Distinct growth phase

TYPICAL GROWTH PATTERNS

OF SUCCESSFUL NETWORK MARKETING COMPANIES

According to Richard Poe, author of **Wave 3: The New Era in Networking Marketing**, there are four distinct growth phases that typically occur in successful network marketing companies.

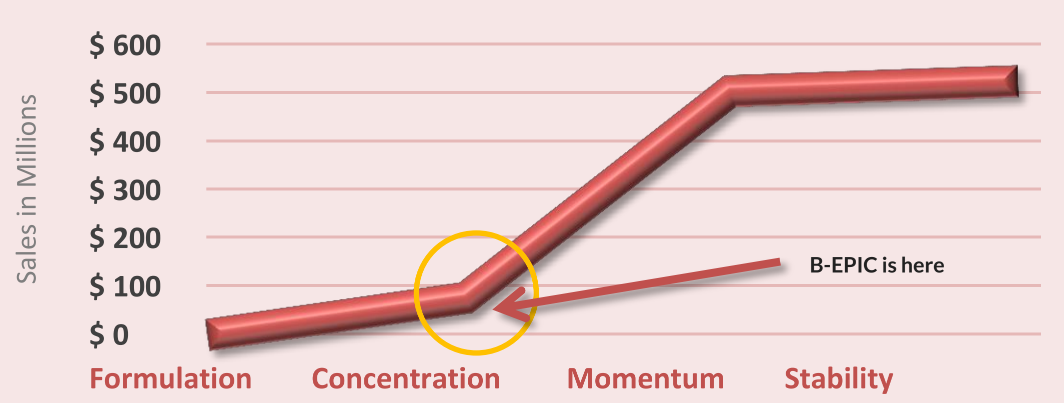
1. **Formulation**: This is the first two years when start-up is happening. Ninety percent of network marketing companies fail during this period.

2. **Concentration**: At this stage the company enjoys $3-$50 million in annual sales. This is the "growing pains" stage, when the company has to adapt to rapid growth and change in order to service its swelling customer base and sales force.

3. **Momentum**: This is when the company's annual sales explode as geometric growth kick in. Typically, **sales jump from about $50 million to $500 million annually in about five years**. At this stage, the product becomes a household word, sales people rush to join the company and make very good money. Those who were fully established in the company at the **onset of the momentum can make fortunes overnight.**

4. **Stability**: Now the company continues to grow, though less spectacularly. The product line is often diversified to try to create a new wave of momentum.

THE S CURVE



…the phase with the most rapid growth is the momentum phase – which occurs after the company has exceeded $50 million in sales. This is the moment when exponential growth kicks in, when fortunes can be made overnight by those lucky few who got into the company before it went into momentum." – Richard Poe, Wave 3: The New Era in Network Marketing