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WHEN IS A PYRAMID NOT A PYRAMID?

Have you ever been approached by someone who suggested to you that your life is in the doldrums, that you are working too hard, that you should get away from what you are doing and join a company that offers you a much easier life and where you can make lots of money for very little work?

If you are attracted by this tempting offer, you are invited to attend an introductory meeting or you are given an audio or video tape to listen to or to look at.

Whichever way you are being introduced to this great firm, the presentation follows a very strict pattern. The speaker or presenter is a nice guy with a smooth and easy way of talking, very enthusiastic and very forceful. First he describes the company, usually an overseas firm, you are invited to join. He describes it as a most successful enterprise which has moved in leaps and bounds to become a world leader in its field. It is a company that has nothing but good points to its credit, a company without debts therefore financially very sound, in brief a company that anyone would love to work for. Having no costly shops to run, the company has few overhead costs and can therefore spend a lot of money on research in order to keep at all times the quality of its products ahead of its competitors.

Then the presenter moves on to the product itself. Undoubtedly the goods offered for sale are of top quality, unique

in the world, a type of commodity that everyone wants to buy. The speaker spends quite some time on this subject in order to convince you that the products are so good that they practically sell themselves and that very little effort would be required from you to push the sales.

To get started, you would only need to pay a small joining fee and from then on the easy life is all yours. Only a few hours a week are required, says the speaker, to make a few phone calls to your customers, to order and dispatch the goods and you are in big business. Work when you like, when it suits you best, no stress, no risks, no worries, just easy money and as much of it as you may wish to make.

Up to now everything looks perfect. The speaker sounds so genuine, the facts are so clear and simple, the prospects are terrific and you are so taken in by the presentation that you are ready to sign up and pay your joining fee on the spot.

A little twinge of doubt though crosses your mind. How are you going to find all these customers who are going to put all this big money into your pocket? But didn't the speaker mention that there would be a training course on how to sell and that you would receive continuous support? So your family and your large circle of friends should see you through, at least for the start, until your sales technique comes up to scratch.

But suddenly you realise that the mood of the presentation has changed. The speaker has moved on to another subject. He suggests now that you could make even more money if you recruited other people to join up, that for any sales your new recruits would produce, you would also get a commission.

From then on, the rest of the presentation centres purely on how to recruit more people and what financial advantages this would bring you. You get the distinct feeling that the company and even the products you were supposed to sell seem to have become irrelevant. All that seems to count is the recruiting of more people and more people. And suddenly it dawns on you why the person who first suggested to you to join the company is so eager for you to do so. That person will get a good commission from every sale you will make in the future without having to do any work himself or herself anymore.

So you sit back and start thinking. If the product is so good that it sells like hot cakes, why would you want to recruit other sales people who might eventually take some of your own customers away. But then, if you live in Auckland, you could try to recruit some people in Invercargill for example, so they would not be a threat to your own customers. Sure, but the guys in Invercargill may have the same thoughts and try to recruit people in Auckland, possibly even in your own patch.

A further disturbing thought comes to you. If this recruiting programme goes at full speed, the geometrical growth of sales people could be such that eventually there could be more sales people than customers and your promised big income could well fizzle out. Now you start wondering. If you join up, are you just one of a few sales people at the top or are there already thousands of you so that a saturation point might be reached very soon. There is obviously a limit to how many customers could be interested in the product and this relatively static market will have to be spread over an ever increasing number of recruits. To the company, it makes little difference whether its billion dollar sales are produced by a few generals or by a whole army of sales people. A powerful computer will easily keep up with sales records of thousands of little sales people. But for the guy at the bottom of the pyramid, the promised good life will not come by so easily.

Of course, the presenter will carefully avoid the words "pyramid selling" because, not only have they an unpleasant connotation, but the words could also refer to a set up that could be sailing mighty close to the fringe of the law in many countries.

Nevertheless, from whatever angle you look at the set up, it very much looks like a pyramid and you would be hard pressed to find another name for this type of sales structure.

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