

What Is the Difference between “Sponsoring” and “Recruiting”?



Although the terms *sponsoring* and *recruiting* are often used interchangeably, they actually have two different meanings. *Recruiting* is the act of searching and soliciting new distributors for the downline sales organization of an existing distributor. Of course, the activity carries important consultant responsibilities, such as compliance with company and statutory guidelines on earnings representations, product representations, and

accurate representations of the company’s business opportunity.

Once a recruit has agreed to join the company, a recruiting distributor becomes a *Sponsor*. Almost all company policies set forth very specific duties and responsibilities of a *Sponsor*, including supervision, training and communicating with their downline sales organization. In addition, all companies have specific rules on cross-sponsoring and keeping respectful relationships with other sponsors and distributors.

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About Attorney Jeffrey Babener: Conference Host and Chairman, Editor of www.mlmllegal.com, as well as a leading direct selling attorney in the United States - With over 30 years of experience as a direct selling attorney, Jeffrey Babener has advised leading

companies in the MLM/Direct Selling industry, ranging from Avon to Nikken, to Herbalife, to Melaleuca, to USANA, and to Excel Communications, plus many more. He's been published in national magazines such as *Money, Inc.*, *Atlantic Monthly*, *Entrepreneur* magazine, *Direct Selling News*, *Direct Sales Journal*, *Success* magazine, *Money Maker's Monthly*. He's authored several books, including his most popular *Network Marketing: What you should know*. Mr. Babener has chaired more than 65 national conferences on direct selling. He has served on the Lawyers Council and Government Relations Committees of the Direct Selling Association, and as general counsel to the Multilevel Marketing International Association. He is a graduate of the University of Southern California, where he was an editor of the USC Law Review, subsequently serving as a law clerk in the U.S. District Court for the Central District of California. He is an active member of the state bar of Oregon and California.

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