

DEFCON 1

DIRECT SELLING



New York Times Bestselling Author

RANDY GAGE

MANUAL FOR FIELD LEADERS

WILEY

AN IMPORTANT MESSAGE FROM RANDY

This is the page where you would normally find testimonials from influential people who have read an advance draft of the manuscript. I have chosen not to include any in this book. This subject matter will be controversial for many and frightening for some. Field leaders may be hesitant to publicly endorse the book, because they could face repercussions from their corporate team or even renegade factions in their own team. Likewise, some company owners and executives might be fearful that their field leaders could feel threatened by what this book reveals. The man behind the curtain usually doesn't want you to know he's behind the curtain.

Although some courageous leaders have offered to provide quotes, I wasn't comfortable accepting their generous offers. This book will end the careers of some people in our business. And provide the last nail in the coffin for some companies—rightly so. But this book will also be a catalyst to ignite the careers for the next generation of empowering leaders in our business. And perhaps birth the next great companies.

This is a book for a small but impactful subsection of the profession: the leaders (both field and corporate) with the power to change the game. It's a book that will cause significant collateral damage to the negative forces in our profession and they won't take it lightly. They will attack with all they have left. I don't want to put anyone else in that line of attack. I will face it alone because I believe in the profession as perhaps no one else does. And I believe in you.

—RG

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Also by Randy Gage

Direct Selling Success

Making the First Circle Work

Lead Your Team!

Accept Your Abundance

37 Secrets About Prosperity

Prosperity Mind

101 Keys to Your Prosperity

The 7 Spiritual Laws of Prosperity

How to Get Smart, Healthy & Rich!

Risky Is the New Safe

Mad Genius—A Manifesto for Entrepreneurs

How to Build a Multi-Level Money Machine

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This book is dedicated to the worst sponsor I ever had. You don't even know who you are, but I'll never forget you. And know that because you were weak, I grew strong.

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INTRODUCTION

LIVING THE NIGHTMARE DREAM...

The car was a '71 Plymouth Satellite, a pretty sweet ride when it first rolled off the assembly line in Detroit. I managed to buy it in 1979 for \$1,500, because my mom co-signed the note and I arranged to finance it over three years. But by the time I was driving it to opportunity meetings in 1980, it already qualified as a broke-mobile.

I always parked in the back reaches of the hotel parking lot or by the loading dock. I would be meeting prospects at the meetings to show them how they could “live the dream,” and I didn’t want them to realize they probably had more money than I did.

But here’s the craziest part of all that. If you had asked me then whether I would be releasing a book in 2020, distilling the secrets of my success and leadership in Direct Selling, I would have said, “Of course.”

Probably not what you thought I was going to say. And if you did hear my answer back then, you probably would have thought I was irrational, foolish, and naive. And you’d have been right.

AND THAT'S WHY I CAN ACTUALLY WRITE THIS BOOK

And that's why you can read it with confidence, knowing it can help *you* be irrational, foolish, and naive too. Irrational, foolish, and naive enough to live your dreams. Because the number of rational, wise, and skeptical people in the world who are living their dreams would probably fit in a subway car.

My story really is one of those romantic, “rags to riches” tales that we all love to hear. A kid who was expelled from high school and served time for armed robbery—who was able to transform his life to become happy, successful, and wealthy. However, too often these stories of transformation leave out the messy middle stages, the drama and trauma that have to be endured and persevered through to reach the “lived happily ever after” ending.

Not this field manual.

This is the book that some wish you would never see or know about. The people who don't want you to read it fear that what you're about to discover might scare you away. Might blow up the idealistic narrative they're trying to sell you.

BUT I WANT YOU TO KNOW THE TRUTH

The truth that, yes, you can be successful, build a large team, and live your dreams. But also the truth that it is going to take real work, dedication, and endless endurance—and that you'll need more than just goals and a positive attitude. You'll need an actual game plan. And most importantly, the truth that growing your business

won't always go according to your game plan. That sometimes your game plan is going to get blown out of the water, and you're going to have to suck it up and create a new one.

I SEE DEAD PEOPLE

And by dead people, I mean clueless people in a coma of delusion. The people in charge of “the system.” The system that says go \$80,000 or \$100,000 in debt for a college degree that is out of date before you even graduate, then sell your soul to a series of jobs you don't like or actually hate, trading hours for money in the hopes of financially existing with your head barely above water. And doing this for 40 or 50 years to “retire” in a position of still needing financial supplementation to get by.

I think we've lost the plot....

Do we really have to work six days a week to enjoy one off? Work 50 weeks a year to vacation for two? We have an education system now that is preparing people to be worker drones in the collective. Entitlement mentality is running amok and we've forgotten what it means to live a life of meaning. There is nothing wrong with working a job for a salary, getting paid a fair wage for an honest effort. We all must start someplace, whether that is working a drive-thru, scrubbing bathrooms, or washing dishes in a pancake house like I did. But let's not become immune to the opportunity of developing and progressing, becoming the highest possible version of ourselves in everything we do, including our career.

Entrepreneurship is not for everyone. I get that. But there are millions of people in unfulfilling jobs for

whom an entrepreneurial opportunity would provide a much better alternative. And these people don't realize that opportunity is available to them because they have bought into the "normalcy" of the current system. With this field manual, I'm going to show you exactly how you can best share this opportunity with them. Not with high-pressure sales techniques or hype, but by truly educating your candidates about the possibilities you can offer them.

It's not your job to sponsor everyone you know. But it is your job to offer people what you have, allow them to self-select in or out, and then help those who decide to join you.

Make the commitment now that this is the culture you will create on your team. Don't "close" people; "open" them to the possibilities.

The insights you discover in this book are meant to equip you for the dirty realities you will confront and to demonstrate to you that you're not the first person to face such daunting circumstances. Every great leader must face down extraordinary challenges before they come out victorious on the other side.

Please allow me to share with you how this book came about.

It was January 2019 and I was doing the final edits on my most recent book, *Direct Selling Success*. I sent proof copies to more than 20 top income earners in various companies to get their input. It immediately became apparent that the book would be a worldwide smash, an international bestseller. To a person, these leaders wanted to know how soon it would be published, whether they could share key sections with their top leaders, and

whether I would give them permission to begin training sessions based on the content.

AND THEN SOMETHING FASCINATING OCCURRED

For three days straight I received urgent messages from three of those leaders who had read select chapters of the book. Now they were seeking help with a burning situation that had arisen with their teams. They each were desperate to know if I had additional advice that could apply to their unique situations.

In each of these cases, the leader and their team faced a “DEFCON 1” type of situation. The DEFCON scale (short for “Defense Readiness Condition”) measures the alert level of defense forces. DEFCON 1 is the maximum level status, used to describe preparation for imminent nuclear war. Obviously, these leaders were not facing anything close to an actual war. But they were facing exceptional, crisis scenarios that threatened the ongoing existence of their business.

In one case, a lot of their top leaders had lost confidence in the company and left en masse to join another one. In another case, the company had made major changes to the comp plan, and the results were causing a huge drop in volume and lots of resignations. In the third case, many leaders had been influenced by an outside generic trainer who had taught them systems that were actually eroding their businesses. These three leaders needed to act fast, or they would lose their teams and their livelihoods. If you develop a large team, at some point you too will face a “DEFCON 1” type of scenario for your business.

AND THAT'S WHY I'M WRITING THIS NEW BOOK

Here's the thing about leadership, particularly in Direct Selling. (For most of this book, I will refer to this as Leveraged Sales, which I believe is a much more appropriate label for this business model.) Most people believe leadership is about being positive all the time, sending out lots of happy, smiley emojis in their WhatsApp groups, and always giving positive motivational speeches. But the truth is, that's not leadership—that's propaganda. Well-meaning propaganda, surely, but propaganda nonetheless. And you're going to have to do better than that.

That's not to say there is no place for the “moonbeams, unicorns, and rainbows” perspective in leadership. There most certainly is. But that positive, optimistic, motivational outlook is only *one* element of leadership.

BECAUSE TRUE LEADERSHIP DEALS WITH THE MESSY, COMPLICATED, AND DARK AREAS AS WELL

How do you stay true to your principles and lead the team forward when their world is falling apart because of a comp plan change, regulatory attacks, or a competitor poaching away top leaders? Or when 90 percent of the product line is on backorder, the company can't make commissions, or there's a sociopath in the sponsorship line above you? You're going to need to exercise a higher level of leadership. One that reflects the yin and yang dichotomy of leading in the real world.

Here's how I define leadership in our space:

Inspiring people to become the highest possible version of themselves—and building the environment that facilitates this process.

And to do that, you can't just play the "only happy news" channel; you can't just be the positive, motivational "I did it, you can do this too" channel. Your people require more from you. A lot more.

This book you are reading now is the brutal, unvarnished truth about leadership. A book like no one has ever written before. Because it is a manual for field leaders on how to handle the most challenging elements of the Leveraged Sales business. I will share with you everything I have learned over almost four decades of leading huge teams all over the world.

I'm going to reveal the entire panorama of leadership—the joyful empowering moments and the messy, discouraging ones. I'll give you case studies and examples of my best leadership success—and lay bare my foolish, vain, and destructive mistakes as well.

A note of warning: A lot of my work is family friendly. But in my private coaching sessions and strategy sessions with my top leaders, my language is raw and uncensored (which is a nice way to say I swear a lot). Because this is meant to be a field manual for use in the most urgent and threatening emergencies and crisis situations, I'm not sugarcoating anything. So if profanity offends your sensibilities, this may not be the right book for you.

ONE OF THE MOST IMPORTANT LEADERSHIP SKILLS IS THE ABILITY TO TELL THE TRUTH

And to tell that truth with love and compassion and empathy, but truth nonetheless.

This book is a demonstration of my modeling that behavior for you. By the time your organization grows

large, bad things are sometimes going to happen. Your company will make mistakes, your sponsorship line will make mistakes, other people in the profession will make mistakes, and you, yes you, will make mistakes.

There are no great leaders who don't make mistakes. That's only in the movies. In the real world, leadership is about recognizing, acknowledging, and owning your mistakes. And when the mistakes do happen, it's about not trying to gloss them over, not hiding them from the team, but to concede them and explain:

How they happened, why they happened, and why they won't happen again.

Regardless of who makes the mistakes, they will happen, and you are going to sometimes face those DEFCON 1 scenarios. It won't matter who caused them, only how you handle those situations—drawing on your resilience, tenacity, and character to show your team you have the ability to lead them.

I wrote this book to guide you through the process of developing that resilience, tenacity, and character. And also to provide you with some background on the little-known, inside workings of our profession, the critical-thinking skills necessary to adapt to chaotic circumstances, and the wisdom to make right choices.

You'll quickly notice I'm not starting the book with how you manage all the crisis, DEFCON 1 scenarios you are likely to face. Because the best way to handle an emergency is by preventing it from happening to begin with.

So the first chapters are about the principles you can follow, the culture you can create, and the behavior you

can model that actually reduce the number of emergency situations requiring your leadership intervention. But of course, you're still going to encounter some negative situations that are unpreventable. And the second part of this book will prepare you for resolving them in the best ways possible.

If you're up for that, let's get after it.

—Randy Gage
Miami Beach, Florida
February 2020

