

How much does it cost to start an MLM company?

© Jeffrey Babener 2013



The costs of startup vary widely, depending on the type of product/service being offered and the need for infrastructure. It is obvious that a company which is engaged in its own manufacturing, ownership of warehousing and distribution facilities, etc. will expend much more than a company which is furnished by suppliers of private label products or is involved in a service-type product. With respect to the

initial infrastructure costs of a startup MLM, it may be reasonably expected that a company will expend, during the first year, \$100,000-\$200,000 for four key infrastructure elements:

- 1) Legal
- 2) Software
- 3) Compensation plan design
- 4) Creative design for online and offline promotional materials

Beyond these costs, the variables are far too extensive to predict without the development of detailed pro forma projections. Companies that are looking to launch very quickly will also need much more funding, while slower-moving launches will take more time but perhaps not involve as much initial capital investment.

And don't forget to visit the rest of mlmlegal.com and mlmattorney.com for limitless information about the direct selling, network marketing, MLM, and party plan industries.

Find us on our social networks:

[Google+](#)

[LinkedIn](#)

[Twitter](#)

[Myspace](#)

[Facebook](#)

Our next [Starting and Running the Successful MLM Company Conference](#) takes place October 24th & 25th, 2013 in Las Vegas. Call *Charity* before September 1st to receive a discount! 503-226-6600 or 800-231-2162.

This article is also available online at: <http://mlmattorney.com/blog/2013/08/08/how-much-does-it-cost-to-start-an-mlm-company/>

www.mlmlegal.com

Welcome to MLM Legal - a valuable resource to the Multi-Level Marketing and Direct Sales Industry. Use this site to review interesting articles about this high growth industry. Keep current with the law and how it is affecting large and small companies throughout the United States. MLM Legal is sponsored by Jeffrey Babener of [Babener and Associates](#).



Jeffrey Babener
On Assignment

On any given day you can catch [Jeffrey Babener](#) lecturing on Network Marketing at the University of Texas or the University of Illinois, addressing thousands of distributors in Los Angeles, Bangkok, Tokyo and Russia, or writing a new book on Network Marketing, an article for Entrepreneur Magazine or a chapter for a University textbook. Over two decades he has served as marketing and legal advisor to some of the world's largest direct selling companies, the likes of Avon, Nikken, Melaleuca, Discovery Toys, NuSkin, and he has provided counsel to the most successful telecom network marketing companies...Excel, ACN, World Connect, ITI, AOL Select and Network 2000. An active spokesperson for the industry, he has assisted in new legislation and served on the Lawyer's Council, Government Relations Committee and

Internet Task Force of the Direct Selling Association (DSA) as well as serving as General Counsel for the Multilevel Marketing International Association. He is an MLM attorney supplier member of the DSA and has served as legal counsel and MLM consultant on MLM law issues for many DSA companies.

www.mlmlegal.com