

Exclusive Interviews with Arjuna Ardagh  
and Barbara Marx Hubbard

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# NETWORKING Times®

MOVING THE HEART OF BUSINESS



*Beyond Belief*

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## How Many Children Can We Feed?

### Phil Mims: Beyond Business as Usual

*By Marian Head*



Growing up in Indianapolis as the son of a factory worker, Phil learned early on about what money could buy—and what it couldn't. "The seven of us kids were excited every Friday, which was dad's payday," says Phil. "We looked forward to our weekly trip to the local store, where dad would buy each of us an RC Cola and a glazed donut." While appreciative of those special family times, Phil says, "I always wanted more, and I don't mean a second glazed donut."

#### Getting Down to Business

To have the things he wanted, Phil knew he had to be his own boss. In his early twenties, after a couple of brief jobs and one small venture, he launched the business that propelled him to wealth.

Starting from scratch, he built a hugely successful wholesale jewelry manufacturing and sales business and ran it for seventeen years. "It was very lucrative and a lot of fun," recalls Phil. "But

traditional business has its limitations. You can only hire so many people and produce so much merchandise without causing yourself a lot of headaches."

When one of his jewelry associates introduced him to the idea of network marketing, he was impressed. "You get paid unlimited commission from other people's efforts," Phil said to his friend, "and train those people to do the same? Count me in!" Phil liked the idea of employing the power of duplication rather than simply employing more people. He was also captivated by a business model that showed people how to create income for themselves rather than working for someone else.

Phil joined his friend's network marketing team and set out to succeed. He bought \$5,000 worth of merchandise sight unseen—and had a huge learning experience. Although he ultimately was able to sell all the product, he was disenchanted with the company's philosophy. "They only wanted the representatives to buy a lot of product and didn't care what anyone did with it. Products need to be something the end user wants and benefits from, something they want to purchase again and again—not something to be sold to representatives who sell only to other representatives. That's not the way I want to do business."

#### Learning Experiences

Phil still liked the network marketing concept, but he wanted out of the product business. He joined a fast-growing telecommunications company because, as he says, "You pay for service as you go: no advance purchases; no garages, closets or car trunks filled with product." He focused his energy on learning



*Phil takes his top leaders on a Caribbean Cruise.*



*Phil entertains some of the field leadership at his Colorado Mountain home.*

what he needed to do to grow his business.

"The biggest challenge for me," says Phil, "was letting go of trying to carry people across the finish line who were not ready to see the job through for themselves. Many people say they want more; they dream about more, but they aren't ready to pay the price. They don't show up for conference calls, they stand you up for meetings, they have excuse after excuse for not doing what needs to be done to build their businesses.

"We all have to juggle what life throws us. Family, illnesses and day jobs can all be distractions and interfere with our businesses—yet it is crucial that we take care of them." Phil always made sure to keep his own priorities straight: faith first, family second and then his networking business—but it wasn't always easy.

"Because of our deep, burning desire," he says, "as top producers we constantly remind ourselves that seeing our favorite TV show or watching our sports team score today won't make any difference five years from now, whereas our networking activities will pay off for many years to come."

Not everyone on his team was able to build those same habits, however, and Phil had to learn how to separate those who were serious about changing their lives from those who were just dreamers. "For those of us with hearts that sometimes care more for others' success than our own, it is tough to let some of these folks go," says Phil. He learned to spend his time with those people on his team who were most committed and focused.

Phil's business grew exponentially to hundreds of thousands of representatives and helped to propel his parent company to an industry record of over a billion dollars in annual sales in only eight years. But when the telecommunications field got crowded with competitors and new technology made the prices of the services drop, his parent company was hit hard. Ultimately Phil was left without a business.

## Starting Over

Phil and his wife Lucie bought and renovated a small, luxury bed and breakfast in quaint Ouray, Colorado. While tending to their new business, Phil's real work turned out to be reflecting upon his thirty years in business and asking himself some tough questions.

"I went soul searching," he said, "and came to realize that the expensive homes, cars and wealthy lifestyle that successful business people can have do not make a positive impact in the world. Even I had gotten so focused on the money that I had neglected to give back in any significant way. It became crystal clear to me that I wanted my life to have more meaning. I knew that if I ever owned and operated a large company again, I would make sure it would give back in a bigger way than anyone had ever dreamed of before."

As he reflected upon the business world, feelings of deep disappointment and anger emerged. "I've seen too many owners and too many executives who view their representatives—or in traditional business, their employees—as a means to *their* end, to their out-of-proportion salaries and bonuses, to their own wealthy lifestyle. It's the people on the front line who are the purpose of the company—not only the driving force, but the reason the company exists. I believe that business can operate from a true, sincere, giving standpoint. The nice guy *can* finish first and win, and I intend to prove that."

## Opportunity Knocks

Phil didn't have a specific plan to put his philosophy into action. But a bigger destiny was afoot. He was approached to consult for a one-year-old network marketing business. "I was impressed by their proven health and wellness products," he says. "I saw an opportunity to take their products and the lifestyle network marketing offers to the masses for everyone's benefit."

Phil negotiated a deal to take over the company. As its new president, he set out to rewrite the compensation plan to meet his two objectives: rewarding the field distributor and founding a charitable giving program.

"By building a giving program into our initial financial plan, we could do what other companies aren't able to. By the time other businesses make a profit and want to give back to the community, they are already locked into their financial routines," he says. "Everything's already programmed: overhead, expenses, comp plan, salaries and bonuses. So they relegate their giving to a percentage of profits."

Phil's plan is very different in that it gives five percent *off the top of their sales*, before expenses. When his company sells one hundred million dollars in a given year, five million goes to charity.

Lucie, Phil's wife of twenty-four years, became a major part of the company. Today she is owner, cheerleader, giver, and she helps formulate plans for growing the business. She is a wonderful connector and communicator of the company's mission, and that motivates people even more.

### **Focus on Children**

"God placed this inspiration into my heart," says Phil of his company's unique gifting program. "And my son, Robert, played a huge role in bringing it to fruition."

Twenty-five-year-old Robert suggested that they focus their giving on helping children in need. He went on to write the financial plan that would allow them to do that.

"Not only does Robert have a big heart, but he's brilliant," says Robert's proud dad. Robert grew up at his father's side, watching successful network marketers from the time he was ten. At networking functions, he learned from world-renowned motivational speakers and trainers. He witnessed his father's income catapult—double, sometimes triple from month to month.

Phil says, "Robert learned that network marketing works if you see the job through with honesty and integrity. He understands how giving and compensation work hand in hand to motivate people."

Phil and his son researched charitable children's organizations and chose Children Incorporated, founded by Jeanne Clarke Wood in 1964. "So many charities spend 80 percent of their receipts on administration; we chose one that gives 80 percent directly to meet the physical, emotional and educational needs of the children."

Phil's company focuses on children living in poverty all over the United States. With every product purchase, his company's representatives and customers are helping to feed, shelter, educate and provide medical attention to impoverished Appalachian, American Indian and inner-city children.

### **Living His Mission**

Phil says, "I often wondered why people who can afford to give don't share with others who are less fortunate. Why wouldn't every single person with enough consistent cash flow from a job or networking business want to give \$30 or \$40 every month to sponsor a child in need? Everyone wants to make a difference, but people lack discipline. I know, because I was there. That's why we wrote our plan so that everyone who enrolled could feel the pride of giving as a result."

Unlike other networking companies that recognize people on stage for the income they earn, Phil's unique program recognizes people for how many children they feed. Phil gives credit for this and other distinctive company programs to his Leadership Council.

While other companies may create councils of top producers years after their launch, Phil seeded his pre-launch. He gathered twelve seasoned network marketers with strong work ethics and big hearts—people he trusted or people they trusted. In January 2007 he brought them to the Colorado mountains for a retreat, where they formulated their business mission and laid the foundation for the company's tools, compensation plan and launch. Perhaps most importantly, says Phil, the twelve of them formed a strong leadership team.

"I wanted a company that didn't have one downline competing with or being jealous of another. I figured the best way to avoid that was to create an environment in which a core group could bond and

come together with the same objectives.”

As an incentive to continue their work together, Phil offered his leaders an opportunity, through production, to own a piece of the company in addition to being representatives. The partnership they forged is reflected on the company’s website:

“We share a dream of making a significant impact on the world—and helping others do the same. We are committed to our mission and put our money where it counts. We feel strongly that a for-profit twenty-first-century corporation has to do more than just make money for its members and stockholders. We hold ourselves accountable and are committed to giving to those in need. We know the impact a motivated group of individuals can have when they share a common ambition.”