

STRICTLY BUSINESS

Mid-level marketing networks

CHARLES ROSS

Your Personal Finance



Multilevel marketing networks, or MLMs, are used to sell everything from vitamins to panty-hose. How do MLMs work?

Among the MLMs the most common is the "stair-step structure." First, you make an initial investment in a start-up kit, for an average of around \$90. Then you sell the product and recruit others to sell it as well.

Compensation plans vary; usually you earn commission on what you sell and on what is sold by your distributors, but only after you recruit a minimum number of distributors, (often three to five), and achieve a minimum sales volume. You also make commission on sales by people brought in by your recruits, and so on down the line.

Trouble comes when you stockpile products until you can sell them in order to maintain your sales quotas. This can leave you with a garage full of unsold products.

How much can you make?

People involved in MLMs talk about making a fortune, but the vast majority of MLM participants do not get rich.

Experts say that earnings of from \$200 to \$1000 a month is a reasonable expectation. But you could make a lot less. Many participants make little or nothing, or even lose money. A near exclusive territory can help in that you don't compete with your recruits for sales prospects.

So many charges of exaggerated earnings have been made against MLMs that companies no longer make earnings claims. But dealers often do, producing slick promotion videos and literature. For a truer picture of what you can expect in the way of earnings, contact the company's headquarters directly. And don't expect to get rich overnight. The successful participants spend a lot of time and hard work achieving their earnings.

Pyramids: are they legal?

When some people think about Multilevel Marketing organizations, they think about pyramid schemes. Although the pyramid structure in itself is not illegal, pyramids are under scrutiny by state and federal

See MULTI-LEVEL on page 8A

Focus on Leadership celebrates 10th class

By John Minter
THE CHARLOTTE POST

Focus on Leadership is showing its age now. The organization is recruiting its 10th class.

It now has an impressive list of graduates from its program of training community leaders. That list includes Beverly Earle, Hoyle Martin, Joan Kennedy

Ross, Bill Scurry, Darryl Williams, Nasif Majeed, Kevin Patterson among 150 graduates.

Said Cynthia Sifford, a Class VII graduate: "Focus is one of the best programs to find out the history of the black community in Charlotte. Rev. Shipman of Walls Memorial teaches a class on African American leadership and the church that's

extraordinary. Even past graduates come back to hear his class."

Focus on Leadership began in 1986 and is one of the nation's few leadership development programs targeted at African Americans in urban communities.

A group of community leaders met under the direction of Ron Leeper, a former Charlotte City

Council member, to discuss the need for black leadership development. The Black Political Caucus was the parent organization.

Focus on Leadership was formally announced to the community on Martin Luther King Jr.'s birthday in 1988.

"We are very pleased with the program," said current president Rev. James R. Covington.

"Other leadership development programs charge well into the thousands of dollars for a program like ours, but we are able to pull together a quality program that is available to everyone."

Focus on Leadership classes consist of 16 sessions starting in January and ending in June.

See FOCUS on page 8A

Money Management

Financing business expansion

By Amanda S. Danchi
SPECIAL TO THE POST

Sooner or later, all growing businesses reach the point where they need to raise funds for expansion. According to the North Carolina Association of CPAs, the key to financing the growth of your business is willingness to try both traditional and not-so-traditional ways to find capital. Here's a rundown of some ideas to get you started.

- Look to your nearest and dearest: Many of the most successful companies would not have been created in the first place had it not been for the financial backing of friends and relatives. Of course, borrowing from relatives and friends can get sticky. If you decide to go this route, be sure to have a written agreement that clearly spells out the terms to which you and your benefactors have agreed. And be sure that you don't set the interest rate too low or the Internal Revenue Service may re-characterize the loan in order to infer interest at the statutory federal rate. This situation also may result in gift tax consequences.

- Cash in or borrow from retirement funds: Consider cashing in the retirement plan you took from your last job or withdrawing money from your Keogh account. But be aware that you'll be required to pay income tax on all funds you withdraw, and also be subject to a 10 percent penalty if you are under age 59 1/2. If your spouse has a 401(k) plan at work, a better alternative might be to borrow against the plan. Employers' rules vary, but you usually can borrow the lesser of one-half of the present value of your vested benefits, or \$50,000. Generally, you'll need to repay the loan within five years, and if your spouse quits or loses his or her job, you'll probably have to repay the loan all at once.

- Apply for a home equity loan

See HOW on page 8A

A finger-licking opportunity



PHOTO/PAUL WILLIAMS III

Churchs Chicken is increasing franchise opportunities for African American entrepreneurs.

Churchs increases minority ownership

By Sara Helm
SPECIAL TO THE POST

ATLANTA — Churchs Chicken, along with its parent company, America's Favorite Chicken, is increasingly being recognized as one of the nation's leading companies offering the best franchise opportunities for African Americans.

Churchs and AFC have made significant investments that foster minority owner-

ship and inner city development. The success that such opportunities can bring are strongly reflected in the growth and accomplishments of Churchs' franchisee Lewis Siplin.

According to Siplin, owner of five Churchs franchises in Valdosta, Ga. and Jacksonville, Fla., "Churchs was one of the first companies to enter African American communities and its restaurants quickly became a favorite meeting place for

people of all ages."

"In 1968 when I started at Churchs as a cook, there weren't a lot of opportunities for African Americans to work in their own communities," he explains. Six years later, after military service, Siplin returned to Churchs to begin a longtime partnership with the company.

"I recognized that the opportunity was good. Churchs was one of the fastest growing chains in the country, adding about 100

restaurants a year," he adds.

"I was promoted to manager and decided to make my stake at Churchs. I've never looked back because all along, Churchs has provided the training, education and opportunities that I've needed to make it."

During the '70s and early '80s, Siplin was promoted through Churchs' operations management ranks in Jacksonville, New Orleans

See CHURCHS on page 8A

People on the move

R.E. Stegall has been named president and CEO of Stegall & Castleberry.

Stegall takes the new title after buying controlling interest in Castleberry & Company, a Charlotte marketing and advertising firm that has been in business since 1975. Ruth Castleberry, former

head of Castleberry & Company, remains principal and will continue her role as strategist for the firm's clients.

"This move allows me to concentrate on the work I enjoy most — client strategy," Castleberry said.

Stegall has 18 years of

strategic planning experience.

"I'm excited about the opportunity of growing this firm and working with such a strong team," he said.

- The U.S. Department of Transportation wants to do business with disadvantaged businesses.

DOT's Office of Small and

Disadvantaged Business Utilization is outlining the department's procurement process and procedures for letting bids and procuring services.

For more information, call (800) 448-2585 or write 2350 Coral Way, Suite 301, Miami, Fla. 33145.

BUSINESS TO BUSINESS

Full Color Printing

Let us sharpen your image with affordable full color digital printing. We can offer short run, high quality printing at competitive rates.

DJE

- 1 Sided 8.5 x 11 Flyers as low as .59 each
- 2 Sided Brochures with tri-fold as low as .91 each (typesetting and photo scanning not included in price)

CONTACT: Dee at 522-7724 or David at 522-6362 for more details

DJE GRAPHICS

At last! A Certified MBE Company That Can Handle Your Office Needs!

AMERICAN PRODUCT DISTRIBUTORS, INCORPORATED

- Copy Paper • Computer Paper • Toner Ink Cartridges, Etc. ... And We Deliver Call or Fax Today!

(704) 522-9411 * Fax (704) 522-9413

8227-E Arrowridge Blvd. Charlotte, NC 28273 • Don Black, Pres.

TV & VCR REPAIR KEEP THE FAITH MATTHEW 7:7

"IN HOME/IN BUSINESS"

NIGHT OWL TV & VCR SERVICES

Specializing In HOME THEATER, SURROUND SOUND, PICTURE-N-PICTURE Consulting And Set-Up

SERVING ALL OF METRO CHARLOTTE (704)523-0642 • Pager 582-7708 *BLACK-OWNED ENTERPRISE*

FLEMING MORTUARY TRANSPORT SERVICE

Transporting, Removal, Embalming, Shipping
1830 Haines St. • Charlotte, N.C. 28216
Phone: 704/399-7381 - Fax: 704/399-7395

(Located 10 Miles from Douglas International Airport)
24 Hour Service is Available

Than You To All Our Clients For Your Support During This Our 1st Year.
"MAY GOD CONTINUE TO BLESS YOU"

Tim Fleming
President

"Quality and Service Is Our Business"

MORTGAGES MADE EASY

FIRST & SECOND MORTGAGES
LOW FIXED RATES
"HARD TO DO" LOANS
HOME EQUITY LOANS
CONSTRUCTION LOANS
TRAINED PROFESSIONALS & COUNSELING

UNIQUE MORTGAGE INC.
Working harder So You Can Achieve The American Dream
878-6283
FAX # 878-6285
152 Court St. • Statesville

NO APPLICATION COST A APPLY BY PHONE OR MAIL
Evenings & Weekends By Appointment

Visit The Charlotte Post in cyberspace.
Our address is:
<http://www.thepost.mindspring.com>