

It's time to really put it out there on the market. And that's where we actually sought direct marketing as a very good line of distribution for our business. It took about a year to build that company and put it together, and now we finally released it to the market.

Babener: You didn't start in direct selling or network marketing yet you had a lot of success doing seminars. What was it that caused you, or basically prompted you, to say: you know what? We want to try to leverage this into something more using the direct selling model.

Kris: You know it's interesting when you have a recession like the one that we've had these last several years; it brings up challenges. One of the challenges we personally experienced is in the world of marketing. We spend millions of dollars on TV, radio, all sorts of different advertising mediums and the things that used to be profitable weren't. They were becoming less and less profitable over time. And yet, we were actually becoming better at who we were. We were becoming better at our messaging. So we went to our referral program because our clients would love their experience with us and they'd want to share it with their friends and family. It was only a matter of time before they started asking for a little referral fee when they would do that. And, it turned into a little business for people. So our clients would experience their own success and then they'd want to share it with people they knew. When those people would get started with us we'd pay them a little referral fee. We ran that program for years.

Unfortunately, we had something tragic happen last year where we actually lost two of our best sales people in a plane crash. And when that happened there was a month of mourning. During that month we had time to reflect. We said "OK," what's going on here? All these marketing dollars aren't working for us but this little referral program has actually produced some of our very best clients. We really gave it our attention.

That's when we decided that we were going to *not just survive* this economic situation, but if we actually wanted to we would *thrive* and do very, very well. Then we would have to think very, very far outside the box and an individual that works here in this company actually had a friend that knew somebody else and before we knew it we were sitting in Mike Sheffield's office and Mike was sharing with us what direct sales could do for our company if we took it to a very serious level.

It didn't take a whole lot of contemplation before we determined to assemble what we call a "world class team" and put the appropriate funds toward this project and, like I said, it took a long time to build, *but was so incredibly worthwhile*. So that's how we got from point A to where we are today.

I do have to say this, as far as our consultants go (we call them our IPD's or independent business developers) they're some of the most amazing, amazing people and we are deeply happy to bring this opportunity to them.

Babener: You know, in our field of direct selling, whatever it is that you're doing needs to stand on its own. It needs to be something that you can look a customer or potential representative in the eye and say, "I really think I'm doing something good for you." You seem to, in bringing people to your company, be able to spot great income values in markets like Las Vegas, Phoenix, etc. You seem to have found the bright side of our real estate downturn.

How did you spot that to begin with?

Kris: You know it's really interesting; we sought out direct sales because at the end of the day we're not marketers. We are real estate people. We love real estate and real estate is a living, breathing organism. Part of keeping ahead of the game in real estate and being ahead of the curve so to always know where

you want to be two years from now, five years from now. And because it's a living, breathing organism it's always changing. We always have our eye on the market and we're looking for trends. We're looking for opportunities. So, when we decided 18 months ago to open up in some of those hot markets, in Florida for example, it's because of the perfect timing. You look at the number of foreclosures and those people want to get back in those homes. At the auctions and through other mediums and REO listings, they're being sold at ridiculous discounts. Our vision, for our investors and for our clients, is to make sure that they are getting the very best product on the market. Why are we in Las Vegas, Phoenix, Florida, and these other markets? Because it's where the best product is, and our clients deserve that.

Babener: Sounds like you intend to dip your hands in more than just real estate, though. Sounds like you have a vision which is important in any successful direct selling company. What's your vision of where you're going to be in years?

Kris: You know if you look at what we do in real estate it is a business in the box. And, it's a really good business the way we run it. But what we really stand for is entrepreneurship. I believe that we've got a lot of social woes in our country and I believe one thing that is really going to change the climate today and that is if *we create a way to support the entrepreneurs of this country*. A lot of people have given up on entrepreneurship. And, what we are doing is putting hope back into society by building business models that work. Real estate is just one type of business. Five years from now, we will have all sorts of entrepreneurial programs to create a home, a place for people to come that say, "Hey, you know what? I want more from my life. I have a vision and a dream for an idea in my head that I want to bring to the market!" We want to be there to help those individuals bring their product to the market with success.

Babener: I can see you're going places. I wish you a lot of luck.

Kris: Thank you. I appreciate it. Thank you, Jeff.

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On any given day you can catch [Jeffrey Babener](#) lecturing on Network Marketing at the University of Texas or the University of Illinois, addressing thousands of distributors in Los Angeles, Bangkok, Tokyo and Russia, or writing a new book on Network Marketing, an article for Entrepreneur Magazine or a chapter for a University textbook. Over two decades he has served as marketing and legal advisor to some of the world's largest direct selling companies, the likes of Avon, Nikken, Melaleuca, Discovery Toys, NuSkin, and he has provided counsel to the most successful telecom network marketing companies...Excel, ACN, World Connect, ITI, AOL Select and Network 2000. An active spokesperson for the industry, he has assisted in new legislation and served on the Lawyer's Council, Government Relations Committee and Internet Task Force of the Direct Selling Association (DSA) as well as serving as General Counsel for the Multilevel Marketing International Association. He is an MLM attorney supplier member of the DSA and has served as legal counsel and MLM consultant on MLM law issues for many DSA companies.

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