

Don't make empty promises

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“There is no magic formula through which someone can become rich overnight in your own business. Even if the product to be marketed through networks is a winner, it still requires hard work and dedication to be successful. Greed has never been the right motivation.”

It's such a pity that many potential entrepreneurs may be deprived of the opportunity to own and manage their own businesses because at some point in their past, they were led astray by some cunning fox who presented themselves as a successful businessperson.

In our country, there are many such examples of people who proclaimed promises of getting rich quickly and, under the banner of "Own your own business" and "Earn millions," duped a gullible investor.

For as long as I can remember, there are people who want to thrive on others' greed.

As a child, I learned about chain letters and similar schemes where money had to be sent up the ladder to someone above you on the list, and if your network of acquaintances and friends cooperated and sent it to their networks, your name moved up, and your pot of gold was just around the rainbow corner.

My father also lost money in some livestock scheme from Swaziland back in the day, and who can forget the infamous sour milk pyramid scheme of the 80s?

These two "get-rich-quick schemes" are indeed more well-known than similar other schemes that just weren't marketed as successfully. The term used for these types of projects is pyramid schemes.

The scheme assumes that an agent must recruit other people or "agents," who must pay a fee, and this fee is partially paid to the recruiting agent and even to the person who recruited the recruiting agent.

Unlike traditional chain letters, pyramid schemes often also attach products to the scheme. The Swaziland livestock scheme was just a front, while the sour milk didn't really have any use.

Multi-level or network marketing is particularly popular in the USA. Although this type of industry heavily relies on pyramid structures to market their products, potential investors should thoroughly ensure the legality of the specific opportunity.

The following should be considered as red flags when confronted with such an opportunity:

Are promises of instant wealth made?

Are you told that this is a product that everyone will ultimately want to buy?

Is the product excessively expensive? (especially if network marketing is supposed to be cheap?)

Is it clear that the recruiter is not entirely sure of his facts but is still trying to sound "clever"?

- *Does the recruiter pressure you to join as an agent immediately?*
- *Is the emphasis placed on recruiting other distributors rather than the characteristics and benefits of the product?*
- *To gain further peace of mind, potential investors should also try to find out the following:*
- *What does the structure above look like and how much does each person in the structure earn?*
- *The viability of the product itself, i.e., will it be able to sell in general trade within the current competition?*
- *How will the product be marketed, or will it rely solely on personal sales by the agents?*
- *How were you recruited? Simply as a good customer who will recommend the products or as someone who is a potential business owner without even being interested in the product.*
- *Also, research the company distributing the products locally or administering the scheme and find out especially how long they have been in this type of business.*

There is no magic formula through which someone can become rich overnight in your own business. Even if the product to be marketed through networks is a winner, it still requires hard work and dedication to be successful. Greed has never been the right motivation.

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