So, if I were to talk to him during one of his failures, what would have happened? I would have said 'Forget this guy. He's a failure.' But if I would have met him after the fact, I'd have said, 'Yeah, he's a success.' So, it's really desire. He did have a desire, and he was not going to quit. So I look for the desire factor. Let me just backup a little bit here, because when I talk to the person to create the curiosity, then the desire, notice how there are different steps instead of trying to get them all at once. And let me just illustrate this through a way of doing it. For example, I believe that it's easier to talk to somebody if I have a relationship with them instead of if I don't. Because if I don't, then it's like selling. I was at one of those convenience stores early one morning, and I was going to get a cup of coffee. And it was raining. I mean, it was cats and dogs. It was just pouring down. And I walk in this place, and just between the raindrops, I still got wet, and I looked at the clerk and I said 'Man, you're lucky.' I was the only guy in the store. It was early in the morning, and I said, 'You're a very lucky guy. I mean, I just left the highway there and I saw a telephone guy on a pole, getting all wet, trying to fix the electricity. And I don't know if I want that kind of job, but here you are inside, nice and dry.' And he looks at me and he says, 'Yeah, but I'm not going to do this all my life.' And I looked at him and I said, 'Really? What are you going to do?' And he said, 'I don't know. I think I'll start my own business. 'Now, see here's the mistake that most MLMers make. They pull their business card out. They get their brochure out and start chasing this guy

around the store. 'Hey, I've got this great opportunity for you. And it's great. It's tremendous.' And this guy starts backing away because he has that sales resistance. Now, so I said, 'Okay, great.' He didn't know what he was going to do. A couple of days later, I come back again. Get another cup of coffee. And I said, 'Hey, did you get that business of yours yet?' Of course, he didn't get it. He said, 'No, no, not really.' And he just kind of laughed at me a little bit. A couple of days later, I went back for some more coffee. And, he says 'Tom, I've seen you three times here at three different times. What is it that you do?' You know, because I'm always in shorts, or sometimes I have a tie on. It just depends on what I'm going to do that day. And I said, 'Well actually, funny that you mention it, but ...' See, now he's coming to me. He's asking me what I do. I said, 'I actually help people who don't have a lot of money start their own businesses. 'Now, why did I say that? Because, he's looking for a business, and I know he doesn't have any money. He's a clerk at a store. So he says, 'Really? Doing what?' And I said, 'Well, I'll tell you what. Why don't we get a cup of coffee, and we'll talk about it.' See, I've created that curiosity, where now he's curious about what I do, but I didn't tell him. So, I meet him a couple days later for a cup of coffee, and we sit down for a cup of coffee, and a cup of coffee lasts, what, 10, maybe 15 minutes. And I started asking him about his family, how's he doing. And by the time he gets done, he says, 'Tom, what about that business of yours?' Well, we've already gone through about 15 minutes of him. And I say, 'Well, why don't we do this; why don't we set a time, and I can give you a presentation.' So, I haven't strung him along, but I've created that relationship with him. I've created that curiosity. And then when I get ready to give the presentation, I'll create the desire. And that's the same way you can do it on the phone. I'm just giving you an example of how why we make that many phone calls. That many contacts. Because we're building that relationship.'

T.S.: 'So, your philosophy is, you don't have to sign up everybody, you don't have to sell everybody over the phone. You're better off instantly sorting through people to find those that are most interested and then making several phone calls with them to build a relationship. So you're not in a selling situation, you're sort of communicating some good ideas. You've found a way of building relationships with that person, so it's a lot easier then, right?'

T.P.: 'That's right. Because, you know a lot of times what happens is that, if we try to sell them right away, they may not do it, and they'll drop out. So we have to build that relationship. It's a lot easier to do it that way.'

T.S.: 'I notice that when you train new distributors, and you put them on three-way phone calls with you, you don't give them a script. Because you tell them, 'Don't mimic the words. A parrot could do that or a tape recorder could do that.' Because mimicking the words are not enough. What the prospect is really listening for and buying is your desire, your personal enthusiasm, not what you say. They probably don't remember very much what you say, but they remember how they felt about you. So, how do you get your personal desire and enthusiasm to show through over the telephone? What techniques do you use to let people know you're sincere, you're excited, and you're there to really help them? How do you make that show through the phone?'

T.P.: 'Well, first of all, you have to have enthusiasm. And you have to have excitement. I remember, a long time ago, I saw as how called 'Taxi.' I don't know if you ever saw the 'Taxi' show, and I won't go into the whole story of this guy, but there's a guy named Jim, and he had applied for a job in sales. And they had given him a script. He memorized that script. And the script came out something like this: 'Hello, Mr. and Mrs.(blank), my name is (blank),' and in the 'blanks' he was supposed to fill in their name and fill in his name. But he memorized everything. Distributors always want to take notes and record stuff, and I say 'Don't do that. Just listen to it, because I'm going to say it more than once, and at different times, I want you to feel this, what you're saying, and have it come from the heart, not come from the head. Because if it comes from the head, it's going to be very logical... Not that that won't work, it just may not work as effectively as if you really believe in what you're doing. You know, they always say, 'Well, I really gotta believe in what I sell.' And well, that's true. You gotta believe in what you're selling. And what you're selling is yourself and the opportunity to them. And you do that very well by not memorizing things, but by having them come out, kind of like being ready all the time with an answer, instead of waiting for or thinking what's going to happen, and, well, let me see, what does that script say?'

T.S.: 'So if you want to build desire and enthusiasm and have it come through the telephone, you might encourage your distributors to use the products first before they even get on the phone, so they have confidence in the company, confidence in the products, confidence in what they do. You might encourage them to listen to some training tapes, to spend some time training with you to see that they can actually do the business and see if they can follow the step-by-step formula. But when distributors show this type of belief over the telephone, it really doesn't matter too much what they do say, does it, Tom?'

T.P.: 'No, not really, because they get really excited. I remember I had a distributor once that had some people over at her house. And she's so excited, she's just jumping up and down 'I'm so excited!! I'm so excited!!' And I go over there, and the people are new distributors, they have their distributor kits in their hand, and they're saying, 'We don't know what we're doing here. We signed up, but this lady is just so excited, I don't know.' So, excitement does play a big part.'

T.S.: 'The best example I ever saw of that was at an opportunity meeting. There were about 170 people, it was this summer, and the person who gave the meeting was, well, was probably in the business about 10 years, a very, very excited individual, and he stood up there, and did an absolutely stealth job. Nobody knew what he was talking about. Nobody had a clue why he was up there. But he was pretty happy doing it. And halfway through the opportunity meeting, his wife jumps up and she interrupts him and starts talking for a while, while he looks blankly into space. And she talked, and talked, and talked, and then he jumped over and talked, and then the meeting was over, and I just put my head in my hands and thought: 'Boy, this is probably the worst opportunity meeting I have ever seen. There are probably 170 people here, probably 40 or 50 guests.' When the meeting was over, I looked around, and all the guests were signing up. And I couldn't

believe it. They don't have any information about the company, the compensation plan, or the product. It was the most dis-information meeting I've ever seen. But they were signing up because they said, 'Well, if they can do it, I can do it. They seem to be enjoying themselves; they've been doing it for 10 years. Everybody here seems excited. I want to be part of it.' So, it's more the feeling that comes through, rather than the actual script. Right?'

T.P.: 'That's right. That excitement just really makes a big difference. And that's what people remember.'

T.S.: 'On three-way phone calls, you do a lot of three-way training. Like I said, I'm phonophobic, so it's hard to even get me on the telephone. You do three-way training, and let's say you're calling a prospect. Maybe a prospect left a message on your voice mail saying, 'I'm answering your ad,' or something like that. The prospect needs to be called back, so you get one of your new distributors on the phone with you, and you do a three-way. When you do a three-way, who does most of the talking? Who does the listening? Do you both talk? Do you take different sections of it? How do you handle a three-way, or what do you say to your new distributor on the line with you, before you actually make the phone call? What do you do, Tom?'

T.P.: 'Well, the first thing I do is I tell the new distributor if I'm on the phone, I say, 'I just want you to listen.' Because a lot of times, they don't want to say anything. They're scared to death of the telephone, and all I say is, 'All I want you to do is listen.' Now, after we work on the phone a little more, I'll say something like, 'I'll tell you what. I'm going to introduce you as another associate, and all you have to do is say 'Hi.' That's it.' And I start talking. After they've had me do it a few times, then I'll ask them a question, and they'll respond to certain things, but it takes a little while before you get to that point. But I just kind of break them in until, all of a sudden, not all of a sudden, but after a while, they become a pro on the phone. It's a gradual process because it's kind of like if somebody doesn't know how to swim, and you throw them in the water, they may drown. But what about if it's ice-cold? You know, it's a shock to them. So you want to kind of stick their foot in there first a little bit.'

T.S.: 'Okay. So on a cold call, or an ad response, I can see where that would work. What about when they're calling their people? Their referrals? You have a brand-new distributor, and he says, 'Let's call my aunt.' He's going to pick up the phone and call his Aunt Mary, with you on the phone. You know your new distributor just wants you to say three magic words so the aunt joins. How do you set up the phone call with the distributor first? Do you talk to him about who's going to do the talking? Who's going to do the introduction? How do you work it when they're talking to their warm market and you're on the phone with them?'

T.P.: 'Well, first of all, when they're on the warm market, they're going to talk to their friends. Normally I'm not thereon the first call. What they do is they call their warm market and say, for example I'll say, 'Hey Tom, recently I met this guy named Bob. And Bob is an expert in how to develop residual income. Now, I don't know if you know what

residual income is or not, but there's two kinds of income. There's linear income and residual income. Now, linear income is, when you do a job, you get paid. And when the work ends, the pay ends. For example, you're a mechanic and you fix a car. You get paid. And if you want more money, you have to fix more cars. If you're an obstetrician, you deliver a baby, and you get paid. If you want more money, you have to deliver more babies. If you're a salesperson, and you sell a product, you get paid. If you want more money, you have to sell more products. Now, that's linear income and most of us are used to that. Now, residual income is when you do something right one time, you get paid for the rest of your life. And my friend Bob is an expert at that and I want to set up a time that he can visit with you for a few minutes."

T.S.: 'Neat. So, the very first phone call they can do by themselves, and all their job is to create curiosity, just like we did with a regular ad, correct?'

T.P.: 'That's right. But it's also, it's very important how we do it at this point. Because, for example, if I live in an apartment complex and I call my neighbor or my friend, or my family member next door, and I say, 'Hey Tom, listen. I found away to make a lot of money. And I want you to listen to this.' Well, you're going to be listening, and thinking, 'Well, gee Tom, if Tom knew anything about making any money, he wouldn't be living here with me.' So you probably won't listen to me. Or, if I said 'Well, I recently met a guy, Tom, and he makes a lot of money. There's a big red Cadillac, and a big house.' And you might look at me like, 'Well Tom, why do you think he has those kind of things? Because of us!' So, we have to create that relationship. And when I make that call, by using that approach, really what I'm saying is that recently I met a friend. He's a person named Tom. And in a short time, we have become very close. I'm talking about a relationship that we have. And all I want you to do is to meet this person. It's going to be my job on the phone to create that curiosity. He's just basically humoring you, so I'm not a salesperson when I get on the phone. It's kind of like, 'Oh, here's another salesman, or saleswoman.'

T.S.: 'So, their prospect is really looking forward to talking with you on the phone on the second call.'

T.P.: 'That's right. Because I am not a salesperson.'

T.S.: 'Now, you're not a salesperson, you're somebody within formation they would like to have.'

T.P.: 'That's right. And, I'm a friend.'

T.S.: 'Okay, let's go to the second call. Second step is to create desire in the prospect. When you make the second call, how does it work on a three-way? Does the new distributor introduce you? What do you say, and what do you do in that second call?'

T.P.: 'Okay. Now, it depends on who the call is going to. If it's going to be to a family member ... '

T.S.: 'Let's talk about the aunt.'

T.P.: 'Okay. It goes to the aunt. First of all, I'll talk with the aunt. Then I'll say, 'Just so you know a little bit about who I am, let me tell you a little bit about who I am.' And then I start with my story. And, when I get done with my story, that story is designed to create curiosity.'

T.S.: 'Okay. So you talk about your personal story, and after the end of your story, do you cover it much more or do you go right away into saying, 'Okay. Let's give you a presentation in person, and mail you something'? What do you do after the story?'

T.P.: 'Well, okay. Once I get done with my story, I have to bridge from there to the dreams. And what I say are things like, for example, 'You know, Tom, one of my dreams was to wake up in the morning without an alarm clock. You know, I know that a lot of people hate to wake up to an alarm clock, and every morning I used to wake up to an alarm clock, and I'd get up early and turn it off. And now, I still get up early sometimes, but I don't use an alarm clock. The eyes just open up. And that's the way to wake up, when your eyes open up. And I don't know what some of your dreams are.' But see, I've already shared my story with the person. I've already shared one of my dreams, and I'm asking you, 'What are your dreams?' You notice how everybody wants the same dreams? They want a new car, they want a new house, they want money in the bank, savings account, they want to take their children and put them in college, you know. So those are most of the dreams that people have. So we go into the presentation part of that, and once we talk about those dreams, the dreams are creating that vision. And vision is the way things can be, not the way things are. But first, they have to see themselves being able to do this.'

T.S.: 'So, Aunt Mary says: 'Gee, I would really like to have a new car, and I would really like to put my kids in private school.' So she tells a little bit about her dreams. After that, then do you go to make an appointment for presentation or mail them more information?'

T.P.: 'After that, I continue giving the presentation. And once I finish the presentation, then I send the information. These are just parts of the presentation.'

T.S.: 'So you give them kind of an overview, then you send the actual detail part of the presentation in the mail. How about call number three, when you're going to follow up for the information? You're the old pro, you have that brand-new distributor, shaking with the phone in their hand, and you're calling up Aunt Mary because she received the information, maybe a catalog in the mail, or maybe a marketing plan, or compensation plan description. What happens on call number three when you're doing a three-way with your new distributor, talking to Aunt Mary?'

T.P.: 'I call Aunt Mary, and I say, 'Hey Aunt Mary, this is Tom again, and I was just curious, did you get the information okay? Can I answer any questions that you might have?' And, it normally goes like this. They'll say 'Yeah, I had some questions about,

well, this particular product here.' Well, that's fine. Because anything that she knows, I know because I've read the same information she has. So I have the same knowledge of that. So, if I want to know what she knows, I read the catalogs. Or, if she has a question about the marketing plan, I'll answer specific questions like that. But one of the things she's going to remember is, 'God, I heard this guy's story, and if he can do it, I can do it.' She sees herself doing this. She sees herself following a set of instructions to get her there. Because it's just a one, two, three, four, five, set of instructions. So, she sees herself doing it. The follow-up call becomes more of a relationship-building call instead of just answering specific technical questions she might have.'

T.S.: 'So the real key that makes you so successful over the telephone is telling your personal story. Use the story to build a relationship with them. Use the story to relax them, because they hear you telling your personal story. You're not selling them something, you're not saying this marketing plan has this percentage or that percentage. You use the story just about everywhere throughout your presentation as the foundation. So let's talk a little bit about your story. If your story is so powerful, what makes it powerful, what makes people relate to it? It takes away their sales resistance, and they pull out ideas of what kind of visions they should have or desires they should have or goals they should have, or dreams. How do you present your story? What are just the basics of putting together your personal story and what do you want to include? Obviously you just don't want to go through all the facts and bore them. Which facts do you pick out, and which parts of your personal story do you want to tell the prospect?'

T.P.: 'Okay, there are four things that everybody wants, regardless of who you are, where you are. Everybody wants to have a worth about themselves.'

T.S.: 'All right, they want a personal worth.'

T.P.: 'Right. They want to be equal.'

T.S.: 'Everybody would prefer being equal. They don't like being discriminated against, I'm sure of that.'

T.P.: 'That's right. And everybody wants to have freedom. Now freedom, sometimes we have to think about this because sometimes people think 'Financial freedom?' Well, I talk about absolute freedom because really, freedom has two components: time and money. You can have a lot of money, and I know some people who are physicians, who have a lot of money, but they don't have a lot of time. So they really don't have absolute freedom. They have financial freedom. Or, you could have a lot of time, and no money, but you're in the same boat. So I think freedom is a very key thing. And then, there's of course love. People want to be loved. However, when you talk about freedom, you really can't talk freedom unless you talk about financial freedom because people really don't understand freedom because freedom is abstract.'

T.S.: 'Okay. So we're talking about worth, equality, freedom and love.'

T.P.: 'Right.'

T.S.: 'Those are the four values you try to relate in your story.'

T.P.: 'That's right.'

T.S.: 'And in showing how powerful those values are, you have a particular story about this doctor in San Antonio that you talked to that makes a lot of money. I'd like you to share that with our listeners because that really shows the power of these values much more than a compensation plan or a few dollars. Tell me about the doctor in San Antonio.'

T.P.: 'Okay. But let me just mention the things everybody needs. Everybody has physical needs. Food, shelter and so forth. Everybody has mental needs, to learn new things. And then we have social needs. We all want to hang out with our friends, and go to parties and so forth. And then we have a spiritual need. And that has to do with things like leaving a legacy and so forth. So, if I talk just about money, and that's all, or just about material things, I touch on just the physical, see? But I can take these core values and transfer them. If I tell my neighbor, 'Hey John, come on over here, I want to talk to you about love and stuff,' he's going to think, 'Well, you're nuts, Tom. I don't want to talk to you.' But I can transfer those core values to touch on the spiritual. And I'm doing that through my story. Take this doctor, for example, a good friend of mine. He has a very good job; he has his own practice. So, he really can't see himself with a little suitcase, knocking on doors, peddling products.'

T.S.: 'Okay. He's probably making half a million dollars a year.'

T.P.: 'He makes a lot of money. So, the thing is, he can see himself doing this kind of business because this kind of business is going to give him that freedom that he wants. Not just the financial freedom. That absolute freedom. So, when we take our story, we transfer these values to touch on the spiritual. For example, I had a daughter who had some problems awhile back. I was able to spend a year with her, be with her, take her to school, pick her up, you know, pick her up for lunch and so forth, because I had the freedom to do that. Now, if I had a job, and that's all I had, even if I made a lot of money, I wouldn't have been able to take off to do that.'

T.S.: 'Let's go back to that doctor in San Antonio. Most people say money motivates, money motivates, money motivates. But this doctor had half million dollars a year, and your one key sentence that just transcended all this money talk was, 'You know, you have a couple of little daughters. And your two daughters, well, they'll forget all the sweaters and socks you buy them over the years, or all the different types of shoes, but they'll always remember the family vacations you take together.' And the doctor thought about it for a moment and said, 'You're right.' Because he had no time freedom. He had the money, but not the time to spend the time with the daughters. So, our personal story brings out these values, these qualities that gets people to think, and they think emotionally about 'Gee, what could happen in my life? What could it be?' So, our

personal story has to bring out these qualities. So, tell us a little bit more about putting together your personal story.'

T.P.: 'Okay. So we want to have the personal story, and, like I said before, the three stages: the childhood, talk a little bit about your childhood, the teen years, and your adult years. And, as you talk, for example, you're transferring these values to touch on the spiritual. So you don't really want to go into too many details. I'm 44 years old, and it could be a long story. There are a lot of things that have happened. So, I want to talk about certain things in my story that relate to these values.'

T.S.: 'Okay, you're talking about transferring values, and that's all kind of hard to grasp. Give me an example, just part of your story, and what value you're trying to transfer or explain or get somebody to feel.'

T.P.: 'For example, I was born in Brownsville, Texas. I don't know if you know where that is, but that's on the border of Texas and Mexico. My mom came from Mexico, and she came here at the age of 12. And my dad was a laborer. He had a seventh-grade education, and they always worked very hard, but they could never really get ahead. They worked for very little money. But my parents always talked about education. Education was the key to be able to do something with your life. And so, every time, I went to school, they always asked me for homework, and of course they wouldn't know because they didn't understand my homework. I grew up always thinking that education was going to be the key for me. Of course, I graduated from high school with a C+, and would have been a ornamental horticulturist, so that didn't really pan out for them. So ... '

T.S.: 'Let's imagine you stop your story right here. What values, what have you transferred, what type of relationship have you built with the prospect with just these basic facts: that you grew up in Brownsville, that there wasn't a lot of economic activity, and that you graduated from high school thinking education was the key, but you had a C+ average. What have you transferred, what have you actually told the prospect that they've kind of assimilated right now?'

T.P.: 'That I'm just an average guy, just like them. See, if I talked about other things, such as what I have instead of who I am, then that doesn't become very duplicable for the person. See, we want people to be able to talk, because, that way they don't have to feel that, 'Well, in order for me to be able to talk to people I have to be making 'X' number of dollars for the company.'

T.S.: 'So, you talk about that part of your life, and it puts the prospect at ease, understanding you're an average person. Because if you talk right now, saying, 'Gosh, I have this type of house, this type of pool, this type of lifestyle, this type of car. . .' On the way to the studio today, I rode in Tom's new car. He got two of them last night. Talk about being jealous! But if he talked about those types of things, most people would say, 'Gee, I can't relate to Tom because he has this type of financial income, this type of lifestyle.' So you go back to the basics, saying how you got started. So, let's go past those

high school years, tell us a little bit more about your story, and what values you're trying transfer to the prospect.'

T.P.: 'Okay, one of the most important things is, you want to be able to transfer the values of the freedom and the worth and the equality. And also, when you're talking to people, you don't talk specifically about worth, equality, freedom and love. You do it through the story. And, we can take the story and just kind of break it apart, but really we're just out there telling people who we are. And people really say, 'Wow, this guy is just an average guy. I can do the same thing!' Let me just take apart of my story here, 1984, when I got married to my second wife, now of 12 years. She had all the qualities I was looking for in a woman. She had a job, which is probably kind of nice, she had a new car, and she had some savings accounts. I was not in network marketing in 1984, but I had been in network marketing before. I told her, 'I have a dream of one day doing something with my life. And I just want to know if you believe in that.' And she goes, 'Yeah, I do.' And it kind of threw me for a shocker there. I said, 'You do?' and she says, 'Well, yeah.' Let me tell you what I had. I had all these big dreams and nothing happened. 1985. Another year. Nothing happened there either. Things actually got worse. 1986. You know, after being at all these different jobs that I had, in 1986 I decided to start my own business, because, after all, I had a high school diploma with a C+, and in ornamental horticulture. And, that didn't work either. And now, we're starting to go into debt. The highlight of our life was prime time TV, you know, at 8 o'clock, and starting to eat ice cream at night and so forth. And every year, we had a New Year's resolution. Every single year. 1987. The same thing. 1988. The same thing. 1989. The same thing. So, we've gone through all this, all these failures, and in 1989, we got back into the industry. In 1990, things really started happening for us. So, when people see that as part of the story, they say, 'Wow, this guy went through a lot to get there.' You talk about the struggles that you have. See, there are three stages in this. There's the dream, the struggle, and then, of course there's the prize.'

T.S.: 'A lot of people listening to these tapes are probably going to have the same impression or feeling I had when I first listened to Tom talk about doing a story to a prospect over the telephone. I thought, talking over the telephone was a matter of having some trial closes, some features and some benefits, going through different steps to get the prospect closed or making commitments. And it was none of this old structured sales presentation or script or manipulation. All Tom did was relate and tell his story. Now, to compare the difference, I know many people who try to manipulate and to sell people over the phone, and sometimes they sell people, but only for a very short time. Through Tom's technique, he has found that people are able to duplicate what he does. Because they don't have to memorize a sales script, they don't have to worry about rejection because they're not asking people to make any sort of commitment. They're just relating their own, personal story, and letting people make a choice if this is something they want to do. And it sets them so far apart from all the other sales people trying to sell people something over the phone, the prospects find it refreshing, the curiosity and the desire builds, and when they get the presentation, it's almost an after-the -fact. The presentation is just something that comes in the mail. They want to be with these types of people. Have you noticed that a lot in your downline, Tom? The people you teach this technique,

do they like doing it? They don't quit, they don't get telephone burn-out, they enjoy visiting with people over the phone?'

T.P.: 'Yes, because people like to talk about things they know the most about. And what do they know better than themselves? Once we do the story, then we cover a few things like some of their dreams. What are some of their dreams, and how are they going to achieve their dreams? We add a little bit about the industry, what the industry is about, and then we talk a little bit about a couple of concepts maybe that you have in your program, your marketing plan. But it's just the concepts. In a 25-minute phone presentation, about ten minutes is your story, and the rest is going to be on the concepts. And what people remember is, that they can do this, because they saw your story. So, if a person is going to talk to people on the phone, they're going to say, 'Gee, I already know most of the presentation.'

T.S.: 'Well, for a bunch of people who are absolutely terrified of the phone, such as me, here's some good news: you don't have to use the phone to build the business, but conversely, some people use the phone 100% to build their business. They don't even leave their living room. Tom and I have a friend named Carlton. Carlton Hurdle lived Goldsboro, North Carolina, not a very large town, but I asked him one day, 'Carlton, how do you build your business?' and he said 'Well, Tom, I get up in the morning and I play basketball until five in the afternoon. 'Cause I enjoy playing basketball. And then at 5 o'clock, I get on the phone, and I work the phone from 5 in the afternoon, until 1:00a.m. in the morning. They're still awake in Hawaii at one in the morning, our time.' He built his entire business strictly over the telephone. So you can build relationships, you can create a brand-new warm market, and you can build a terrific downline organization strictly over the phone. Now, Carlton uses a lot of Tom's techniques, which is telling his personal story, and building a solid relationship. Let's move on just a little bit farther on the phone about building that relationship. You can use the telephone for training through conference calls, where many people get on at the same time, but when you actually help somebody get started, you're going to talk to them over the telephone, probably three-way, with their sponsor, and you're going to build a relationship with them. What do you say, and how do you go about training them over the telephone. Where do you start?'

T.P.: 'Okay. Let me just back up for just a minute, Tom, when you said that people are terrified of the phone. I just don't agree with that. I think they're terrified of the phone because they're terrified of what they're going to say. Take for example, teenagers. You have teenagers and I have teenagers. Are they terrified of the phone?'

T.S.: 'No, they actually have one growing out of their ear.'

T.P.: 'Yeah. When we were teenagers, we were the same way. I remember being at a phone booth, when I was a teenager, and I'd be on the phone there, it would be raining outside, and I was there for hours. So, it's not that we're afraid of the phone, it's we're afraid of what to say. That's why going back to the story eases people, because they already know they're familiar with that information. It makes it a lot easier for them to start talking about a presentation.'

T.S.: 'So, what you're saying is that, if all we have to do is tell our personal story, even people who are afraid of the phone, such as myself, won't be afraid of what to say next because we know what happens next, because it's our story.'

T.P.: 'That's right.'

T.S.: 'If they were to ask us how we got here today at the studio, we could tell them what road we drove down, what stoplights we crossed, and how we got out of the car. Because we experienced it, it happened to us, it's easy for us to recall what happened next. So telling your personal story over the phone relaxes people, because they know what to say, what comes next, it's very natural for them, so you can turn phonophobics like me into professional phone people.'

T.P.: 'That's right. And, you know, it's really funny, I was talking to one of my distributors, and she comes from India. She came to this country and she didn't know how to drive. Her husband taught her how to drive in the mall parking lot. And she's dressed in her sari, you know that's the outfit that they wear in India, and she has a job with a cosmetic company. She talks about it now, years later, 'Can you imagine, that I'm out there, in a sari, trying to teach the American women how to put make-up on?' Well, she became very successful with that company. So, people will do whatever it takes, and when she talks about her story, it all goes hand in hand with what we're doing here.'

T.S.: 'Okay, the key to the telephone, with your system, is your personal story. So, let's take our listeners through a sample personal story. We'll just take an imaginary person here, and, let's say I'm John Doe. Well, I might start my story off by saying, 'Well, my name is John Doe. I'm 45 years old, and I was born in Main Town, USA. And when I was growing up, we lived in a small house, ... ' And you just take them through the story step by step, right? You talk about the childhood. Why do you do the childhood first?'

T.P.: 'For example, I talk about how I was very shy and very skinny. And, that has to do with people saying, 'Well, gee, he was shy, and he was very skinny, and now, he's not skinny, he's not shy. So, people say, 'Well, maybe there's hope for me.'

T.S.: 'So, you talk about maybe some inadequacies or shyness, things that you've overcome in childhood, because not everybody grew up rich with a silver spoon in their mouth.'

T.P.: 'That's right.'

T.S.: 'So, you relate a little bit about the childhood because a lot of times we have traumatic experiences there.'

T.P.: 'That's right.'

T.S.: 'We're embarrassed in school.'

T.P.: 'Sure.'

T.S.: 'Maybe we don't have the clothes we want or aren't able to ride that bicycle. And people will relate to that. You go on to the adolescent years, a little talk about John Doe's adolescent years. Why is he going to talk about his years in high school and college, for example?'

T.P.: 'In high school and college, you're going through the struggles of keeping your grades up, and maybe that was hard. You talk about some of the challenges that you overcame during your teen years. And people say 'Well, he had challenges when he was a kid also, and adolescence, so maybe there's hope for me.'

T.S.: 'Challenges could be getting that first automobile, or that first date, or, maybe getting the money together, or the funds together to go to college. Those would be the challenges.'

T.P.: 'Sure.'

T.S.: 'Let's go on to early adulthood. Why would we talk about early adulthood?'

T.P.: 'When we talk about the adult years, we talk about things such as maybe you're married, you have a baby on the way, or something like that. You're always struggling to make ends meet. And, a lot of people can relate to that. Maybe you started getting into debt, and you started getting accumulating more debt. People can relate to that. Now, not that everybody would have that. For example, take a doctor. His story is going to be different. I mean, his story is going to be his struggles that he had, his challenges when he was going through medical school. So, his would be totally different than mine. But the whole point that I'm making here, is that we're telling our story. Let me give you an example. This has nothing to do with religion; it's just do an example. If a person were to be able to talk to somebody about the Bible, they would have to know the Bible. But what happens to a person, who becomes a Christian today, at age 40? What would they know about the Bible? Not a whole lot. What could they talk about? I mean, they couldn't talk about all the books in the Bible, they couldn't talk about the theology, and the Hebrew and the Greek and on and on and on, because they don't know. And that's going to take time to learn. When a person comes into this program, into your network marketing business, they can't talk about all the products, they can't talk about the marketing plan. They don't know all that. So, what they talk about is who they are. Their testimony. Their personal testimony. And that's why the story is very important. Because we're actually sharing who we are with other people.'

T.S.: 'So the point of it is, you can talk about your personal story, you don't have to know all the facts about the product, all the facts about the compensation plan. You don't have to wait until you become an expert at your business, to begin prospecting.'

T.P.: 'That's right. You start right away. And the reason you can start right away is because you're telling people who you are. And that's the first step. It's the most important part of your presentation, your story, because that is designed to create the desire. People will say, 'If he can do it, I can do it.' And then the rest is just giving them a couple of concepts, and then giving them some information, and they go home. What do they go home with? The information, OK, but they go home and they think about what? 'God, that guy. If he can do it, I can do it.' That's why I keep coming back to that, Tom, because people see that. They see themselves doing it, and it just makes it more believable for them than saying, 'Oh, well, yeah, this guy. Of course he can do it.' You know, it's kind of like the David and Goliath story. David killed this big giant, and what do we say now? 'Yeah, well, you know David.' Yeah, but David was a little guy. And he went up against this huge giant. But he had a dream. He had a dream. Because he wanted the princess. And all the money to take care of her. And nothing was going to stand in his way. And he had his friends tell him, his family members, his co-workers, 'David, you can't beat this guy.' It didn't matter to him because he had a big dream. But, see, he would have never done that if his dream wasn't big enough. And so that's the second part of the presentation after we create the desire, we have to build that dream up very big, and that's why we talk about things that they relate, that they understand like cars, and houses and money, because that's part of the dream.'

T.S.: 'So, if their dream is strong enough, you don't have to worry about all the little challenges that occur on a day-to-day basis in their business. If there's a backorder, it's not going to ruin their business. If there's a customer that didn't like the product, if there's somebody who tells them no, all these things are pretty minimal, kind of little side issues. If their dream is big enough, you don't have to go back and keep re-selling them and defending and paving a way for them that's going to be error-free. Just build a dream big enough, and they'll stay motivated and focused on their goal, right?'

T.P.: 'That's right. They will do whatever it takes if their dream is big enough. And, you know, a dream can be big enough, but they have to believe they can reach their dream. And that's why we go back to creating that desire of the story, because with the story, they say 'Well gee, I can do this.' And if they can do this, then they see their dreams, that they're actually coming true, becoming a reality.'

T.S.: 'So, while the rest of your competition is teaching how people they can get 2% more on level four, you're actually helping them build a dream, what they really want to ultimately use the money and time for out of their business. Getting them a bigger vision. So, once they have that bigger vision, it really doesn't matter if they have that extra 2% or 10% on level four. What really matters is if that they can build their business, and reach their dream, right?'

T.P.: 'That's right. I mean, there are certain companies whose compensation plans really stink. I mean, they don't really have a very good compensation plan. But, they have a lot of people in it. Why? Because of the relationships that they have. Because, they feel they can reach their dreams. And it doesn't matter that the company doesn't pay that much.'

T.S.: 'If they can reach their dreams?'

T.P.: 'If they can reach their dreams.'

T.S.: 'They're going to be happy.'

T.P.: 'Yeah. If I said to you, 'Tom, I'll give you 2 million dollars if you get into the ring, or let's say 15 million, let's make it pretty good. 15 million dollars if you get into the ring with Mike Tyson and stay 15 rounds. Would you be able to do it?'

T.S.: 'I don't think I could run that fast, Tom.'

T.P.: 'So, it doesn't make any difference if they pay 40% on the 35th level or 80%. It doesn't matter.'

T.S.: 'So, if I don't believe I can do it, it doesn't matter what the pay plan is or what the products are.'

T.P.: 'It doesn't matter.'

T.S.: 'So, telling the story, of course, I believe I can do that. I'd like to say that people join because they know you, they like you, and they trust you. And build that relationship. And all three of those factors have nothing to do with the percentages paid or a secret ingredient in one of the products. So let's move on to ad responses. A lot of people say, 'Okay, I'm going to have to build a brand-new warm market. My present warm market has been used up all ready. And I 'm going to run an ad in the local paper.' If you understand that you're trying to build a relationship with these people, it's going to change your strategy when you run ads for people. Instead of running an ad saying, 'We pay 10% more on level four.' or 'Join us because we have a letter J in the middle of our name,' you're going to run an ad looking for people that you can build a relationship with and train. It's going to change your focus. Instead of having lots and lots and lots of responses, and mailing out packs and never talking to them, you may want to have a bit more focus, sort through and work with a couple good, key people. So, let's imagine you run an ad in the paper. And somebody calls up. You're going to have to immediately build some curiosity, create desire and later on give them a presentation. So, we're going to do a little role playing here. Let's imagine for a moment that Tom Paredes here has run an ad in the paper, and he's looking for somebody to work with in his multi-level marketing business. And he's not looking for everybody. He's not going to try to sell everybody. But he's going to look for a few good, key people. So his ad's in the paper. And I'm going to be the prospect that picks up the phone. So, I'm ringing the phone right now, and hopefully, Tom's going to answer. So, ring, ring.'

T.P.: 'Hello. This is Tom.'

T.S.: 'Hi. I'm calling about your ad in the paper. My name's Tom. Talks about building your own part-time business. What's it all about? What's the name of the company?'

T.P.: 'Okay, let me ask you a question. Have you ever been involved in your own part time business?'

T.S.: 'Uh, well, no I haven't, actually. You know, I work a full-time job, and I don't think I'm going to get a raise or promotion any time soon. So, I was looking for something part-time, but I don't want it to cost a lot of money or something like that. So, what's this all about?'

T.P.: 'Well, let me just give you a brief overview. Let me ask you a question. Have you, do you know the difference between residual income and linear income?'

T.S.: 'Uhhhh ...'

T.P.: 'Let me give you an example.'

T.S.: 'Okay, good.'

T.P.: 'Linear income is when you have a job. Like right now, you have a job, I assume. And you get paid every week or two weeks.'

T.S.: 'Right. Every two weeks, I get a paycheck just like clockwork.'

T.P.: 'Just like clockwork.'

T.S.: 'It's not much, but I get that paycheck.'

T.P.: 'Okay. And if you want more money, you have to do more work. You know. So, whatever your job is, you only get paid for the amount of work that you do.'

T.S.: 'Correct. If I stop working, they stop paying. They've made that pretty clear to me.'

T.P.: 'And that happens with any profession. Look at, for example, doctors, lawyers. Even salespeople. I mean, salespeople sell a product or a service. And they get paid. And if they want more money, they have to work, sell more product or more services.'

T.S.: 'That's right.'

T.P.: 'So, really, we try to get away from that sales thing because, you know, I don't know about you, but you know, I am sales-resistant. I don't like the idea of selling.'

T.S.: 'Oh, I like that. So, tell me more.'

T.P.: 'And, so, what we talk about here, what we have is a way for you to earn residual income.'

T.S.: 'Well, how does that work? What's this residual income thing?'

T.P.: 'Well, residual income is when you do something right one time. You get paid for the rest of your life.'

T.S.: 'Oh, you mean, like cut a hit record with my great singing technique here. So, if I have a hit record, I'll probably get royalties the rest of my life. Yeah. I understand what that would be. Sure.'

T.P.: 'Okay. And that's residual income. But, you know, the thing about it is, we also teach you the skills on how to get that residual income. And, you know, I'm really glad that you called, but obviously for me to sit here and talk to you on the phone is going to take a little time, so, why don't we do this: why don't we block some time out, let's say about 20 to 25 minutes, and, what's a good day for you? Are the weekends good? Or during the week better for you?'

T.S.: 'Oh, well, I would like to learn about that residual income. So, you know, could we talk right away, or tomorrow?'

T.P.: 'Well, unfortunately, today I can't do it, because I have some other calls. But tomorrow would be a good day. What about in the afternoon I give you a call about say, when do you get off work?'

T.S.: 'Oh, 5 o' clock.'

T.P.: 'Okay, you probably have dinner about 5, 5:30, so, just say about seven.'

T.S.: 'Okay, well here's my number. It's 555-5555. And I'll talk to you tomorrow night.'

T.P.: 'Okay, thanks.'

T.S.: 'Okay, what has Tom done during this call? It's very simple. He hasn't sold me on the company, he hasn't sold me on the product, he hasn't sold me on the opportunity. As a matter of fact, he hasn't sold me anything. Except, another phone call tomorrow night. So, what he's done is make me a bit more relaxed, we can talk about residual income later on. I'm not so sales-resistant. I understand he doesn't like selling. So, here comes that call tomorrow night. He's probably going to tell us a little bit about his story then. So, it's 7 o'clock tomorrow evening, my phone rings, I pick up the phone and I say 'Hello.'"

T.P.: 'Hello, Tom. How you doing today?'

T.S.: 'Pretty good. Just had dinner, been looking forward to your call.'

T.P.: 'Great. How's that job today?'

T.S.: 'Oh, same as it's been every other day. That's why I'm looking for a part time business.'

T.P.: 'Looking for a part time business. Okay, well, since you don't know me, Tom, let me briefly tell you a little bit about who I am. And that way you kind of get an idea, 'Well, who is this guy that's calling me?' OK?'

T.S.: 'Okay. We're going to stop right here. Tom's going to tell his story, and after he goes through his story, I'm going to feel a little bit more comfortable. He's not going to be some con artist. He's not going to be somebody trying to sell me something. I'm going to be much more relaxed, it's going to be a friendlier conversation, I won't be quite as acid, or trying to pin him down on objections and information. I'm going to be comfortable with him and who he is. So, instead of him coming right out and selling me, he came out and told me who he is, who I'm dealing with. So, Tom finishes up his story, and I say, 'Well, you know, that's a nice story, Tom.' And, then what? What does Tom say next, because he's gone through the story, and I say, 'Well yeah, that's a nice story.' What do we do?'

T.P.: 'Okay, after the story, then, we talk about some of the things like, 'What are your dreams?' I end up with one of my dreams, and of course I always like to use the telephone dream, because people have jobs that always have the alarm clock they have to wake up to. So I always end up with that, and I say, 'Tom, what is one of your dreams?'

T.S.: 'Well, I'd say, 'Well, one of my dreams is, to maybe have my own business and be able to get in an RV and go traveling all across the country and camp out. I'd like to do that for a whole month every summer.'

T.P.: 'Great. What other dreams do you have?'

T.S.: 'Well, a better dream would be to fly around, so I wouldn't have to drive that and my wife wouldn't have to do the dishes and clean up everything in the RV. So, I guess maybe a better dream would be to take a one-month holiday every summer, and see the United States and maybe fly around instead of driving a big RV.'

T.P.: 'Okay. What else would you want?'

T.S.: 'Well, gee, .. '

T.P.: 'If you could open up your eyes, let's say tomorrow, and anything that you ever thought about, that you can do anything, what would you do?'

T.S.: 'Well, I'd probably want my son to go to the best college in the United States. Now, I know that it's going to be a lot of money, but I would like him to go there and have that opportunity. Maybe he'd want to be a doctor, or lawyer. He's pretty smart in school, and I want to give him the best chance possible.'

T.P.: 'Great. I'm writing these down, Tom, because you know, these are important dreams to you, and I just want to make sure we cover them. I don't want to leave any of them out. So, anything else come to mind?'

T.S.: 'Ahh, no, that's pretty much it.' And this time, the prospect realizes, 'Gosh, I still don't even know what type of business we're in, but I've already told Tom my dreams, my goals, what I want to do in life, we have a pretty good relationship, so where do we go next, Tom?'

T.P.: 'See, and the reason he's telling me this is because I've shared with him first. If I wouldn't have shared, he wouldn't have told me anything. But, I've told him some pretty personal things about me, so now he's almost obligated to tell me some of his dreams. And when he tells me his dreams, I say, 'Tom, let me ask you a question. With your current income, can you reach all your dreams?'

T.S.: 'And I have to say, 'No way. I can barely reach this month's mortgage payment. Don't have a lot of money to start a part time business, but I'm willing to put some sweat equity and effort in, and maybe learn some new skills, whatever I need to do, because I just can't live like this the rest of my life.'

T.P.: 'Okay. Now, we've created a problem. He can't reach his dreams. Now, we have to give him a solution. So now the solutions come up, and I say, 'Well, Tom, you know, there are probably different ways to reach your dreams. But let me just cover four briefly with you. First of all, there are investments. You know that takes. Capital. And you have to know what you're going to invest in. Second thing would be maybe a second job. That's what you're kind of looking for now. A second job, or maybe your spouse could go to work. I don't know if your spouse works or not, but I know there are a lot of spouses are working now, and people still need the money. Or, you can start a business. Of course, whenever you start a business, you know, people are always thinking like, 'Oh jeez, start a business?' Let me just kind of digress a little bit here. Let's say for example, one of your prospects, on the other line, is a waiter or a waitress. And you say, 'Hey, listen. I found a great business opportunity.' Well, they have no idea what you're talking about. They're waiters or waitresses. They make minimum wage plus a couple of tips. They don't know what a business means. They think of business as investing money. If they knew business, they would probably own the restaurant. So, we want to try not to throw words that they can scare them off. That's why we use words like residual income. Because they understand money. They understand the residual income. So, we can start a business, I'm saying here, but that takes money. And of course, it takes sometimes a lot of money, and we've got to make the right decisions, and sometimes the business goes out of business. Or, we could start to build a network that would give us a residual income. Now those are four basic options.'

T.S.: 'Okay. And, then where do we go from there? So, here we have all these possibilities, and I'm thinking, 'Gosh, I still don't know the name of the company, I still don't know the products, what am I going to do?'

T.P.: 'Okay. So now, we've given them some options and said, 'For example, Tom, let's just look at a traditional business. Let's take a pen. Let's say the manufacturer takes 40% to produce the pen. And then it goes through a broker, from the manufacturer, to a wholesaler, maybe there's some advertising there, there's a retailer, and then it goes to the consumer. And that right there is 60% that the middle person takes. I like this building the network thing and getting the residual income because in this situation, the scenario, the manufacturer takes 40%, but the network of people take that 60%. And the network consumes about 80% of the products or services that they use. And 20% is sold. Now, here's the word 'sold.' When I talk to my neighbor, maybe my neighbor says, 'No, I don't want to join this program. But I want to buy some of these products or services.' Or, my mother doesn't want to do this, but she wants to buy some of my products or some of my service. That's what I'm talking about selling. I'm not talking about knocking on doors and selling the product. Now, let me ask you Tom, (and here's where I give you examples) . . .

T.S.: 'All right.'

T.P.: 'Do you ever use any shampoo on your hair?'

T.S.: 'All right, so, if we're talking about a personal care company that carried personal care products, I'd probably say, 'Yeah, I understand that.'

T.P.: 'Or, 'Do you ever use any phone cards?'

T.S.: 'If I ever make long distance phone calls, probably everybody does, then some companies sell long distance phone cards, yeah I could relate to that.'

T.P.: 'So, I give the examples of some of the products that are out in the industry, some of the services that are out in the industry, and they say, 'Well, yeah.' Now, Tom, if you were to start a company today, would it be better to start with one product or a variety of products? Most people say, 'A variety.' Sometimes they say, 'Well, I don't know, it depends on the product.' If they say that, I would say something like 'Okay, if you were to start a grocery store today, would it be better to have one product or a variety?' and they say, 'Variety.' 'Now, would it be better to start with a product or service that people use on a daily basis or once a year?' They say, 'Well, daily would be better because they'd use it up and I'd get more money, you know?' I say 'Okay. So, after I ask him about these products or services, then I say, 'Would you like me to talk to you the rest of the couple of minutes that we have here about how to shampoo your hair, how to dial a telephone, or, how to create a residual income?' And they always say 'How to create a residual income.'

T.S.: 'Okay. And then you allow the literature and the tools of the company to give them the actual presentation about the products and compensation plan.'

T.P.: 'Yeah. And let the company do that. But what I talk about after that, is I say 'Briefly, I want to cover a couple of concepts with you.' And the concepts will be, for example, in

your marketing plan, you cover some of the highlights. Maybe you have other type of bonuses, a couple of bonuses. Don't cover all the stuff. Just a few of them.'

T.S.: 'Okay. Let's take a look at mailing lists, or ads. Whenever you get a bunch of responses, people say they get discouraged, because not everybody wants to join. There are a lot of curiosity-seekers out there, and let's just use an example here with someone who bought a mailing list. Maybe the mailing list had phone numbers, and they tried calling these people, and allegedly, all these people responded to an ad looking for more money. If you get 100 leads, the biggest mistake an amateur would make is to try and convince all 100 people to join. Because what you're looking for is just those few people out of that list of 100 that you can relate with and work with successfully. So, let's just take a hypothetical list of 100 people and you're going to cold-call them off this list because they've answered some ad. And out of 100 people, there are probably 30 of them you'll never reach. You might get their answering machine, their phone disconnected, you'll never reach or talk to them. Maybe another 30 you do reach, and they just say, 'Hey, I'm not interested.' Maybe they don't like the sound of your voice, or maybe things have just changed in their lives. Maybe they just got a brand-new raise or a big promotion at work. They're not interested in part-time money anymore. Well, that leaves about 40 left. Well, out of the 40, maybe half of those, another 20, they're just brochure-collectors. And there are a lot of people out there who don't know how to say, 'No, I'm not interested.' and they'll tell you, 'Please send me some literature,' just to get you off the phone. We've all probably experienced something like that. What's left? About 20 people are left. Out of the 20 people, 10 of them that you talk to will probably claim they've never answered an ad, they're not interested, they don't know how they got on the list, and they wish you'd never bother them again, and never cross them again on the face of the earth. That leaves you about 10 people left out of that 100 who would be worthwhile to build a relationship with, to do a follow-up with, to send literature to. The biggest mistake you can make as an amateur recruiter is to try to mail and reach and convince all 100. What the professionals do, is they quickly sort through the 100 to find those 10 that they can spend some quality time with, and those are the ones that get the literature. So, instead of trying to mail literature to everybody, and just getting maybe an acceptance of, 'Oh, it's okay if you mail me literature, I'm just not interested.' What you really want to do: locate those 10. That's where your effort goes. Because if you can get those 10 people to visit with you over the phone, and tell your personal story, even if it takes 25 minutes, that's quite a bit of time out of your week. So focus on sorting quickly through. Now, here are a couple of tips on how you can very quickly sort through people. What kind of phrases or things do people say on the phone, Tom, that just tell you right away that they're really not going to be the type of person that you can successfully work with in the business? What kind of phrases or things have you noticed on the phone?'

T.P.: 'I was making a call a few weeks ago, and I'm talking to this guy, and he says 'Is this going to take long? Because my wife doesn't want me on the phone too long because we're getting ready to watch a movie.' Maybe this guy's not a very good prospect.'

T.S.: 'I think that would be a pretty subtle hint.'

T.P.: 'Or, somebody says to me, 'Well, you need to talk to my husband, but he's not really in a very good mood today, and, really he's not in a very good mood any day when he talks about network marketing because he hates it.' You know, so ... '

T.S.: 'Or they start off by saying, 'Is this selling? Do I have to do any work? Do I have to invest any money?' If they start whining right away, it's probably not get any better, is it, Tom?'

T.P.: 'No it's not. It just kind of goes downhill. But there are reasons why something happens for a person. I have one distributor who was making a phone call. And she was making a phone call to a person, who had responded off a mailing list. She said 'Well, I'm calling .. ' and so forth, and the lady said to her, 'Well, I'm not interested in this kind of business.' And most people would have said, 'Okay. Thanks.' and hang up. Sometimes you might want to ask them, 'Well, why?' They may have a reason. For example, one lady mailed a catalog of products, with a price list. She did a follow-up call. And the lady says, 'All the products are too expensive.' Most people would have said 'Oh, okay. Sorry.' and left it like that. But my distributor said, 'Well, you know, the prices I sent you, those were retail prices. Do you know you can get them cheaper if you are a distributor?' and the lady said, 'Ohhh.' Now, it opened the door for some more conversation. So, sometimes we have to ask a couple of questions.

T.S.: ' So sometimes a no is not a no, but by talking to them, they'll tell you very quickly if they just want to say no and get off the phone, and no because something happened to me, or I'm depressed, or something's bad today.'

T.P.: 'Right, by asking those questions. If you get a name off a list, they're either in the business, and they're not happy, or they're in the business, and they're happy, but they're open-minded. They're looking for something. If they're unhappy, it's because they're probably not making any money. And if they're not making any money, it's because maybe they don't have a sponsor that's teaching them the skills on how to build a network. There could be a lot of reasons. Maybe they are happy, but they're hearing some rumors that their company's is going to go out of business. Let's say they've been in the company for six months. The company goes out of business. He has some people already sponsored and may have some people ready to follow him to another business.

T.S.: 'Okay. Well, we want to thank Tom for coming in the studios today, and for those of you who are listening, believe me when I say, anybody can do it on the phone, even phonophobics such as me. If you can remember to tell your personal story, half the battle is won. And please, please, please, focus on the few people you have a relationship with that you can talk to comfortably over the phone and don't worry about the ones you can't. Thanks again, Tom, for coming into the studio, and we wish you good luck recruiting.'

T.P.: 'Okay. Thanks, Tom.'

This interview is available on two CDs, convenient for listening while you drive. You can get these great training audios at <http://www.fortunenow.com>