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Leadership With Innovation: John and Susan Peterson

John and Susan Peterson: A Business Model for the New Era

By **John David Mann**

They have been in the business since 1984, which grants them elder-statesmen status; but for John and Susan Peterson, it is clearly not the resting-on-laurels kind.

Despite a distinguished c.v. of near-legendary success (over the past decade and a half, the Petersons have developed one of the larger organizations in the industry, spanning 51 countries and netting them millions), John and Susan entered the new millennium with some unresolved challenges and uncharted new territory. What the Petersons confronted as the 21st century loomed was a sea-change in demographics, lifestyle and technology.

The network-building system on which they'd cut their teeth—the classic networking recipe of coffee-shop and living-room klatches and multiple-weeknight hotel meetings—was no longer working. In a culture well into what futurist Faith Popcorn had dubbed “cocooning” over a decade ago, the old ways of doing business were not going to survive.

The Colorado couple seized the initiative, charted the new territory and led the charge. In the past few years, they have developed an intriguing blend of media, combining Internet, teleconference and live event, forming a new model for these networking times. Their efforts have paid off big time, not only for them and the tens of thousands of leaders in their organization, but also for networkers throughout the company—even those in other organizations. The Petersons understand the fundamental economic law of network marketing, which many believe is what most sets network marketing apart from the business-as-usual conventions of the 20th century: *You gain the most when you give away your secrets.*

The Early Years

June 2002

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Reviews

How To Sell Network Marketing Without Fear, Anxiety or Losing Your Friends!

Michael Oliver



In 1982, John and Susan were living in Houston, she with a career in interior design, he in real estate. A friend called to tell them about a sales opportunity he'd found.

"We weren't interested," recalls John, "but we bought a kit. The truth is, we felt sort of sorry for him."

Fast forward a few years: the Texas oil market has crashed, taking John's and Susan's businesses with it. In 1984 they hear from their friend again—and this time, they listen with a very different perspective. John laughs:

"Here was this average guy I'd grown up with, who never finished college—and he was now making \$20,000 a month, while my lucrative international real estate trade was on the rocks. This time, we listened to what he had to say.

"I had no idea how to recruit people, and even when I did, I didn't know how to train them. So we just did what we were taught: Bring 'em down to a Tuesday night, invite 'em all back Thursday night to be trained—they'll be in or out, based on what they hear in the testimonials. That's the classic support system, and it's what we did for years."

Their group got off to a fast start; within nine months their monthly income had reached \$40,000—at which point they made what John calls "the classic mistake."

"We stopped doing the things that got us there, and our check started going down. I wondered, 'What's wrong with the company? Maybe corporate needs to fix a few things.' Where I needed to look was in the mirror: when I stopped recruiting and going to trainings, my distributors followed suit."

To make things worse, the company was hit by the media—and hit hard. Many thought it was all over for the company—including John.

"Our check went from \$40,000 down to \$4000. Susan stuck with it, but I went out and got a job. We lost practically everything."

After several months, John began to realize, maybe it wasn't over after all. The company hadn't closed its doors, and appeared committed to the long haul. John joined Susan again, now with a different kind of commitment.

"I was not concerned so specifically with how much money we made. I realized that what I wanted was the freedom, the lifestyle; and I wanted my friends back. I decided to do it no matter what."

The two worked together seamlessly, each partner's strengths meshing beautifully with the other's. Says Susan: "John would hit the road, working the frontiers and starting new cities, while I supported our existing lines. He would turn the new lines he started over to me; I would get them trained."

Susan spent 95 percent of her time on the phone, while John spent 95 percent of his in person-to-person meetings from city to city—and eventually, when the company began to open international markets, country to country. It was labor-intensive, exhausting—and exhilarating.

The couple soon had their business turned around and their income growing again. Before long they had gotten it back to its former levels; in time it grew



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"We stopped doing the things that got us there, and our check started going down. I wondered, 'What's wrong with the company? Maybe corporate needs to fix a few things.' Where I needed to look was in the mirror: when I stopped recruiting and going to trainings, my distributors followed suit."

again. Before long they had gotten it back to its former levels, in time it grew far beyond those early hopes and expectations.

The Challenge

In the last years of the century, the Petersons found themselves challenged on two fronts: one global, and one quite local.

"Suddenly we're doing business in 51 countries, asking ourselves, how on earth do we communicate effectively with all these people?" recalls John. "We were holding huge conference calls, but they really were no longer effective: too many time zones, too many people who couldn't follow our English, too much buzzing of family members trying to translate in the background... it was turning into chaos. We needed a long-distance support system."

At the same time, the Petersons found that the old way of doing business wasn't working right in their own neighborhood. In 1996, the family had moved to Steamboat Springs, Colorado, as John puts it, "to put our five-year-old twins, John and Jennifer, in a good school system and enjoy small town life." As they began to build locally, they saw that the old "Tuesday-Thursday-Saturday-meetings" system was no longer practical.

"It goes against the grain for people today. The aftermath of September 11 has only highlighted what was already true for so many: people do not want to have to go out to meetings any more. They'd rather be at home with their kids. In fact, that's exactly why most people join this business in the first place!"

Like everyone else in the late 90's, the Petersons were hearing the growing buzz about the "wave of the future"—the Internet had arrived. Susan hit the library and made herself as Net-savvy as she could.

"Our first stab was to simply take the recruiting booklet we had developed years earlier and turn that into a Web page," explains Susan. "We were stuck on that for a few years. We also began to realize that we didn't just need a way for us to communicate with our people—we needed to create a turnkey business system that anyone could plug into and run with. We knew we wanted to go beyond what we had; we just didn't know how."

Merry Christmas

One fateful day in December 2000, John's airplane pilot invited him to breakfast. (Yes, the Petersons employ a full-time pilot—two, actually: one for their plane and another for their helicopter.) They got talking about the challenge of worldwide communications, which led to talk of the Internet. The pilot connected John to an Internet specialist.

"Ty came from Disney Productions," says John, "and had connections with Sun and Microsoft—he really knew his stuff. I introduced him to Susan. Everything changed."

Susan immediately saw how they could use this new medium to recruit, train and establish a hub for a far-flung business-building system. She takes up the story:

"I first met with Ty on January 5, 2001; two months and four days later, we launched our Business Center with a live Webcast to seven locations around America."

Recalls John, "We knew we were introducing a wild new concept. We knew we didn't have it all figured out. In fact, it was practically held together with rubber bands—our Internet guys were going at a crazy pace, putting this whole project together at breakneck speed."

Did it work? And how.

"Since then, things have simply exploded. We keep making it better and

better, but it's been a successful concept from day one."

How It Works

"The Business Center is the cornerstone," explains Susan. "It provides all the tools you could need—your own recruiting (affiliate) Web site, a retail Web site, and various recruiting tools available for order. Our fulfillment center collects and fulfills all the orders daily. There's even an on-site Web wizard that helps you select a domain name. It's a true turnkey system."

The Petersons' Web site comprises over 10,000 pages—and that's just English, John points out.

"We just took the Business Center from English to multi-lingual: you can click on any one of five other languages and it changes dynamically—while you're viewing it. Click and boom! you're in Spanish, Italian, French, German, or Danish."

Still, no matter how sophisticated the Web site, hands-on training needs to be personal to be effective—hence, component #2: the Focus Groups, John explains.

"The Focus Groups are weekly one-hour trainings conducted via interactive teleconference, usually on Mondays and Tuesdays. Each call is limited to no more than six or seven people. There are literally thousands of focus groups happening at any given time, nationally and internationally."

Keeping the call small, explains John, keeps the quality of the teaching solid and person-to-person.

"You simply can't conduct this kind of personal, hands-on training in a mass context."

The Focus Groups train on four levels. The first 12 weeks take a brand new distributor to the company's first major achievement level. Next time around, the distributor joins a new focus group, but this time as a Team Leader. The third time through, he or she is now a Business Mentor, working with the Team Leaders, helping them to develop their teams.

"It's the same 12-week outline each time," explains John, "but you're approaching it from a different level. It is developing leadership as it goes."

Every Wednesday morning, the Petersons meet with the leaders of their organization to share ideas about how to make the Business Center even better. They also cull testimonials heard on the Focus Group calls—personal product and business stories that are less than 90 days old—and schedule the best stories for that week's Thursday evening national training call.

"On the Thursday calls," says John, "everybody gets to hear the new stories about what's happening to people who are just experiencing their first successes with the products and/or the business. We never repeat these testimonials: they are new each week to keep the sizzle going."

Building Towards Events

The Petersons' system is expertly designed to create

High Tech, High Touch

momentum and excitement as it moves from medium to medium.

The Business Center starts by providing information and inspiration. The Focus Groups create an intimate, person-to-person environment for training and support. The national Thursday calls generate tremendous excitement. What's missing is the live, face-to-face contact—and that's the next step.

Business Center members meet at corporate-sponsored live meetings each month at dozens of locations around the world. New distributors often get their first chance to meet people face-to-face at these corporate events.

"Still, up to this point," explains John, "the Team Members generally have not yet met the Team Leaders; the Team Leaders haven't met the Team Mentors—and none of us have met the people giving these great testimonials we've been hearing every week on the Thursday calls. After 90 days, we gather up all the energy we've generated and parlay it all into a massive live event."

At their first such event (held in Denver last November), the Petersons had about 1000 people. They held their second event in February in Orlando—with 2500 people.

"That's how much the momentum had built in just 90 days!" exclaims John. "First we establish momentum, then we build it, then we sustain it, then we go for another round."

Sharing the Knowledge

It took the Petersons over five years to tame the raw power of the Internet and design an effective system to harness it. Once the Business Center was designed and launched, it took the better part of a year to fully develop and refine all the other elements of the system. Now that they have the whole thing orchestrated, choreographed and running smoothly, they are thrilled with the way it has lowered the barriers to entry—the way it has made the business so much more available for the everyday man and woman.

"Once we got this going," adds John, "we realized we had something way bigger than us. We knew there was no way we could get this into all 51 countries effectively, all by ourselves. We decided to share what we were

We tried four different projects to create a good retail site, and every one of them failed.

We were trying to have the site do the selling. That doesn't work. We had great material, but when you start doing a shopping cart and creating an elaborate selling environment, it starts becoming depersonalized. What gets people excited about buying a product is the person they're talking to.

You know what it's like when you reach a voice mail menu, or you're on hold, "Go this number, go to that number..."—it drives you nuts! What makes our industry work is being personal with people. The more personal you are in a depersonalized world, the better off you'll be. You can use the technology to find the people, to pique their interest—but then you need to become personal.

Our system uses the Internet to gather leads, to generate interest in the general concept of the company's products and heighten excitement through lots of online testimonials—then they personalize those leads by having distributors follow up, either by the phone or personalized email. We use a similar process with business leads.

People often think that the Internet is going to recruit that person or sell their product for them, without the human contact. That's where they miss the boat. No matter how sophisticated the system, it's got to lead to a person on the other end. That's why we created our big event every 90 days: how long can you keep a business going with people you never met?

doing with two other leaders in the company, key international leaders who were outside our organization. Soon we started getting pressure from all sides, including the company itself, to open the whole system up to everyone.”

That is exactly what they did.

“Why would we do that? The truth is, the more successful the whole company is, the more successful we become.”

The point is philosophically satisfying—and practical, too. We take it a step further: the stronger the industry as a whole, the better off you are; therefore, it makes sense to share what you know with as many people as possible. The Petersons agree enthusiastically.

“Quite often in networking companies, you see each group staying unto itself, rarely sharing their discoveries with other organizations. We have not found that to be a sound strategy. If the organizations are competing, you get to a company event and everybody is saying, ‘Our plan’s the best...’—and the new guy is wondering, ‘Did I join the right group?’ Instead of leaving there with excitement to go build his business, he goes out looking for ‘the secret’—wasting his time. It’s a massive distraction: not good for the company, not good for us.

“As an industry, we have all accelerated tremendously because of our collective learning curve. People’s new networking businesses are starting off much faster today than they were when we started 18 years ago. There’s never been a better time to join network marketing than today. A few years ago, a lot of people were wringing their hands, saying that the Internet was going to be the death of network marketing. We think it’s the birth of a new wave in network marketing.”

Myths and Misconceptions

There are two myths in the industry that can really hurt us. They create an attitude of cliques within a company, and of competitive hostility between companies. They harm the industry as a whole; we need to do what we can to clear them up.

Myth #1: You’ve got to get in at the beginning—or you won’t make it.

Oh, really? Well, we missed the first four years of our company—and I’m glad we did! The beginning is actually the riskiest time to get involved. If we had to do it all over again today, we would be looking for a company and product that had already gotten through its first few years, not a “groundfloor opportunity.” In fact, most of the millionaires in our company have been created in the last seven years.

The Truth: If you’re with a solid, good company, the opportunity just gets better and better over time.

Myth #2: There’s not enough for everyone.

That, of course, is a huge myth not only in our business but also in the world at large. In relation to our business, it’s just plain silly: in our lifetime, we could not possibly even scratch the surface of the world’s eligible population. If anyone should know that just the opposite is true, it’s network marketers!

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