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How to Effectively Evaluate a Direct Selling Company
By Kevin McNabb

Everyday thousands of people make the decision to become part of the direct selling industry, but are stuck trying to figure out what company they would like to join. Most people that join the direct selling industry join because of the hype of a particular company and just dive in head first without any second thought. Very few people do any type of research of what is available in the world of direct selling. At the time of this article, there are over 2,100 members of the World Federation of Direct Selling Associations. So for the people that would like to research the options available through the direct selling industry, this is what this article is going to help you with.

So, now you are at the point of wanting to become part of a direct selling organization. Great, but which one?

What can I do to ensure that the choice I make is the right one?

My friends in the mergers and acquisitions industry use a strategy called "due diligence." This is just a fancy word for doing your homework. If you are going to try and evaluate a direct selling company, perhaps you should have a list of criteria to measure that company against during your "due diligence." Here is what I would call "The 5 Key Components of a Direct Selling Company."

Key #1 - Company must have a unique product or products.

- * The product(s) must be unique enough to the marketplace that the company is able to obtain International patents.
- * The product(s) need to be consumable and require re-ordering on a 30-day basis.
- * The product(s) should benefit the majority of the population.

Key #2 - The Company must be stable.

- * The company needs to be debt-free.
- * It does not matter whether or not the company is privately held or publicly traded, but it must have the ability to provide its distributors a long-term business opportunity with financial security.

Key #3 - The Company must have a marketing system.

- * The system available to the distributor must be able to advertise and market using online and offline marketing techniques that are simple and easy to follow by any skill level.
- * Each and every part of the marketing system must be measured against the concept of duplication. If it is not something that anyone can do, then leveraging the power of duplication is lost and should not be part of this system.

Key #4 - The Company must have a strong management team leading the cause.

- * The company must be led by a team of professionals that have the skill sets necessary to take that company from where it happens to be to higher echelons of the direct selling industry.
- * Just because you are the owner of the company or the CEO, it does not necessarily mean that you have the skill set necessary to build that company.
- * Be sure to check out the background of the management team involved.

Key #5 - The Company must offer a compensation and incentive program that maximizes your income based on your efforts.

- * Any company in the direct selling industry that does not compensate you for your own efforts is one that you should stay away from.
- * The compensation package involved should allow you to make a strong 5 digit monthly residual income with less than 500 people in your organization.
- * If this companies compensation package requires that you must build an organization of thousands and thousands of people before you can be compensated at a 5 digit residual income should be avoided.

Please see my 5 part series called "The 5 Key Components of a Direct Selling Company" for more detail on each section.