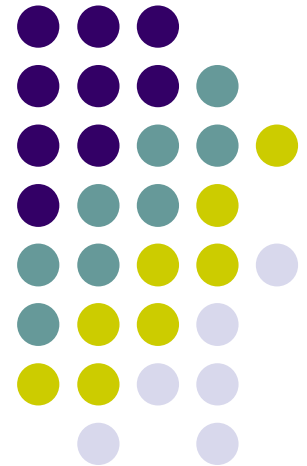


How to Get What you Want by Using the Compensation Plan

Presented by Dave Rolfe



How Does our Business Work



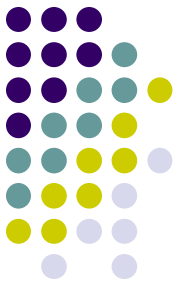
When someone buys a product.

When someone becomes a Distributor and buys products and finds Customers who buy products and signs up other Distributors who buy products and find Customers who buy products and sign up other Distributors who buy products and so on and so on.

That's how it works.

And that's how it has worked since the beginning.

What Makes it Work



Having a Goal

Having a Purpose, a Reason and a Why

Following the rules

Using a plan

Laying out an agenda of activities

Learning how to do them

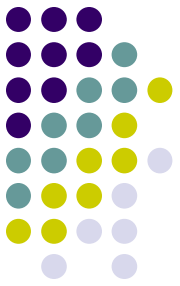
Doing the activities that are known to work

Keeping your eye on the prize

Monitoring activities and results

Producing something valueable and worthwhile.

Details



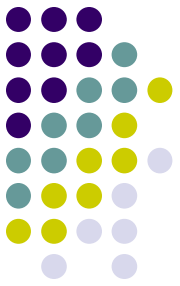
This starts with figuring out what it is you want, so that you can understand what you need to do, based on the plan the company has created.

Today you will see an example of building a business that generates about \$10,000 per month by the end of the first year.

You would earn about \$46,000 and bonuses of at least \$10,000 for building to this level. This would easily double or triple in your second year.

We want to start with a realistic time frame of one year to get this done, but if it takes longer so be it, simply stay focused until you do what is required.

Details

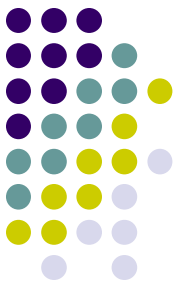


The 1st piece of information that you need to understand is what typically must be produced and in place every month so that you can earn \$10,000 and more.

Once we know this, then we can simply work it backwards until you reach the starting point.

Then by reversing direction you create a “roadmap,” “directions” and a “list of activities” that **you will need to do** to get the monthly targets done and then reach the goal.

You will see this in the coming slides.



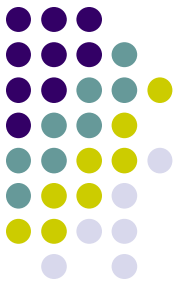
Component Parts

You are basically going to be doing three main activities that will make up this objective.

1. Sell Products
2. Sign up Distributors who also do 1 & 2
3. Help those that you sign up and their teams build valuable businesses.

Therefore we need to know the company compensation plan details to see what they will pay based on what results you produce.

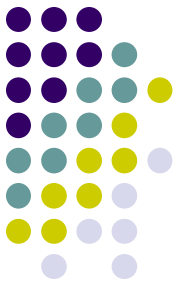
This is very important.



Component Parts

1. Customer Acquisition 20% commission
2. Rebates on Personal sales CV
 - Executive 10%
 - Silver to Royal 20%
3. Group Rebates on Directs & Executives
 - On Directs 10% up to 20%
 - On Executive 5% & up to 10% (when Qualified)
4. Leadership Bonuses
 - Earn 6% up to 6 generations below you.
5. Incentives are extra

What it Looks Like



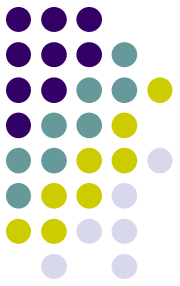
Always look at the end result first, your objective of \$10,000 per month, in terms of how this could be created so you can understand what activities would need to be done.

Then you can simply choose where to work based on what it is you want.

In most cases you will use a combination of all income areas and some more than others.

I did not include incentives, treat them as extra bonuses and not income, this way you will end up with more than you wanted.

Retail 20 to 30% including Rebates



Customer acquisition is the first activity and this is very important. Lets understand this completely as to what you earn.

We want to get at least 2 to 3 new customers each month and then create a plan for repeat sales monthly on the subscription program.

Every Distributor earns a 20% Retail Commission on personal sales.

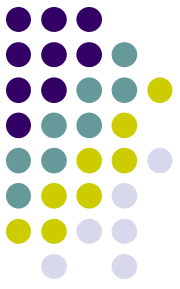
Our average Sale is around \$256.00 Retail

The average commissions are \$51.20

Direct RB= \$0.00

Executive RB= \$12.80 ($256/2=128 \times 10\%=12.80$)

Leader RB= \$25.60 ($256/2=128 \times 20\%=25.60$)



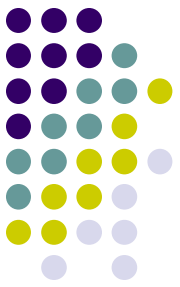
Directs and Executives

Distributor acquisition is the other activity and this is very important. Lets understand this completely as to what you earn.

There are two segments or areas of earning from a distributor.

One is when they are a part of your personal group and the other is when they become leaders themselves and that would be the Goal for them.

If you sign up a new Distributor make sure it is for the right reason. If they want to buy at a discount then sell them product you purchase at a discount, don't give away income.



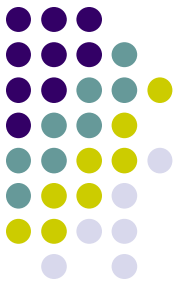
Direct and Executive Income

The first part is the Group Rebates that you earn from the activities of Direct and Executive Distributors in your personal group. (PGPV)

You saw earlier that this can be anywhere from 5% to 20%. This all depends on the difference between your rank and the Distributors rank.

Obviously as a Leader you earn the most so that would be a good objective to reach quickly.

On average I have found that you earn about 10%. It is a good figure to use in planning.



Component Parts

Finally the Leadership Bonuses of 6% up to 6 generations of leaders below you based on the total CV produced in their groups.

As an example if you have a leader, Silver or above and they produce 5,000 CV, you would earn

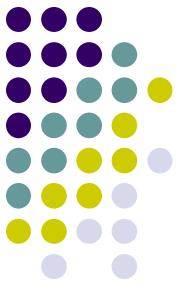
$$5,000 \text{ CV} \times 6\% = \$300$$

$$\text{A Gold does } 15,000 / 7,500 \text{ CV} = \$450$$

$$\text{A Platinum does } 30,000 / 15,000 \text{ CV} = \$900$$

$$\text{A Diamond does } 100,000 / 50,000 \text{ CV} = \$3,000$$

$$\text{A Royal does } 300,000 / 150,000 \text{ CV} = \$9,000$$



Developing Silvers and Above

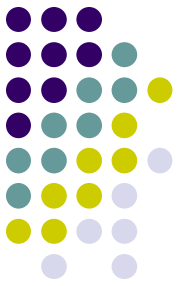
Early on in my career I learned that to earn residual income you needed to develop an organization of Leaders.

Therefore, the majority of your income will come from this area of developing an organization.

I also learned that if I helped someone on my team move up the compensation plan to higher ranks, they would earn more and I would earn more.

So, let's take a look at the details.

Estimating Retail & Rebate Efforts and Results Potential



Here is a simple formula for the rate of Commissions and Rebates for someone that is a Qualified Leader
Income divided by rate of pay of 30% equals Retail required (30% is the combined retail and rebate %)

$$\text{\$10,000} / 30\% = 33,333 \text{ Retail}$$

$$\text{\$5,000} / 30\% = 16,666 \text{ Retail}$$

$$\text{\$2,500} / 30\% = 8,333 \text{ Retail}$$

$$\text{\$1,250} / 30\% = 4,166 \text{ Retail}$$

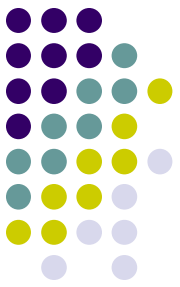
$$\text{\$625} / 30\% = 2,083 \text{ Retail}$$

$$\text{\$312} / 30\% = 1,040 \text{ Retail}$$

NB If you are a Direct you only earn 20%

An Executive earns a combined total of 25%

Estimating PPGV Efforts and Potential Benefits



Here is a simple formula to estimate income from your Directs and Executives before they reach the Leadership levels.

Income divided by rate of pay equals CV required

$$\$10,000 / 10\% = 100,000 \text{ CV}$$

$$\$5,000 / 10\% = 50,000 \text{ CV}$$

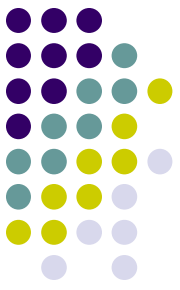
$$\$2,500 / 10\% = 25,000 \text{ CV}$$

$$\$1,250 / 10\% = 12,500 \text{ CV}$$

$$\$625 / 10\% = 6,225 \text{ CV}$$

$$\$312 / 10\% = 3,120 \text{ CV}$$

For estimating purposes CV is approximately 50% of the Retail Price and 65% of the Distributor Cost or wholesale.



Leadership Bonus

Here is a simple formula to estimate income from Leadership Bonuses

Income divided by rate of pay equals CV required

$$\$10,000 / 6\% = 166,666 \text{ CV}$$

$$\$5,000 / 6\% = 83,333 \text{ CV}$$

$$\$2,500 / 6\% = 41,666 \text{ CV}$$

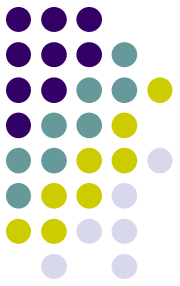
$$\$1,250 / 6\% = 20,833 \text{ CV}$$

$$\$625 / 6\% = 10,416 \text{ CV}$$

$$\$312 / 6\% = 5,200 \text{ CV}$$

For estimating purposes CV is approximately 50% of the Retail Price and 65% of the Distributor Cost or wholesale.

Number of Individuals Producing Volume within your Organization



Now the next piece of information is to understand how many leaders are required to achieve the goal, \$10,000.

Then this will be followed by Structure.

$$166,666 \text{ CV} / 500 = 332 \quad /1000 = 166 \quad /1500 = 111$$

83,333 CV	166	83	55
-----------	-----	----	----

41,666 CV	83	42	28
-----------	----	----	----

20,833 CV	42	21	14
-----------	----	----	----

10,416 CV	21	11	7
-----------	----	----	---

5,200 CV	11	6	4
----------	----	---	---

2,600 CV	5	3	2
----------	---	---	---

Leadership Groups and Estimating Volume and Numbers



Another piece of information to understand is what could a group of 10 or more produce.

Then this will be followed by Structure

$$166,666 \text{ CV} / 5000 = 33 \quad /10000= 16 \quad /15000= 11$$

83,333 CV	17	8.3	5.5
-----------	----	-----	-----

41,666 CV	9	4.2	2.8
-----------	---	-----	-----

20,833 CV	4	2.1	1.4
-----------	---	-----	-----

10,416 CV	2.1	1.1	.7
-----------	-----	-----	----

5,200 CV	1	.52	.33
----------	---	-----	-----

2,600 CV	.5	.3	.2
----------	----	----	----



How Structure Plays a Role

Level				
One	2	3	4	6
Two	4	9	16	36
Three	8	27	48	216
Four	16	81	192	1296
Five	32	243	768	7776
Six	64	729	3072	46656
Seven	128	2187	12288	279936
Total	254	3279	16388	335922



Using the Component Parts

Retail as a Direct 20%

Retail and Rebate as an Exec 25%

Retail and Rebate as a Leader 30%

Distributor Override/Rebate as an Exec 10%

Distributor Override/Rebate as a Leader 5% to 20%

Distributor Leadership Bonus

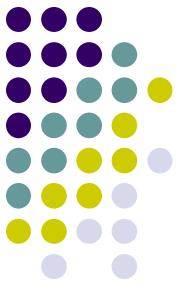
As a Silver 6% 2 Levels below you

As a Gold 6% 3 Levels below you

As a Platinum 6% 4 Levels below you

As a Diamond 6% 5 Levels below you

As a Royal Diamond 6% 6 Levels below you

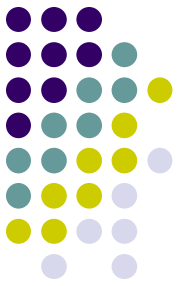


Production Targets

Month	Inc	Ret Vol		Comm	New Tot		PGPV	Inc	Bal to CV		Retail V	Qua Vol	Bal of Vol N Sil			
					Dist	Dist			Earn	Req	Points					
One	150	3	768	153.6	1		768	0	0							
Two	312	3	632	199	1	4	2352	113	0							
Three	625	3	728	194.6	1	8	7320	431	0							
From this month on most of the focus will be breaking Silvers and building depth																
Four	1250	2	512	194.6	1	12	10000	500	556	9266	18533	1	1500	17033	3	
Five	1875	4	1280	506	0	24	15000	750	619	10317	20633	4	6000	14633	2	
Six	2500	5	1536	582	0	36	15000	750	1168	19467	38933	6	9000	29933	5	
Seven	3750	6	1792	659	0	54	15000	750	2341	39017	78033	10	15000	63033	11	
Eight	5000	7	2048	736	0	74	15000	750	3514	58567	117133	15	22500	94633	16	
Nine	6000	8	2304	691	0	75	15000	750	4559	75983	151967	25	22500	129467	22	
Ten	7000	9	2560	768	0	100	15000	750	5482	91367	182733	47	70500	112233	19	
Eleven	8000	10	2816	844	0	125	15000	750	6406	106767	213533	66	99000	114533	19	
Twelve	10000	12	3328	998	0	150	15000	750	8252	137533	275067	85	127500	147567	25	
Totals	46462			Retail 6526				Dist 7044		548283	Leaders 32897		373500	Qualify 11205		

● This chart identifies many options that can be achieved and from here you can see what is required to earn various amounts of income and most importantly where the production needs to be focused on and what activities need to be done.

The Build



Month one: would consist of

Getting trained

Learning what to say, develop your story

Creating your plan and Strategy

Making your Lists

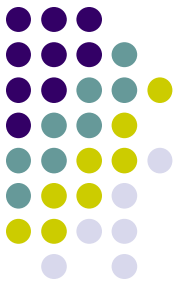
Targets:

Get 3 Customers & 768 Retail \$153.60

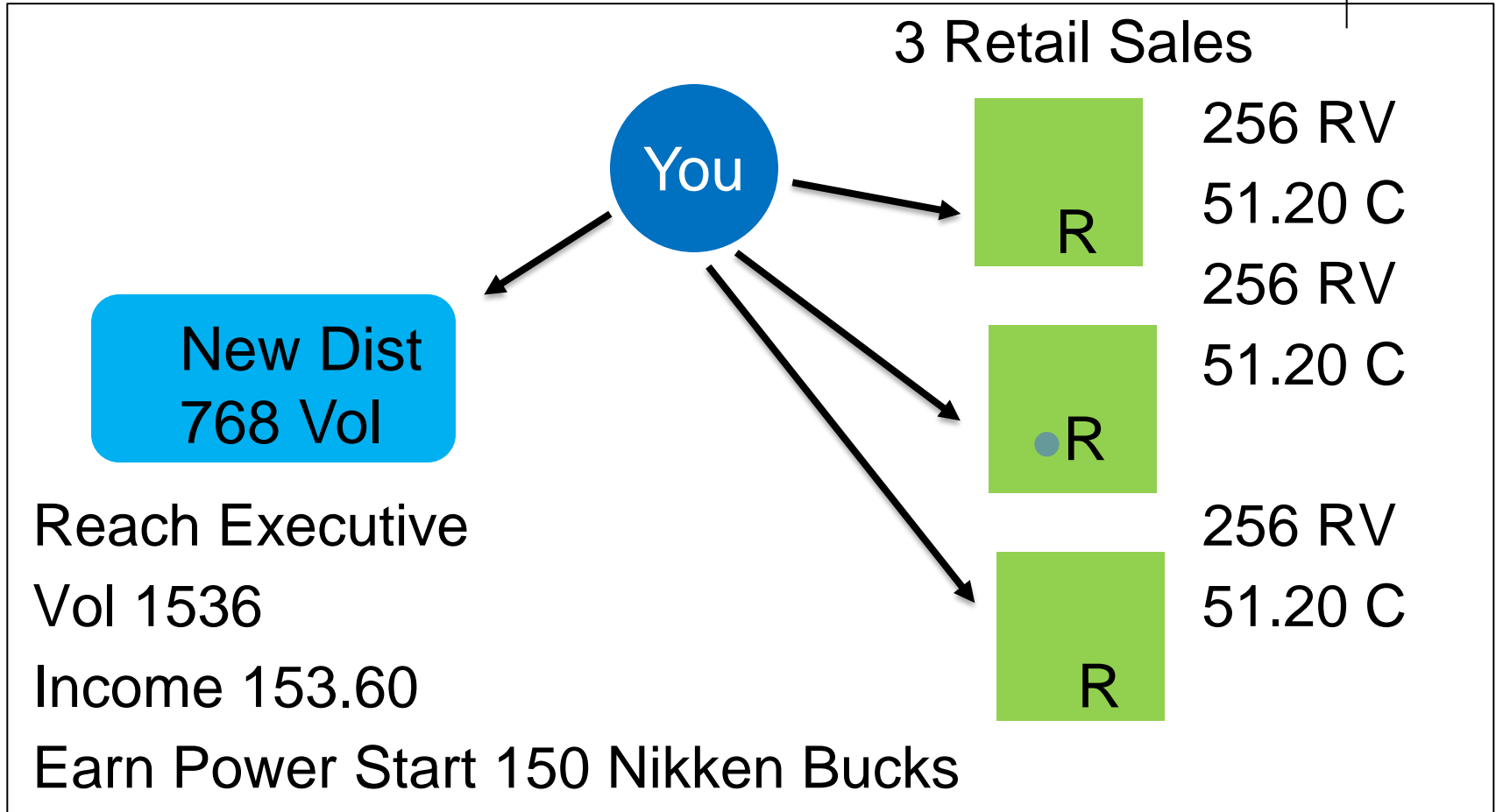
Get one Direct and 768 Vol

Become an Executive with 1536 OV

Earn an incentive of 150 Nikken Bucks



The Build; what it might look like





The Build

Now that we can see what is required the focus will be on the activities that would create more of this kind of result.

Talk to more people on your list about the products.

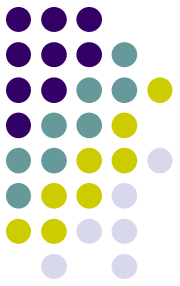
Talk to more people on your list about being a Distributor.

Find other ways to talk to more people.

Key; is doing enough of these activities so you can get this result.

The next month builds off this month.

The Build



Month two would consist of three areas.

1. Find 3 more customers or create 3 more customer sales from your existing customers or a combination of both.

Retail Target Vol 632. Estimated Inc as an Exec \$158 & Performance comm of \$41, total \$199

2. Help your first dist go Exec with 768 Vol and earn \$38.40 (10% of 384 CV)

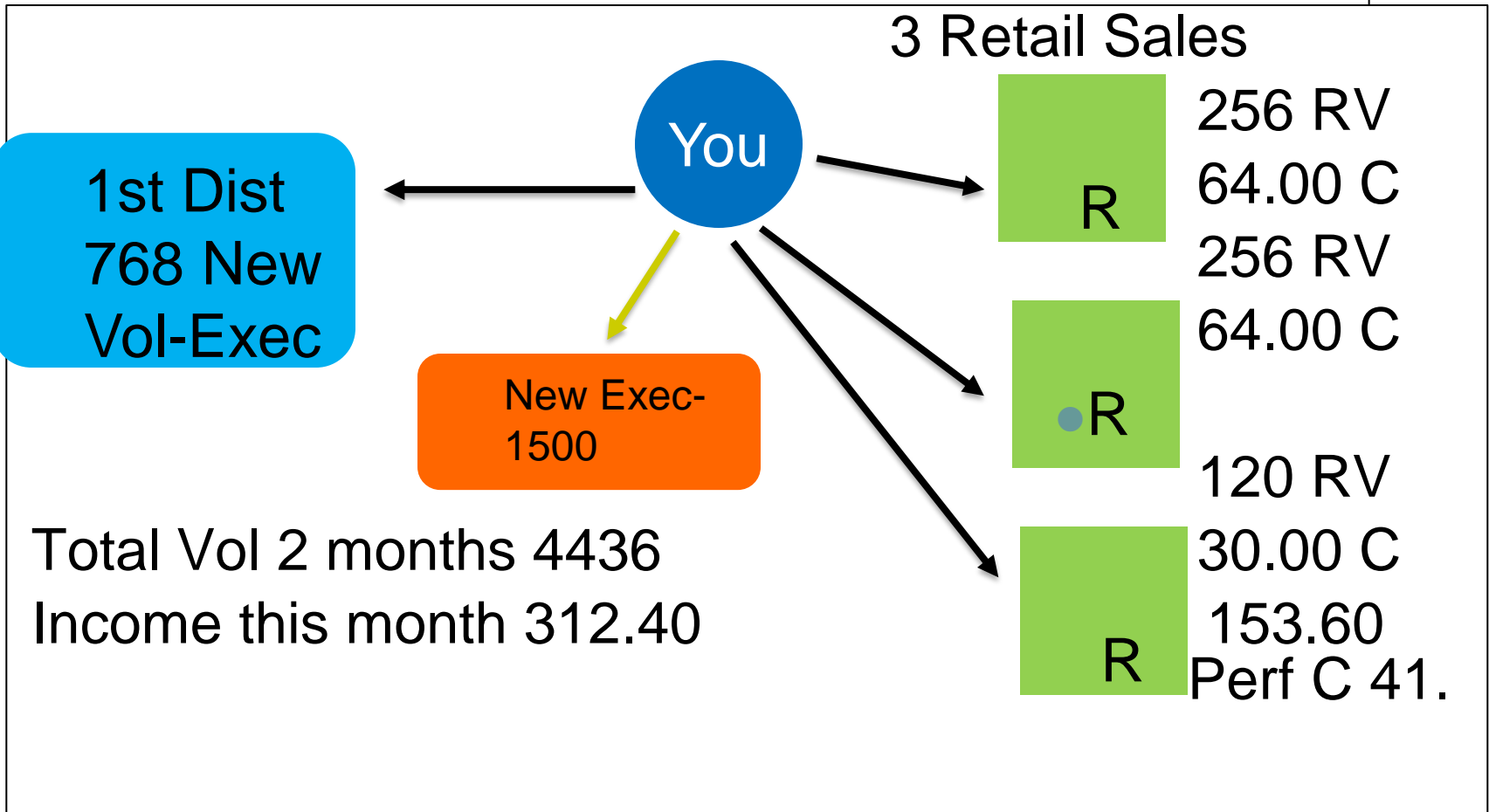
3. Sponsor a New Exec 1500 and earn \$75 (1500/2=750CVx10%=75)

Total Volume for two months 4436

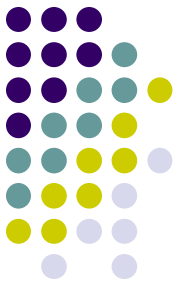
Income this month \$312.40



The Build; what it might look like



The Build



Month three: could consist of

3 customer sales \$728 Retail Vol Inc \$182

Performance Bonus of \$41

1st Dist does 1600 Vol, you go Silver Inc \$80

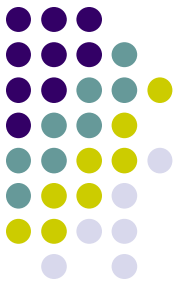
2nd Dist does 2000 Vol Inc as a Sil \$100

1st Dist does another 3000 and reaches Silver
Inc \$150.00

Sponsor your 3rd Dist and get 720 Vol
Income \$72

Total Volume this month 8048

Target Income of \$625.00



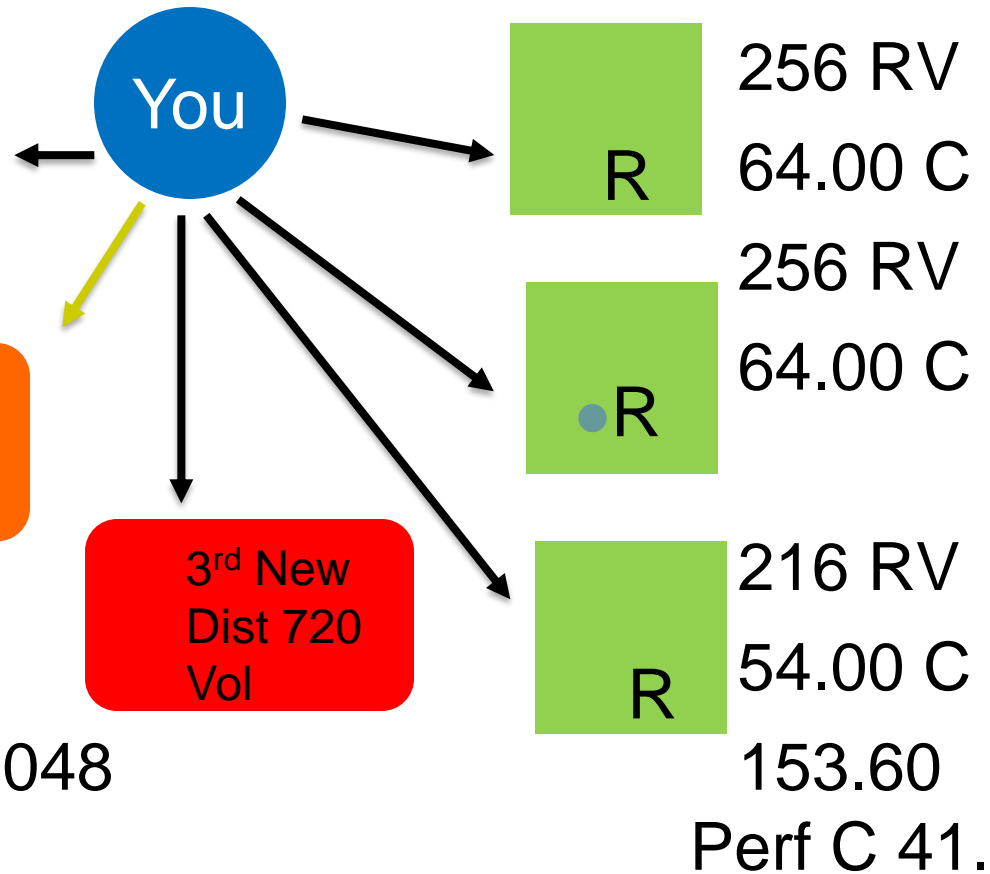
The Build; what it might look like

1st Dist starts at 1536 & New Vol of 1600- Gets you to Silver
After does another 3000 and goes Silver

2nd Dist has 1500
New Vol of 2000 His Total 3500

3rd New Dist 720 Vol

3 Retail Sales

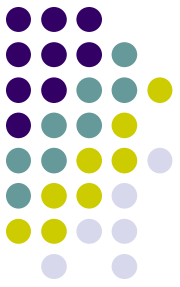


Total New Volume 8048

Total Income \$625

You went Silver and created your 1st Silver Level One

The Build

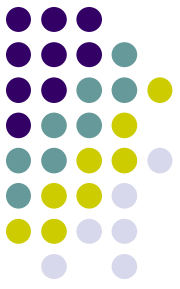


So, based on what was done here, you started with a Goal and then you created a plan and a strategy that would develop and grow over the next 12 months.

The logical next course is to then go into Month 4 with an income target from the sheet, of \$1250 and then target the other results you need to create and then go to work.

As you create and build a team it gets easier and easier.

Summary

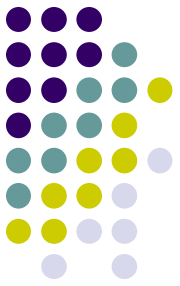


Now you have an understanding of how to make the plan work.

The whole idea is to set targets and then get them done and simply keep building on that idea.

Make sure that those you sponsor are on the same page and sponsor anyone you can. Just don't get fooled by a lack of production.

Drive each leg as deep as you can.



Thank You
Dave Rolfe

Phone: 617-388-9109

E-Mail rolfeman@earthlink.net