



Robert Kiyosaki on Network Marketing

"New York Times best selling author explains why everyone should own a Network Marketing business."

WHY NOW IS THE BEST TIME TO CHANGE

A friend I flew with in Vietnam called me the other day. He said, "I've been laid off again. What do I do now?"

Jim and I went through flight school and Vietnam together. When we returned to the states, he got a job as a pilot with the airlines and I began building my business. Jim was absolutely in love with his work. He loved flying and the company he worked for. Unfortunately, the company was with Pan American, which for those of you who are old enough to know that Pan Am went out of business, even though it was once the number one airline in America. After five years of taking odd jobs, he finally was rehired by an airline whose name I will not mention, because it is still in business today, but just barely. This is the airline he was laid off from.

"I'm 53 years old." said Jim. "I still have two kids in school. I have nothing saved for retirement. And worst of all, how am I going to find a job that pays me \$85,000 a year, especially when all I know is to be a pilot?"

Job Security Is An Obsolete Idea

For those of you who have read my books or come to my seminars, you may know what I think about the idea of job security. I have said it for a year, "Job security is an obsolete idea." The reason I say this is because the issue of job security was the issue for my parents, the World War II generation. My parents grew up in the Depression and to them, just finding a job was a challenge, so when they found one, they clung on to it for dear life. Once they retired, they did not have to worry because the government pension, Social Security and Medicare were there to take care of them once they were through working. We do not have that luxury.

For those born after the WWII generation, job security is not an issue. The reason I say job security is not an issue is because there are plenty of jobs. Always remember that McDonald's is always hiring. I still see help wanted signs everywhere. So the problem is not finding a job. It is long term financial survival. For my friend Jim, a well-educated, highly skilled man, hard working man, the question is, where is he going to find another pilot's job that pays him what he needs when the airlines today, are downsizing? How will he continue to pay his mortgage, pay for his kid's college education, and put enough aside to retire on?

When Jim asked me for advice, I said, "After you find a job, this time why not start a part-time business?"

"What kind of business?" he asked.

"Why not build a network marketing business in your spare time? Why not build something you control and you own?"

"No, no way." He said. "I just want a high paying job. I want to fly again. I'm not interested in network marketing. But thanks for the advice. I'll call you back when I find a new job with another airline. I love flying and that is all I want to do."

Lifetime Job Security Is Over

Jim has not called back. It has been almost three weeks. Obviously, he did not like my advice but for you, I would like to give you the reason I offered him that advice. As I write, President Bush is in China and our military is in Afghanistan. If you cannot see the writing on the wall, let me open your eyes. The days of lifetime job security and your mutual funds going up by 20% per year are over. If you think your mutual funds will carry you after you retire, I think you had best make other plans. Why? Because what has just happened to my pilot friend Jim, will be happening to millions of people. The idea of high paying jobs and pension funds that increase by 20% per year is an obsolete idea. America is at war, battling an invisible enemy, an enemy without a country. On top of that, China is expected to pass the U.S. as a world financial power in less than ten years. It does not take a crystal ball to see that there will be plenty of jobs in America, but fewer and fewer will be high paying. Why? Because the Chinese are smart, hard working, and willing to be paid less... much less.

Jack Welch, the retired CEO of General Electric said recently, "20% to 30% of what is produced in America will soon be produced in China." In other words, in order to compete with China in the world economy, we must produce for less or lose. Highly skilled pilots like my friend Jim need to work for less, if they want to work. Pilots need to work for less, many other professions will need to work for less and produce more in order to survive. If you have been watching the news, between the stories of Anthrax and President Bush in China, you may have caught a glimpse of Bill Gates and other American business leaders shaking hands with the Chinese. Let me say this, these leaders of American business are not there because they like Chinese food.

Network Marketing Is The Business Of The Future

The reason I suggested that my friend Jim start a network marketing business on the side is because becoming a business owner is a very wise strategy, especially at this time in history. Starting your own business gives back some control over your life. If you think your boss or company can protect you from the geopolitical forces that are at play today, I think you need to rethink that thought. There is an old song that said, "For you better start swimming or you'll sink like a stone, for the times they are changing." Our leaders are in China, not in the war zone. That should tell you how much things are going to change and change soon.

The reason I recommend network marketing is because network marketing is the business of the future. Back in the late 1990's, it was often difficult to talk to people about network marketing when the economy was so strong. It was hard to talk to people about network marketing when their mutual funds were going up by 20% per year. But those days are over. If you ever wanted to get ahead of the curve, now is the time to open your mind and look at this business of the future. Now is the time to talk to people when they too are looking for new answers and new ways to find true long-term financial security. ***A network marketing business is one of the asset classes. It is a business. If you work hard and build the business, that business will give you the excess cash to acquire the real estate and stocks that will give you true long term financial security...***security you can pass on to your loved ones. You can't do that with your job, no matter how secure it is.

My friend Jim the airline pilot is also a casualty of the September 11th event. The problem is, he is not willing to make changes. My prediction is that for employees, who are well educated, well trained and ambitious, the next few years will be tough ones. Why? Because well educated, ambitious, high paid employees are often the first to be downsized and once downsized, they often find it harder to find a job at the pay scale they were used to. In the Industrial Age, if you were well educated, hard working and experienced, you were desirable. In the Information Age, experience and age are liabilities, not assets. So with each passing year, it gets harder to re-enter the job force and find a



high paying job in the new economy. As my rich dad often said, "The rules have changed. If you want to do well, change with the rules." Unfortunately, we are in time of crisis. None-the-less, for the brave at heart, now is the time to make changes, changes that will give you life time financial security which is far better than job security.

Network Marketing - It's an Asset, Not a Job

I am sometimes asked, "Why do so few people make it to the top of their network marketing system?"

The truth is, the top of the network marketing system is open to everyone — unlike traditional corporate systems, which allow only one person to reach the top of the company. The reason most people do not reach the top is simply because they quit too soon. So why would someone quit short of the top?

Most people join only to make money. If they don't make money in the first few months or years, they become discouraged and quit (and then often bad-mouth the industry!). Others quit and go looking for a company with a better compensation plan, but joining to make a few quick dollars is not the reason to get into the business.

The Two Essential Reasons to Join a Network Marketing Business

Reason number one is to help yourself. Reason number two is to help others. If you join for only one of these two reasons, then the system will not work for you.

Reason number one, means that you come to the business primarily to change quadrants — to change from the E (Employee) or the S (Self-employed) quadrant to the B (Business owner) or I (Investor) quadrant.

This change is normally very difficult for most people — because of money. The true 'E' or 'S' quadrant person will not work unless it is for money. This is also what causes people to not reach the top of the network marketing system: *they want money more than they want to change quadrants.*

A 'B' quadrant or 'I' quadrant person will also work for money, but in a different way. The 'B' quadrant person works to build or create an asset — in this case, a business system. The 'I' quadrant person invests in the asset or the system.

As a 'B' or an 'I', sometimes you don't get paid for years; this, a true 'E' quadrant or 'S' quadrant person will not do. It's not part of their core values. Risk and delayed gratification disturb them emotionally.

Delayed Gratification and Emotional Intelligence

One of the beauties of network marketing is that it focuses on developing *your emotional intelligence as well as your business skills.*

Emotional intelligence is an entirely different matter from academic intelligence. In general, someone with high emotional intelligence will often do better than someone with high academic intelligence but low emotional intelligence. That explains, in part, why some people do well in school but not so well in the real world.

The ability to delay gratification is a sign of higher emotional intelligence. In a recent study of emotional intelligence, it was found that people who could delay gratification often led more successful lives than those who could not.

This is why the educational system inherent in a good network marketing opportunity is so important. It's the emotional education or emotional intelligence aspect of their programs that I find so valuable for people.

Many people write me and tell me they loved my book, *Rich Dad, Poor Dad*, but I fear that many of them don't get the most important point of the book: Lesson #1, "The rich don't work for money." Once I have built or bought an asset, that asset works hard to make money for me. But I will not work for money — I will work only to build or buy assets. Those assets make me richer and richer,

while I work less and less. That is what the rich do. The poor and middle class work hard for money, and then buy liabilities instead of investing in assets.

What Kind of Asset is a Network Marketing Business?

Remember, there are two reasons to be successful in network marketing: to help yourself, and to help others. Reason number one means helping yourself get to the 'B' side of the quadrant. What about reason number two? The beauty of most network marketing systems is that you don't really make much money *unless you help others leave the 'E' and 'S' quadrants and succeed in the 'B' and 'I' quadrants*. If you focus on helping others make this shift, then you will be successful in the business.

If you only want to teach yourself to be a 'B' quadrant and 'I' quadrant person, then a true network marketing system won't work for you. You may as well go to a traditional business school, which focuses only on your becoming a 'B' quadrant person.

The beauty of a network marketing business is that your goal is to create assets, which are other 'B's working under you — and their job is to create other 'B's working under them. In traditional business, the focus is for the 'B' to have only 'E's and 'S's working for them.

The type of business I was taught to build is a business with me at the top and 'E's and 'S's at the base. I really don't have room at the top for many other 'B's, which is why in my businesses, I strongly recommend that all my employees look into network marketing as their own part-time business.

The traditional corporate system really is a pyramid, because there are a few 'B's and 'I's near the top, and more 'E's and 'S's at the base. A network marketing system is a reverse pyramid: its primary focus is to bring more and more 'B's to the top.

One type of pyramid, the traditional type, has its base on the ground; the other type has its base in the air. It's a pyramid that pulls you up instead of pushing you down. A network marketing business gives everyone access to what used to be the domain only of the rich.

Robert Kiyosaki's site RichDad.com is the place to begin your journey to financial freedom with access to media, forums, events and more.