

A review and highlight report of the latest book in the
Rich Dad Poor Dad series...

Rich Dad's "The Business School for People Who Like Helping People."

*The Eight Hidden Values of a Network Marketing
Business, Other Than Making Money*

By the author of Rich Dad Poor Dad

ROBERT KIYOSAKI
THE MILLIONAIRE SCHOOL TEACHER



Robert Kiyosaki wrote *Rich Dad Poor Dad*, the #1 New York Times bestseller. He followed with Rich Dad's **Cashflow Quadrant** and **Rich Dad's Guide to Investing**. All three books have been on the top 10 best-seller lists simultaneously on The Wall Street Journal, USA Today and New York Times. They have also lodged firmly at the top of the best seller lists in New Zealand, Australia and most countries.

Robert knows his stuff. In his latest book he flat-out recommends that everyone looking to escape the rat race join a *Direct Sales/Network Marketing* programme. He outlines the eight hidden values of a Network Marketing Business, other than making money.

This review offers you highlights from Robert's latest book...



Rich Dad's **The Business School** **for People Who Like Helping People.**

Introduction

"Never before has it been so easy to become rich," Robert says. "It took me over 30 years and two business failures to gain the education and experience to build a successful business. The Network Marketing industry offers a ready-made business system to anyone wanting to take control of their financial future."

"My rich dad taught me that one of the most powerful words in the world of business is 'network'. He said, "The richest people in the world look for and build networks, everyone else just looks for work. You can have the greatest idea or product, but it will only be successful if you have a network to tell people about it and a network of distribution to sell it through." Robert emphasises the word "network" as the true key to financial success.

In his second book of the Rich Dad series, *Rich Dad's CASHFLOW Quadrant*, Robert describes the four types of people who make up the world of business and the core value differences between them.

These four quadrants represent how people make their money...

On the left side of the quadrant

E stands for employee.

S stands for self-employed.

On the right side of the quadrant

B stands for business owner.

I stands for investor.

On the left side of the Quadrant, employees and self-employed individuals represent earning money on your own, as an individual. This means your income potential is finite, limited to your own ability and your personal time to perform. There are only so many hours in a day.

However, successful people on the right side of the Quadrant operate as a team. They form their own networks for success. Their income potential is infinite because it is based on other people's time and other people's money working for them.

The key to your financial success will be through finding or building a network.

Why Do You Recommend the Business?

I am often asked, "If you did not become rich from a network marketing business, why do you recommend people get into the business?"

There are several reasons...

During the mid-1970s, a friend asked me to a presentation on a new business opportunity. That meeting was to be my introduction to the world of network marketing.

When my friend asked me if I was interested, I said, "I am already building my own business – why do I need to build a business with other people?" At the time I was very busy anyway keeping my daytime job and building my business in my spare time.

Then sometime during the early 1990's, my mind began to open and my point of view on the industry began to change. I began to see things that my closed mind had not seen. So after retiring in 1994, I began my own research into the network marketing industry.

I finally began meeting the leaders of some of the businesses. The ones I met were some of the most intelligent, kind, ethical, moral and professional people I have met in all my years of business. I met people I respected and related to. I had found the heart of the industry.

It is because I did not gain my fortune from a network marketing business that I can be more objective on the industry. This book describes what I see as the real value of a network marketing business... a value that goes beyond just the potential of making a lot of money.

As my rich dad said, "Rich people look for, or build, networks while everyone else just looks for work."

I believe the industry should be given an objective look by people concerned about doing business in the future as well as concerned about their own personal financial future.

Value #1: Life Changing Business Education

It's not the Money

The lure of making a lot of money draws many people into the business. Yet I do not recommend looking into a network marketing business primarily for the money.

It's not the Products

In my investigating the different network marketing companies, I was taken by complete surprise by how many different products or services are delivered via a network marketing system. As my search went on I found network marketing businesses in these mainstream product lines:

1. Natural health care products
2. Home care products
3. Telephone services
4. Real estate
5. Financial services
6. Internet market distribution, selling at discount just about everything that Wal-Mart and K-Mart sells
7. Jewellery
8. Tax services
9. Web sites
10. Educational toys

But product or compensation plans are not the main reason I encourage people to look into a different network marketing business.

It's the Education Plan

The number one reason I recommend a network marketing business is for its system of education.

So look carefully because there are many network marketing programmes that do have excellent education and training plans... in my opinion, some of the best real life business training I have seen anywhere.

What To Look For In An Education Plan

When I speak of life changing business education, I speak of education powerful enough to change a caterpillar into a butterfly. When you look into the educational plan of a network marketing business, I recommend an educational plan that has the power to make that much difference in your life.

Real life Business School

One of the problems I had in business school was that many of the teachers had no real life business experience. In network marketing, the people at the top who teach have to be successful in the real world, or they would not be at the top. In the world of traditional business schools, you do not have to be successful in the real world of business to teach business. That may be why the

instructors in the traditional world of business education do not earn as much as some of the instructors in the world of network marketing education.

So when looking into a network marketing business, seek out the people at the top, the people who are successful in the business and then ask yourself if you want to learn from them.

Some of the more important real life business subjects network marketing programmes teach are:

1. Attitude of success
2. Leadership skills
3. Communication skills
4. People skills
5. Overcoming personal fears, doubts and lack of confidence
6. Overcoming fear of rejection
7. Money management skills
8. Investing skills
9. Accountability skills
10. Time management skills
11. Goal setting
12. Systemisation

The successful people I have met in the network marketing business have developed these skills from the network marketing training programmes. If the educational plan is good, it can improve your life for the better and maybe forever.

Value #2: The Value Of Changing Quadrants...

... instead of just changing jobs

How many times have you heard people say some of the following statements?

1. "I wish I could quit my job."
2. "I'm tired of going from job to job."
3. "I wish I could make more money, but I can't afford to quit and start all over again with a new company. And I don't want to go back to school and learn a new profession."
4. "Every time I get a pay rise, most of my raise is eaten up by taxes."
5. "I'm working hard, but the only people getting rich are the owners of the company."
6. "I'm working hard but I'm not getting ahead financially. I've got to start thinking about my retirement."
7. "I'm afraid technology or a younger worker will make me obsolete."
8. "I can't keep working this hard. I'm getting too old for this."
9. "I went to dental school to be a dentist, but I don't want to be a dentist anymore."
10. "I just want to do something different and meet new people. I'm tired of wasting my time, hanging around people without much ambition and who aren't going anywhere. I'm tired of spending my time with people who work just hard enough... so they won't be fired and I'm also tired of working for a company that pays us just enough... so we won't quit."

These are often statements made by individuals trapped in one of the Quadrants of the Cashflow Quadrant.

What Is The CASHFLOW Quadrant?

My second book in the Rich Dad series is *The Cashflow Quadrant*. I wrote the book for anyone who is ready to make a change in life... a change far greater than simply going from job to job.

On the left side of the quadrant

E stands for employee.

S stands for self-employed.

On the right side of the quadrant

B stands for business owner.

I stands for investor.

The way you know which quadrant you are in is simply by which quadrant your cash flows from. In other words, if you receive your income from a job and you receive a regular pay cheque from a company or business you do not own, then your cash flows out of the E quadrant.

If you are on commission, or charge for your work by the hour then you are probably in the S quadrant. The S quadrant also includes most small business owners such as owners of restaurants, family businesses, consultants, service people and most who have bought franchise businesses. These people often give you the advice, "Never work for someone else. You should work for yourself." Or, "If you want something done right, do it yourself." Doctors, dentists, accountants and most professional people also fall into the S quadrant.

If your income comes from a business that you do not have to work in, then you are in the B quadrant.

If your income comes from investments, you are in the I quadrant.

And what is the difference between an S quadrant self employed or small business owner and a B or big business owner? The difference is easy to define.

A B or big business owner can leave his or her business for a year or more and come back to find it running better and even more profitable.

In most cases, if an S quadrant self employed or small business owner stops working for any length of time, his or her income stops coming in.

One of the reasons 1 out of 10 small businesses fail is simply because the S quadrant is the quadrant of very hard work. They fail because of financial exhaustion or physical exhaustion... or both. The S quadrant is where the small business owner is under pressure from customers, the government and from employees, if he or she has any. It's hard to do much productive work when you have so many people making demands of you.

What Do You Want To Be When You Grow Up?

My poor dad often said, "Go to school, get good grades so you can get a safe secure job." He was programming me for the E quadrant.

My mother often said, "If you want to be rich you should become a doctor or lawyer. That way you'll always have a profession to fall back on." She was programming me for the S quadrant.

My rich dad said, "If you want to be rich... you should mind your own business. The more you seek job security or become a licensed professional such as a doctor, lawyer, accountant, real estate or stock broker, the more you give up control of your life. The more you give up control, the more you give up your freedom."

How To Change Quadrants

People ask me. "How do I change quadrants?" I reply, "Why don't you join a network marketing programme?" The main reason I recommend looking into a network marketing business is because the change from one side of the quadrant to the other side *is not an overnight process*. The value of life changing business education, true life changing education must impact on you mentally, emotionally, physically and spiritually... and that change may take some time and require some guidance. Some network marketing programmes offer that time and guidance.

Why Can't I Do It On My Own?

You can, but for most people, the change is not the easiest of changes. It can be done, but most people do not make it. They fail, not only because of money, but because the price is too high when it comes to mental, emotional, physical and spiritual development.

I recommend some network marketing businesses because they truly do focus on building, or rebuilding in some cases, the person, and then the person can go on to build their own business. If this is of interest to you, your job is to find the network marketing programme that has the educational program that focuses first on building you, rather than you selling the company's plan or products.

You can also do it on your own, but please realise that the price of going from the E and S side of the quadrant to the B and I side of the quadrant can cost you much more than money. For people choosing to use a network marketing system to build a business in the B quadrant, the price of entry is much lower, the risks are lower, and the education and support is there to guide you through this personal development process.

Keep Your Day Job

One big advantage of a network marketing business is that you can remain in the E or S quadrants and start a part-time business in the B quadrant. By doing this, you can take your time getting the education you need without going through the pain, misery and financial risk I went through gaining my B quadrant education.

The Power Of Mentors

Without my rich dad, I sincerely doubt if I would have made the journey from the left side of the quadrant to the right side.

The primary role of the mentor in a network marketing business is to guide you from the E and S side to the B and I side. And they don't charge you for all the hours they invest in mentoring, coaching and guiding you. That guidance is priceless.

I strongly recommend you look at the mentors above the person who recommends the business to you. Evaluate their sincerity to support you making the journey to the B and I side. Your mentors in life are important so choose them wisely.

A Word Of Caution

Many people quit before they make the complete change. They quit simply because they only wanted to make money rather than change quadrants.

For those who want to make the complete change from the left to the right side of the quadrant, you must look for a network marketing programme with training programmes that go far beyond just money, product knowledge and sales ability.

How Long Does It Take To Change Quadrants?

My recommendation for most people is to make up your mind to give the process at least 5 years. When I say this, I hear many people groan. So if 5 years seems like forever, then commit for 6 months. But once you commit, go to, and do, everything they recommend you go to and do. Attend every meeting, all training sessions and conference calls, and all the large gatherings you can. The reason for this is because you want to begin to change environments as quickly as possible.

I still use the 5 year plan. When I decide to learn something new, I allow myself 5 years to learn the process. Many people quit after their first mistake, which is why they fail to learn. My rich dad would say, "A true winner knows that losing is part of the process of winning. It is only the losers of life who think that winners never lose. A loser is someone who dreams of winning and does everything possible to avoid making mistakes.

It Starts With A Change Of Environments

There is great truth in the statement that "Birds of a feather flock together".

If you are ready to make the move towards the B and I side, you need to begin to associate as much as possible with people who think the way you want to think.

Many of my friends in the E and S quadrants have money, but not much free time. Many make a lot of money but they cannot afford to stop working. That to me is having money with no freedom. That is why it is important to begin to change environments so you can begin to think like people *who have* or *want to have* both money and free time.

Nature's Learning Curve

To see nature's learning curve, all you have to do is watch a young bird get ready to leave the nest for the first time. The curve first goes down before it heads back up.

Most people are not successful in life because they are not willing to go through this period of personal doubt and emotional frustration. This happens to many of us because we learn in school that mistakes are bad and should be avoided. So we leave school, sit in the nest – the nest of the E and S quadrant – and never learn to fly.

Some of the greatest values of some of the network marketing training systems is that they:

1. Encourage you to leave the nest rather than be a loyal employee.
2. Have a programme to support you during the periods of fear, doubt and frustration.
3. Have mentors who have made the journey themselves, encouraging you to follow after them.
4. Will not fail you as they do in school, or fire you as they do in business, if you make the journey at a pace that is best suited to you, and
5. They want you to get to the other side.

It's Better Than Going Job To Job

Isn't it better to risk going from the left side of the quadrant to the right side, without guarantees, than spend your life clinging to myth of job security, or going from job to job, or staying at a job until you are finally too old to work? The value of guiding people across the quadrants is a very important service that many network marketing programmes provide.

Quotes From The Remaining 6 Values...

A "B" Quadrant Business At A Better Price

- Someone asked me, "If the B quadrant is so much better than all the other quadrants, then why don't more people start B quadrant businesses?" The simple answer is, It is expensive and it not easy." So Value #3 is that a network marketing business offers all of us the opportunity to access a B quadrant business at a more affordable price and with much less effort. I found the same systems in network marketing that my rich dad taught me to build, already created and waiting for anyone who wanted to enter the B quadrant. All you have to do is invest a few dollars, often less than \$1,000, and instantly, you are in the business. Once you have joined the business, your job is simply to follow the plan and work at your own speed to build your own B quadrant business. What more could a person ask for?
- I marvel at how easy the network marketing industry has made it for anyone to enter the B quadrant. The network marketing industry has made access to the B quadrant available without having to be rich first, and without having to go back to get an expensive college education – which only trains you to be a better E or S anyway. The network marketing system and the industry has done a great service by literally *levelling the playing field*. The did this by making the opportunity for truly great wealth available to anyone willing to follow the system and enter the world of the B quadrant... the quadrant of the ultra-rich.

Success Is Not Measured In Money

- A person asked me, "If the price of entry is so low, why do so few people make it to the top of their system?" I explained, "Most people quit too soon, even though the top is wide open." He continued, "But if the top is wide open, why would someone quit short of the top?" I said, "Most people only join to make money. If they do not make money in the first few months or years, they become discouraged, quit, and then often bad-mouth the network marketing industry. Joining to make a few quick dollars is not the reason to get into this, or any business."
- If not for the money, then why would you tell a person to join? Two reasons. *Reason number one* is to help yourself and *reason number two* is to help others. If you join for only one of the two reasons, the system *will not* work for you.

- Reason number one, to help yourself, means that you come to the business primarily to change quadrants. To change from the E or the S to the B quadrant.
- Reason number two, to help others, means helping other people leave the E and S quadrant and succeed in the B and I quadrants. If you focus on helping others, then you will be successful in the business.
- In traditional business, the focus is for the B to only have E's and S's working for them. That means that the traditional corporate or business system is really the pyramid. It is a pyramid because there are a few Bs and Is at the top and more Es and Ss at the base.
- A network marketing system is a reverse pyramid, which means its primary focus is to bring up more and more Bs to the top. The traditional business pyramid has its base on the ground, and the network marketing reverse pyramid has its base in the air... much like an upside down pyramid. A pyramid that pulls you up - not pushes you down.
- That is why I strongly recommend all *my* employees look into network marketing as their own part-time business, while they work in my business full-time.

The Power Of Leverage

- In most cases, the people in the E and S quadrants lack one of the most important words in business... and that word is *leverage*. Leverage means that you have the power to earn more and more by working less and less. People in the E and S quadrants are marketing a finite commodity, their time. There are only so many hours in a day... so the E and S can only earn so much in a day.
- If employees could read a financial statement, they would know why owners of the company get richer and richer, while the employees work harder and harder, only to pay more and more in taxes. Taxes are the employees' largest expense.

The Value Of Living Your Dreams

- One of the more important values I have found in good network marketing businesses is that they stress the importance of going for and living your dreams. Those who are the most successful know it is about inspiring others to go for their dreams.
- My rich dad also said, "Beware of people who want to kill your dreams. There is nothing worse than a friend or loved one killing your dreams. There are people who may, or may not so innocently, say things such as:
 1. "You can't do that."
 2. "That is too risky. Do you know how many people fail?"
 3. "Don't be silly. Where do you come up with such ideas?"
 4. "If it is such a good idea, why isn't everyone doing it?"
 5. "Oh I tried that years ago. Let me tell you why it won't work."
 6. "We can't afford it." "Let's wait a while and see if we can afford it later."
 7. "I know someone who tried it and it didn't work for them."

I have noticed that people who kill other people's dreams are people who have given up on their own dreams. Even if you are broke, it does not cost you anything to dream of being rich. Many people are poor because they have given up on dreaming."

I support the network marketing industry because it is an industry made up of people who truly want people to dream big dreams, and then it supports those people in having their dreams come true.

If you are a person with big dreams and are also a person who would love to support others in achieving their big dreams, then the network marketing business is definitely a business for you.

How To Become Ultra-Rich

- How do we take this business and become ultra-rich? First of all you have to think it is possible. Unless you think it is possible for you, it is impossible. My rich dad always said, 'Losers use their life's situations as excuses to fail and winners use their life's situations as their reasons to succeed.'
- The beauty of the network marketing business is that all you have to do to succeed, is to help other people get the same things you want. This business is not measured in how much money you make, but in how many people you help and how many lives you change.
- I hear people say, 'Starting a business is risky.' I hear this all the time. When I ask them what they do for a living, most of them are employees or self-employed. To me that's the riskiest place to be.
- In many cases, the emotion of fear also drives those in the S quadrant. These people often only trust themselves... or only people who have proven their trust to them. This keeps them doing things on their own. In many cases, this limits their earning potential, just as job security limits the earning potential of the employee E quadrant person.
- The value of Leadership. "My rich dad said, Money always flows to the leader. If you want more money, simply become more of a leader."
- In some network marketing businesses I found some of the best business leadership development programmes in the world. To me the value of these programmes is priceless. I saw that the best network marketing systems had educational programmes that trained people to become leaders... not just better salespeople.
- More than just offering the great potential to become very rich, many network marketing businesses exist to create people of greater and greater value. That is why I think some of the companies in the industry are priceless.

Why The Network Marketing Business Will Continue to Grow

The future is very bright for the network marketing industry. There are economic changes coming and trends in progress today that will drive more and more people to the industry. The following are a few of these changes and trends I foresee.

1. People want more freedom. A part-time network marketing business offers people more control over their lives and eventually more freedom. It provides a low cost of entry and readymade systems for those anxious to make a change.
2. People want to be rich. Network marketing provides this opportunity by providing the education, mentoring and business systems to assist in building your own B quadrant business. By the year 2010, the first of the baby boomers reach the age of 65. Many will come to network marketing as a means of building that lifetime of security their job did not provide. As the year 2010 approaches, many people who are already in a network marketing business will do exceptionally well as millions of baby boomers come their way.
3. Individual retirement portfolios will be wiped out. Never in the history of the world have so many people bet their retirement years on the stock market. This is a recipe for financial disaster. By the year 2010, there is a strong possibility that the U.S. stock market may collapse, if it does not happen sooner.
4. More people will wake up. Again as the year 2010 approaches, more people will wake up to the realisation that the industrial age is over and the rules of the world have changed forever. In the information age, the rules are that you had best be taking care of yourself.
5. A world wakes up. By the year 2010, a new set of baby boomers will be rising up in Asia. As the economic boom shifts to Asia, people in an international network marketing business will be in a position to move with this trend, just as their friends and neighbours fear being downsized.

6. The bust may never come. And maybe history will not repeat itself. Maybe expecting your job, the government, and the stock market to take care of you is the right thing to do. Maybe betting your future on luck rather than your own on-going education is the smart thing to do... but I don't think so.

One of the beauties of some network marketing businesses is that the world is your territory. If you have an international network marketing business, an economic bust can be just as good news to you as an economic boom. And if you see all the booms and busts as good news, it is good news to both your soul and your economic future.

These are just a few of the reasons I see the future of the network marketing industry only getting brighter and brighter.

In Summary

These are the steps I recommend following if you think a network marketing business is for you.

1. Decide to make changes in your life.
2. Set a goal to stick with the business for 5 years, 2 years, 1 year or 6 months. My rich dad said, "The difference between a winner and a loser is defined by the finish line. A winner does not care if they cross the finish line in first or last place. All they care about is crossing the line. A loser quits before winning. A loser runs 95 yards of a 100 yard race everyday of their life."
3. Stick to the goal. Unsuccessful people change their minds once they have made up their minds. If you have decided to stay with it for let's say a year, then for that year attend every event your sponsor recommends.
4. Define the goal. Do you want to:
Just earn a few more dollars a month?
Replace your job's income?
Become rich, which is \$1 million dollars income a year?
Become ultra-rich, which is at least \$1 million dollars income a month?
5. Study like your life depended on it... because it does.
6. Dream big... and never lose sight of your dream. Even if you never achieve your dream, it is far better to have a big dream and go for the dream, than to dream small and achieve a small dream. As my rich dad said, "The difference between a successful person and a very successful person is the size of their dreams."

Who knows, maybe someday your dreams will come true... so they might as well be big ones!

If you have been impressed with this review, you can purchase a copy of the book from www.richdad.com and also receive a free audio tape, complements of Robert Kiyosaki.

