

# How to Start a Legal Network Marketing Company

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It is not easy take for an entrepreneur to decide to start a network marketing company. There are hundreds of bullet points to consider when preparing to launch a MLM company; funding, products, consultants, legalities, software, compensation plan, key

employees, state laws, business plans, recruiting, the list is endless. The initial research and preparation itself can be overwhelming.

A simple Google search results in articles that attempt to convince entrepreneurs to not start the network marketing company of their dreams for one vague reason or another. Or, an online search results in a plethora of articles that are generic and are not written by experts in the direct selling field.

Creating a direct selling company requires vast amounts of research, resources, and relationships. This article will aid MLM entrepreneurs in locating valuable articles on the internet that are actually written by credible experts in the direct selling field (check the names yourself if you'd like!). It will provide network marketing entrepreneurs with links to resources and consultants that have the capability to help MLM business owners startup their direct selling companies. In addition, this article will guide startup companies to free and valuable resources that will prove priceless for their startup company.

- 1) The first step to starting any company is investing some time into research and education. There are many articles available online that will allow you to better understand the complexities of starting and running a network marketing company. For instance, the article "Starting Your MLM Company" [http://www.mllegal.com/MLM\\_Consultant/mlm\\_consulting\\_how\\_to\\_start.html](http://www.mllegal.com/MLM_Consultant/mlm_consulting_how_to_start.html), discusses how successful operations depend on product demand, a compelling compensation plan, and the corporate leadership of the company, as well as how intangible considerations, such as psychology and trust, are important aspects of company success. The article series titled "Corporate Startup Essentials" goes to great length to outline the importance of capitalization, recruiting, legal, trademarks, expert advice, software/technology, industry experience, product/service offered, international markets, compensation plans, outsourcing, agreements between owners, and corporate

attitude. <http://www.mllegal.com/MLM%20Corporate%20Essentials%20I.html> The blog post titled How do I Raise Capital to Start My MLM Business? delves into detail on funding and raising capital to start your network marketing company. <http://mllegal.com/MLMblog/?p=708> The blogs at both [www.mllegal.com](http://www.mllegal.com) and [www.mlattorney.com](http://www.mlattorney.com) contain great posts for startup direct selling companies and MLM executives. The article “Starting a Network Marketing Company?” outlines ten important points to consider when creating your network marketing company. [http://www.mllegal.com/starting\\_network\\_marketing\\_co.html](http://www.mllegal.com/starting_network_marketing_co.html) And, the article “The Hallmarks of Legitimate Direct Selling/Network Marketing Companies” details ten aspects of successful network marketing companies. <http://mlattorney.com/hallmarks.html> In addition, there are over 70 videos offered at MLMLegal.com that address various aspects of starting and running a direct selling company.

2) Secondly, it is always important to gather materials that you can turn to when you come across an unanswered question. One good resource for this is the *Starting and Running Successful MLM Company* manual. [http://www.mllegal.com/free\\_MLM\\_startup\\_manual.html](http://www.mllegal.com/free_MLM_startup_manual.html) There are also several books and brochures available at Legaline Publications that are compiled by experts in the network marketing industry.

3) The third step, and frankly the most important step to help you understand if your company is legal, is to contact a MLM lawyer to read your materials and advise you in your marketing, FDA and FTC work, trademarks, regulatory issues, international expansion, sales tax, and distributor and vendor relationships, to name a few. The current and easiest way to do this is to visit the page of our [Innovation Campaign](#). The February 2014 *Innovation Campaign* enables network marketing company owners the ability to receive two free tickets to our next [Starting and Running the Successful MLM Company Conference](#) in Las Vegas (a \$345.00 value!). All you have to do is fill out a brief survey at our sister website: [www.mlattorney.com](http://www.mlattorney.com), and we will contact you right away to confirm your free tickets to the event. Attending this event will give you direct access to several MLM industry experts, including compensation plan consultants and MLM legal expert, Jeff Babener. Visit our [Innovation Campaign](#) page for complete information about the conference, including the topics that will be covered, the speaker list, videos, and much more. For additional questions call 800-231-2162.

Starting a network marketing company can be a complicated process without industry experts guiding you, but we believe this article will help you in the initial steps. For more information on how to build a legal direct sales company, visit [www.mllegal.com](http://www.mllegal.com) and [www.mlattorney.com](http://www.mlattorney.com).

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Our next [Starting and Running the Successful MLM Company Conference](#) takes place February 27th & 28th, 2014 in Las Vegas. Call 503-226-6600 or 800-231-2162 to register.

This article is also available online at: <http://mlmlegal.com/MLMblog/?p=779>

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**Jeffrey Babener**  
On Assignment

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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