



Why an Herbalife President's Team Member Resigned
His 6-figure Income
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From: Robert Ford

Date: January 14, 2009

I'm Robert Ford. In this article I will share how I became a top earning Herbalife Distributor.

I'll talk about what I discovered after sacrificing 11 years of my life building a Herbalife business. And why I resigned a six-figure income with Herbalife to start a networking career all over.

Reaching the Top Half of One Percent As An Herbalife Distributor

Three years after getting started in Herbalife (when Herbalife was 15 years old) I had one of the fastest growing Herbalife distributorships in America.

One of the most common questions I am asked is: "*How did you build your business so fast?*"

The short answer is massive marketing action. Keep in mind, this was the late 90's and "Old School MLM" was all there was.

What do I mean by massive marketing action? Here was my method of operation. This is what I did to get my phone to ring off the hook:

15 classified ads per week

25 pole signs per week

1,000 business cards per day, 6 days a week (I wore out two pair of Nike running shoes)

Was it easy to do? Absolutely not.

Did it work in building a network marketing business at that time? Absolutely yes.

After this level of commitment and work ethic for three straight years my wife and I achieved Herbalife's prestigious President's Team status. We were on cloud nine.

We were in the top 1/2 of 1% of all Herbalife Distributors. Our Royalty and Production Bonus checks hit over \$32,000.00 a month.

The Allure of Residual Income with Network Marketing and Reaching Herbalife "President" Team

I really like network marketers. We are a very unusual group. We are self motivated. We are willing to work hard to achieve our goals. We are willing to step out of the box to achieve our dreams. That's why I like them! I've made great relationships in this business.

It is my opinion that most of the people who are attracted to this industry are attracted because of the promise of Residual Income. The promise of building a stream of income that can last a lifetime.

So when our income had exceeded \$25,000.00 a month my wife and I thought we had the world by the tail. We thought that because we had been told, "Once you hit the Herbalife President Team you will be set for life financially."

Instead of experiencing that financial security, at the very top of our Herbalife career the true nature of the Herbalife business model began to raise it's ugly head.

Our organizational volume began falling. Our distributors couldn't get and retain loyal retail customers. Our Herbalife checks began dropping.

I thought I wasn't training my people enough, or I wasn't working hard enough, or maybe I didn't have the right leads to work. I thought I was the problem. I never thought to question the Herbalife business model.

Then I read "[The 7 Great Lies of Network Marketing](#)". It was like the scales fell from my eyes. Suddenly I could look at my Herbalife business objectively.

Here is Why I Resigned as A Six-Figure [Herbalife Distributor](#)

So let's say our long-term goal is to build reliable residual income, OK? That was my goal when I started building my Herbalife business. Here is why I resigned a six-figure income...

If the goal is long term income don't we need customers that are using products month in month out, long term? Of course we do.

Is that what happens with the Herbalife business model, let's analyze this...

Question: Do you or most of the people you know purchase what they would consider to be a luxury product month after month?

Answer: Of course not.

Question: Are weight loss products a luxury or a necessity?

Answer: Perhaps we could have some disagreement here. But here is what I know from real world experience. When someone loses the 15 to 20 pounds they wanted to lose they stop buying weight loss products. So from their perspective they must be luxuries.

Question: How can you build long-term residual income around a product that is not used by retail customers' long term?

Answer: The answer is obvious... you can't do it around retail customers.

Herbalife has some great products. The problem is they tend to be expensive.

There are two problems with the expense of the Herbalife products:

1) If the product is perceived to be expensive by your market it is harder to sell to retail customers.

2) If the product is perceived as expensive the life time value of your customers will be less because they will not choose to be long term customers.

A Problem with the Herbalife Compensation Plan i.e. Herbalife Sales Quotas

The next challenge with the Herbalife business model is sales quotas. Most people are building their network marketing businesses on a part time basis.

The problem with Herbalife's sales quotas is they are set so high that most part timers can't meet the quota. So they don't get their full Royalty Commission check, it goes to their upline.

So here you have a part time networker who does the best he can retailing yet can't get a full Royalty Commission check. So he either quits or he turns to recruiting.

The end result of this business model is you end up having a few people (builders) all focused on recruiting. So there is no real retail consumption of the product. It really is a few people all focused on bringing other people into their recruiting business.

Another Flaw with the Herbalife Business Model

You can only sponsor your people front line creates a very top heavy compensation plan. You end up having more people at the top of the compensation plan than at the bottom.

This is exactly opposite from what we are told about MLM. The business is supposed to duplicate, it gets wider as you go in depth. All I know is that did not happen in my experience or in any of the other top income earners in Herbalife that I know.

If you are seeing wild swings in your network marketing income you may want to really examine your company's business model if your goal is long term reliable residual income.

Reliable Residual Income – I Had to Quit Herbalife

I am finally experiencing the benefits of reliable residual income. I had to quit Herbalife to start over but it has been worth it. My business is built around necessity products, it is based on bringing real value to my customers, it is a lot of people doing a little not a few doing a lot, it is based on real people using and consuming products and I am seeing real geometric growth as my business builds depth.

And now, what I am excited about is applying Internet Network Marketing to my business to see it go to a whole another level. It is, indeed, a great time to be involved with network marketing.

Robert Ford

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From: Robert Ford

Date: January 14, 2009

September 1, 2006
Michael O. Johnson
Herbalife International
1800 Century Park East
Century City, CA 90067

Dear Michael:

I am grateful for having had the opportunity of being a Herbalife distributor for the past 11 years and 4 months. I can honestly say that there has not been a single day where I have not used the products since I started Herbalife...they are truly incredible!

This past month I was responsible for 11 new distributors, 1 new Success Builder, 1 new Half Supervisor and 2 new Supervisors (all by the 17th of August). Over the past 11 years my personal volume with the company stands at \$1,462,047.18 and Julie and I are on track to qualify for this year's vacation. Our Royalty and Bonus checks earned in August and payable in September should approximately total \$9,242.53 (actually they were over \$12,000.00). That's \$25,174.82 less per month than it once was when Mark was alive.

When Mark Hughes died in May of 2001 my organizational volume had dropped over \$150,000 from its high in our business. Sadly my business has never recovered its former glory. I can not think of how many times I thought I wasn't doing something right. Or if I could just train my people better. Or if I had a better system. Or if I had the hot new lead source. Countless hours have been wasted thinking I was the problem because everyone knows that if you can't make it in Herbalife you can't make it anywhere and the reason you don't make it in Herbalife is because you don't work. I now know that is simply not true.

On August 17th at about 9:45 pm est I was on a "training call" where Anthony Powell made the following statement: "If you want to build the business and you want to go fast...Here's \$10,000 in personal volume, it's like management mode. It means you are basically bringing in the same amount as is going out. \$15,000 in personal volume and you are just above the water. You have to get up to the twenty's and higher to have things go crazy." And then it hit me! What Anthony had just said was the truth. I had to bring in about 4 Supervisors a month knowing that 3 would never make it!

It was that evening that I knew I could not continue being an Herbalife distributor. My father, God bless his soul, had raised me with the belief that if you lose the integrity of your name you have lost everything worth having. I could not continue promoting an idea where 75% or more of the people fail because the business model just does not work. I went to bed that night having no idea how I would be able to continue to pay my bills or support my family. But I went to bed knowing that that as much as I loved Mark Hughes and the Herbalife products I could no longer continue promoting the Herbalife Business Opportunity. My original goal when I came into

Herbalife was to truly make a difference by helping people with their health and finances. With their health through the products which I believe to be among the best and their finances by building residual income. Sadly I now know it is not possible to build true residual income in

Herbalife for the following five reasons:

1. In order for true residual income to ever be a reality there must be customers who want the products and a high percentage of customers who continue using the products month in and month out. Not promotional volume but consumed volume. As hard as Julie and I have tried we can't accomplish this. In the first few months of this year, using the Sample Pack Program we have 67 new customers. We have provided excellent follow up and customer care but only 14 remain. So we have about a 21% reorder rate. I challenge you to show me a distributor that has a higher long term percentage retail reorder rate, I don't believe you can.
2. We no longer have the same marketing plan as when I came into the business in 1995. The real retail price is being established on E-Bay, which is often below 50% of Herbalife's suggested retail price. So the new Distributor cannot honestly make 25% retail profit or if he does it won't be for long. Which causes higher attrition rates at the bottom of the marketing plan. For residual income to be sustainable this is where the retention must be the highest not the lowest.
3. The only Anglo groups growing in America are those that are promoting advertising thousands and thousands of dollars per month. Where President Team members are earning hundreds of thousands of dollars selling them leads, web sites, training packages for the use of their "system". And Herbalife holds them up as the example to follow when these leaders openly talk about how doing \$15,000 in personal volume is just keeping your nose above the water.
4. Distributors are going into tens of thousands of dollars of advertising debt attempting to build a Herbalife business where retail customers are an illusion. Instead it is based on promoting front loading Supervisor orders and if you can no longer in good conscious promote 3 to 4 new Supervisors a month Anthony says your nose goes under water due to attrition. So then in the end all you have to show for your years and years of work is a business that slowly rots away because the long term Herbalife retail customer simply does not exist. Why? Because it is not real people buying real products that they really want and need but a luxury product that they purchase only for a short time.
5. I have been told that the Herbalife Marketing Plan is the highest paid in the industry. I believe that. The problem with the marketing plan though is that it is top heavy and really does not reward the people that are doing the work. The other problem with it is that no true residual income can ever be possible because it is not based on a lot of people doing a little. It is based on a few doing a lot which is why front loading of supervisors is required if you want a growing business. I base this statement on an extended report of my organization back in January of 2002. It shows 2491 distributors in my organization and only 122 placed orders that month or less than 5% of everyone on the books. If this is not a few doing a lot I don't know what is. My suspicion is that most mature distributorships would show the same, a lot of people doing nothing and a few doing a lot. So I ask how is residual income possible here?

Because I can no longer promote the Herbalife Business Opportunity knowing what I now know I am disheartened to advise you that I am resigning my distributorship effective immediately. I will

be ever grateful for how Herbalife impacted my life but please don't worry about me because I have decided to follow Jim Rohn's advice, I will invest my experience into the future.

Sincerely,

Robert E. Ford

Herbalife International President's Team