

How to Avoid "Business Opportunity" Scams

By Katie Yeakle

One of the questions we are often asked by new AWALers who call our office is, "Are you for real?"

I love getting that question! We have so much proof and so many testimonials from successful members about how real we are that I can easily answer it and put the caller at ease.

But here's the problem ...

Too many people have been burned by "business opportunities" that are nothing more than scams. That's why so many new folks ask us the question above: They want to make sure we're not another one of those scammers who are in business to cheat them out of their money.

I applaud them for doing their due diligence before spending their money. But it brings up a concern I have for you – because I want to make sure you don't fall prey to any of the scams they are legitimately worried about.

How do you know who to trust? How can you tell the scammers from the legitimate companies with great products?

Well, by doing my own research and listening to a few horror stories – and even by running into a swindler or two – I've put together a 7-point checklist of what to watch for.

Just keep the following in mind when you run across a company selling business opportunity products, and you'll avoid getting cheated by the worst offenders out there.

1.

Do they have a physical address and an office you can visit?

With the explosion in the number of home-based businesses, operating a company out of a bedroom and using a P.O. box is no longer the red flag it once was. Even multibillion-dollar companies like Hewlett-Packard and Apple started in garages.

But shady operators often avoid having a permanent physical presence, and few would want you to stop by and see their office – which may be nothing more than a "boiler room" of telemarketers who are smooth-talking people out of their money.

So it's always a plus when a company has a physical address and welcomes visitors. Which brings me to my next point ...

2.

Can you call in and talk to someone at the company?

These days, talking to a live person at any company is a challenge.

Big companies cut costs by discouraging customers from talking to employees. Instead, they give you endless phone-tree options, use voice-recognition software to provide the information you need, or route your call to the other side of the world – where you get to talk to a heavily accented gentleman who introduces himself as "Frank."

Still, you should be able to recognize the difference between cost-cutting measures and outright stonewalling. If there's no way at all to contact a company, you should be concerned about doing business with them.

Personally, I like to be accessible to our AWA members. It just makes good business sense to keep in touch with our people – to find out what's on their minds and understand their needs. That's how we keep improving our products and coming up with new ones.

3.

Does the company have testimonials or success stories?

Anyone can make an outrageous claim about what their product or service will do for you. But can they prove it? Has it worked for others? And have those customers been so happy they were willing to share their success stories?

If the company can't provide several testimonials from satisfied customers, you have a right to be skeptical. In that case, look for customer reviews online. If they're all negative, especially about how the company conducts business, you may want to steer clear of it.

4.

Can you speak with real customers who have used the product or service?

As part of your due diligence, you might ask to talk to past customers. After all, this is not much different from asking for references when hiring a professional such as a lawyer, accountant, or house painter. In the same way, the company you're investigating should be able to give you contact information for a few of their customers.

Admittedly, this can be a tricky area. No company wants to upset customers by giving their phone numbers to hundreds of prospects who might inundate them with questions. But it doesn't hurt to ask.

For example, we have AWA! members who have agreed to talk to prospects, but we're careful not to abuse those relationships. Plus, these days you can visit online forums to see what customers are saying, and even post questions to them. So consider investigating those forums if you still have questions.

5.

Do they present themselves professionally?

Shoddy marketing materials ... a poorly designed website ... phones that are answered haphazardly, or not at all ... no customer service – all of these are signs that the company may not have much behind it.

With all due respect to the millions of legitimate, struggling startups, you may want to avoid companies that have not invested a fair amount of time, effort, and money into presenting themselves professionally and making it easy to do business with them.

Scammers out to make a quick buck are rarely willing to pony up tens of thousands of dollars to set up customer-friendly business operations and create a professional image.

Of course, a skateboard company with edgy ads and an in-your-face attitude on its website may not fit your definition of "professional." But that's just smart branding.

The red flag you're looking for is a company that has spent hardly any money on establishing its image, creating a functional website, or providing good customer service.

6.

Do they have an up-to-date report with the Better Business Bureau?

Fly-by-night companies won't maintain a long-term membership status with the Better Business Bureau. So the longer a company has been listed with the BBB, the more comfortable you can feel about it.

On a company's BBB report, look for the history of complaints against it. But keep in mind that, in the day-to-day business dealings with thousands of customers, many companies are bound to have a few complaints lodged against them. What you want to watch out for is an unusual volume or pattern of complaints, or any government actions against the company.

7.

Are they bashing the competition just to sell their own product or service?

A standard marketing tactic used by less-than-trustworthy companies is to pit themselves against a perceived "enemy" and tout themselves as the only one speaking the truth – and offering the only "real" solution. If you see one that's using this approach, proceed with caution.

A little good-natured ribbing between companies is okay – like Coke vs. Pepsi or Mac vs. Windows. But most legitimate businesses don't need to knock the competition, because it simply makes better business sense for them to view other products or services as joint-venture opportunities rather than threats.

At AWAI, we often review products from our "competition" to see if they have something good we might want to offer our members. And if you know of a product you think might benefit your fellow members, please bring it to our attention. We'd love to know about it.

We take our business – and our members' satisfaction – very seriously. Any product we sell or recommend has been thoroughly reviewed by our panel of experts, and we refuse to promote get-rich-quick schemes that promise lots of money for little or no work.

But we realize that we're not the only company our members buy related products from, so I hope this article will help make sure you deal only with legitimate businesses. Simply by asking some direct, common-sense questions, you can identify and avoid a lot of the scams out there.

Published: July 23, 2007

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5 Responses to "How to Avoid "Business Opportunity" Scams"

Hi

Avoiding business scams is at times difficult to do, however, by following the steps outlined here by: Katie Yeakle, will ring a bell of truth, when faced with a decision to join or not to join.

Larry

Winfieldsbest – over a year ago

I have read much about AWAI's copywriting program; but, nothing about the resume writing coursework. I've purchased it and am working my way through. I was persuaded because the course and AWAI were endorsed by Brian Tracy, one of my favorite motivational speakers.

Anyone have experience making money by writing resumes?

car – over a year ago

Hi Car! Following successful footsteps certainly shortens the journey to success so I completely understand you wanting to talk to those who have had positive experiences with the Resume program! I suggest going onto your Member Forum area off our main website and posting this question. If you need instruction on how to do this, feel free to call us at 866-879-2924.

Good luck!

Barbra Hume Director of Member Services, AWAI

Barbra Hume-AWAI – over a year ago

Thank you Katie for some great tips! In concert with these, I offer these. Be sure to read ALL the fine print - clear down to the very end of the purchase page. If policy copy is trying to be hidden or is written in 2 pt type - then beware! I even copy it all and paste it in a saved document, so I have it later if there's a problem. Also, scammers will often use the well used "BUY RIGHT NOW OR YOU'LL NEVER AGAIN HAVE THIS OPPORTUNITY" - the harsher this "ER" message, the more I back away.

Rock – over a year ago

Katie Bux Inc and PTR VIP CLUB Earl Edmonds/INTERNAL INTELLIGENCE AGENCY LLC

Hi Katie, You wrote an exceptional sales letter that's making me reflect on some bad business, I'm happier moving in the right direction by training in Write Your First Novel Or Memior Now! Program with Donna Baierstein as my Novelist Coach. "THE BUS STOP" came out of "HOW TO CREATE A GOVERNMENT BRAND NAME" from the Barefoot Writer's Club. I'm on the path of being a well - paid copywriter using the AWAI Method.

Internal Intelligence 1 – over a year ago

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