



Nikken is an opportunity for individuals who wish to do something about their condition and circumstances in life.

All benefits and results come about based on what you do.

What you do depends on what you understand.

The more you understand the more you can do.

The rest is up to you



I did a quick survey before working on this and asked what others thought about the Nikken Compensation Plan and I was surprised at the answers and that is the reason for this workshop.

I get mixed up with the abbreviations, they make my head spin I use the Incentive program and avoid trying to explain at all costs I don't like the check fees Find it difficult to explain I use the Incentive program as a business plan Money is rarely talked about, only desire to help people How does CV relate to wholesale Comp plan for dummies

Don't like the retail requirement so don't talk about the plan

IT'S ALL ABOUT COMMUNICATING

- What You Don't Understand You Won't Talk About or Communicate to others and thus you might miss an opportunity to share this with someone else who might be interested. Remember from previous workshops, that once you are in it's no longer about you.
- What You Don't Understand You Won't Do, specific activities such as those related to building the business or even selling the product for that matter. This then can explain why one doesn't make enough income to then allow them to do what they want or get what they want.
- There is no such thing as failure, simply a lack of Doing and an insufficient amount of communicating to others about what you are offering.
- Therefore Success is learned behavior.

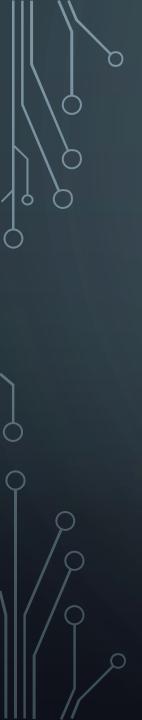
Over my years with Nikken I have observed many wonderful things, absolutely incredible stories from individuals all over the world.

I also observed how people took advantage of what Nikken created and I also observed those who didn't.

I saw and was a part of most every Royal Diamond's run to Royal and I observed that everyone did it differently but they all followed the Nikken Compensation Plan and did what was laid out and required.

In this there were no exceptions. Individuals sold their distributorships and others bought and some were gifted and some awarded.

But in the end, it boiled down to success is a relative term and each person has a unique style in how they did what they did and got to where they got to.



SCALE OF INVOLVEMENT

WANT

WHY

HOW

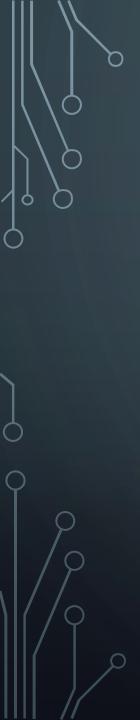
DO

MONITOR

EVALUATE

CORRECT OR CONTINUE

GROW OR QUIT



SCALE OF INVOLVEMENT

WANT- WHAT DO YOU WANT
WHY- IMPORTANCE, PURPOSE, DRIVE
HOW- BY UTILIZING THE NIKKEN PLATFORM AND PLAN
DO- WHAT'S KNOWN TO WORK AND CREATE RESULTS
MONITOR- TRACK WHAT YOU DO
EVALUATE- SEE HOW IT IS WORKING
CORRECT OR CONTINUE — BASED ON RESULTS
GROW OR QUIT — DEPENDS ON RESULTS

Let's look at this in terms of what people need and want which usually means a somewhat normal income or at least the potential to earn that and grow over time.

Remember what your role is, beauty is in the eye of the beholder. What you communicate then becomes what's important, don't forget that once you are in it's no longer about you but about the person you are talking to.

Remember how the business works, when others buy the products and or become Distributors who do the same.

Remember what the company does, sells products through a network of Distributors and signs up new Distributors that are introduced by existing ones.

THE NIKKEN COMPENSATION PLAN THE THREE ASPECTS AND USES OF THE PLAN



It's A Road Map

The Game Nikken has set out for you to Play



It's What You Can Earn

Defines the key activities of what you need to do



It's Motivation

Understanding Residual Income

UNDERSTANDING THE PLAN IS A MUST

The <u>Nikken Compensation Plan</u> was CREATED as a guideline to follow, a Game to Play, something that <u>attracts attention and creates interest by those that see it, and want the Benefits offered.</u>

There are three aspects or uses of the plan, that play important roles for you and how your future can take shape and it's your understanding that will help you get what you want. We will explore them one at a time.

By observation if you don't understand this plan then it becomes difficult or even downright impossible to make it work as it was intended. Now there are always exceptions to the rule on this, incase you run into someone who became successful that didn't understand the plan but usually there is someone close by who did.

THE WORDS AND ABBREVIATIONS YOU NEED TO KNOW

It has now become a well known fact that when you don't understand a word or symbol what ever follows it is not understood and doesn't get applied or used properly.

OV-Organization Volume

PPV- Personal Point Volume

PGPV-Personal Group Point Volume

CV- Commission Volume

Override- Income for Volume below you

Personal Group- Directs and Executives
Breakaway Volume- From Silvers and above
Qualifying- getting the requirements done
Qualified- all requirements are met
Leg- Distributors under you starting from one
Primary Leg- Most Volume
Secondary Leg- Second most volume

To learn these terms and words first look up the definitions in the Policy and Procedures, then create many examples and even draw pictures. Most importantly speak with a qualified Mentor

THE WORDS AND ABBREVIATIONS YOU NEED TO KNOW

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Leadership Bonus-income on Breakaways Residual Income-continuing and ongoing Lifestyle Bonus- for Golds and above Incentives- gimmicks to produce Club Kiai- Production bonus 500 Nikken Bucks Rollup Volume- volume below a non qualified Distributor bypasses and rolls up. Compensation- how one is paid PCV Rebate- Personal Commission Volume Rebate PGCV Override-Personal Group Commission Volume Override

To learn these terms and words first look up the definitions in the Policy and Procedures, then create many examples and even draw pictures. Most importantly speak with a qualified Mentor

AN EXAMPLE OF INAPPROPRIATE VERSUS APPROPRIATE COMMUNICATION

We are going to meet to discuss Kiai, work out the PGCV and meet a breakaway in your primary leg who is not qualified and wants to get in his PPV plus the other guy has a rollup up problem and needs to talk about Compression

OR

We are going to meet and discuss the contest, work out the rewards available and meet one of your leaders in you highest producing group. He still needs to get in his sales to become eligible to get his check and the other guy wants to know how he gets paid on part of his organization.

YOUR ROLE AND WHAT NEEDS TO BE COMMUNICATED

In previous workshops we learned that your role is to find people who either <u>buy the</u> <u>product</u> or <u>become involved with the business</u>. We want to do this in a way where others can easily understand what is being communicated.

So I would talk about general areas of benefits first. These are coming up and if there were terms that are difficult, I'd work on using other terms that basically mean the same.

For example Leadership Bonus Income could be called Residual Income and that is Income like an author receives for writing a book every time one sells. He does the work once, then the income goes on and on. Get the idea.

WHAT'S IMPORTANT

What's really, really important to understand is that whatever anybody wants they can get it by playing the Nikken Game.

Everything starts with what is needed and or wanted and whether it is freedom, love, support, money, help, recognition, appreciation, acceptance, a game to play or a group to join, one can get any of these by playing Nikken.

Remember the previous scale of involvement want creates why, why then opens the door to how and do.

The importance of what you want, dictates how aggressive you will be to go after it. This plan allows for any possibility, **so know it and show it** and be amazed at what happens when others discover they can get what they want because they were shown how.

THE NIKKEN COMPENSATION PLAN



It's a Road Map

The Game Nikken has set out for you to Play

WHAT IS THE NIKKEN COMPENSATION PLAN

First of all, it is a ROADMAP to follow on your journey to getting what you want, as a result of deciding to be involved and doing the business.

Simply stated you start at the beginning and then focus on completing each section or step as written and you move up the "ladder" so to speak and land where you land either based on a plan or not.

Once you have completed a section/step you go onto completing the NEXT step. Each step creates more activities and results and benefits.

Step One is Direct and then you follow the plan to Executive which is step two, complete that and move to the next step Silver, then Gold, then Platinum, then Diamond and then Royal Diamond if you wish, some do and some don't.

AN ELABORATE BUSINESS PLAN

The Nikken Compensation Plan is really an elaborate Business Plan that has been constructed to give you a game to play and a way to create and get what you want IF YOU FOLLOW THE PLAN.

If you follow it and complete the steps one at a time and move forward then there's no telling where it can take you.

In the previous workshop you learned that to get what you want, you need to do the activities that create results, that then allow you to get what it is you want.

So if by following the Nikken plan and doing the activities of that plan gets you what you want then you've hit a home run, most never get there. They're stuck doing something they don't really like but must do.

By knowing this plan you can open the door for others who could really use it.

AN EXAMPLE

When I started I wanted to earn \$8,000 per month, that was my Goal and my objective, that's it, that's all and nothing else.

My first question was, "What do I need to do or create, where Nikken will pay me \$8,000."

I quickly realized that I needed to understand this Plan, the various levels of income potential, along with any and all requirements.

This would then allow me to plan and strategize, then line up and focus on the activities that were known to create the results in a sufficient quantity that would in turn realize an \$8,000 PAYCHECK.

GO TO THE END AND WORK IT BACKWARDS

To earn \$8,000 my sponsor and I agreed that the best way was by building an organization and a team. This was the Leadership Bonus Income area.

This then gave me some idea what I would need to generate in terms of volume to earn a check of \$8,000. What I needed to know next was how many Distributors did I need in my organization.

This was a bit more difficult as there was little if any track record at that time, so I kept my nose to the grind stone until I reached Gold and here earned the \$8 K and had about 30 or so Distributors who were Silver or above.

The production formula was being created and validated for future use.

In my first month I created 18,000 in OV (total organization volume) and made **\$438.00**. I brought in 7 so called business builders and one went to work.

In my second month I did a bit over 49,000 in OV and earned \$\frac{\\$4,300}{\}\$. This was done by driving the first leg down 4 levels and we created three silvers plus I started my second leg.

In my third month I did some 123,000 in OV and earned \$6,300 and in this month I focused on my second active leg getting him to Silver and started my 3^{rd.}

In my fourth month I did over 220,000 in OV and earned \$8,100 and became Gold So in four months I started at the bottom followed the plan achieving 6 rank advancements and did the activities that were known to create the results I wanted.

SUCCESS IS LEARNED BEHAVIOR

By studying the Nikken Compensation plan and making sure I understood all the various terms used, I quickly saw what I needed to create, what I needed to DO and where I needed to focus my attention.

Now I had a very fortunate circumstance happen that set in motion an idea and a basic activity that opened up the door to my understanding and ability to communicate and thus present solutions specific to income and economics. (Inside Nikken story)

This then led to the instruction to read your plan every day until you know it backwards and forwards, as this is your roadmap moving forward and forever when you are in Nikken and possibly what someone might be interested in.

THE DOORS OPEN WIDE

By actual result I saw and then realized that if one were to follow this plan and do what was required anything was possible. By communicating to others I found there were plenty of other people also interested in what I was interested in.

So my job became telling the world about what was available and finding those that were interested. When that happened we built their business and took it as deep as possible.

The more I understood the Plan the easier it was to talk about and provide others with a great solution, the bigger my organization got the more I was able to help others. (Humans Being More)

Now lets see how you can do the same.

THE NIKKEN COMPENSATION PLAN



It's What You Can Earn

All of the Potential Incomes Available
WHAT YOU NEED TO DO

UNDERSTANDING THE PLAN AND THE INCOMES

Nikken does three activities that <u>keep it alive and well</u>. Without them it would die, and without them it wouldn't survive and get what it wants, which is the 10,000,000 active Wellness participants.

It is going to do so through;

- 1. Selling its products through a distributor force
- 2. Signing up New Business Distributors introduced by existing distributors
- 3. Training the Distributors in the Ideals of Nikken

Therefore you will accomplish what you want by doing the activities listed for Distributors, selling products and signing up business builders.

You came into this because you <u>wanted something</u>, whether it's was for income or to help others or to fulfill a dream,

The activities that you do to get what you want are;

- 1. Selling Products
- 2. Finding and signing up distributors who do the same

You must understand how what you want relates to what you do or are going to be doing.

In this game money can simply be the score card of your ability and creativity to do the activities and then get what you want and some want lots of money.

But remember what Nikken has created and offers you, sell their products, bring them more distributors and attend their trainings. All of this costs money and thus it is a business, so treat is a such.

THE COMPENSATION PLAN BENEFITS

- 1. Retail Income
- 2. Personal Rebate Income
- 3. Personal Group Rebate Income
- 4. Business Building Bonus Income
- 5. Sales Incentive Bonus Travel & Rewards
- 6. Lifestyle Incentive Income

PRODUCT PRICING TERMINOLOGY

Near the top of your price lists there is all the terminology and abbreviations for figuring out pricing, volume and earnings, costs, taxes and shipping.

PV – Lists the point value associated with the product at Distributor Cost. In most cases it is the same as Consultant costs but not always, depends on the product. These points are used for qualification purposes

Retail PV – Lists the point value based on the Retail Price. In most cases it's the same as the Retail price but not always. These points are used for qualification purposes.

CV – Commissionable Volume is the amount that is used to calculate all commissions and rebates earned.

Consultant Price – What the consultant pays for the product, this used to be called the wholesale cost. This creates the difference and Potential Retail Profit. **Taxable Retail** – The price that the tax is calculated from.

RETAIL INCOME

I don't think this needs much of an explanation. The concept here is you buy it at a wholesale or distributor price and then you CAN sell it to someone at the full RETAIL price and your Income is the difference between what you sold it for and the cost you paid.

If you bought a product and your cost was \$100 and then sold it for \$125, your RETAIL INCOME would be \$125-\$100 = \$25

So if you were working on a plan to earn \$1,000 extra per month then you would need to sell 40 items at this price, or 20 with a \$50 profit or 10 with a \$100 profit.

What's important about understanding the retail income is how you can use this activity to help you get what you want or help someone else get what they want.

As an example I need to do \$1,000 in PPGV of which \$100 needs to be PPV in order to get my residual income check each month.

My plans are to make sure that this volume gets created by my personal non-leader group(Directs or Executives) or through my own personal sales or consumption.

Now there is another piece of data and that is the price paid, wholesale or retail As they both have values, but in the current plan when you sell with retail pricing, you get to use the Retail Volume, a nice benefit.

PERSONAL REBATE INCOME (PCV REBATE)

When you generate a sale or purchase a product you can actually earn a rebate. (I liken this to the Credit Cards Reward Systems) "Personal Commission Volume (PCV) Rebate
As you advance up the Consultant ranks, you will qualify for progressively larger Personal Commission Volume rebates, ranging from 5 to 20 percent of the amount of products you order from Nikken at Consultant prices." This should also include from orders you sell at Retail.

You are paid the rebate on the CV which is Commissionable Volume, associated with the wholesale or retail costs.

Direct 5%

Executive 10%

Silver & Above 20%

Therefore as a part of your plan and strategy you can include Retail Income and Rebate Income. The key here will be based on the activities required, the time required and your overall Goals and Objectives.

This should be a part of everyone's plan and it becomes a great way to Build the Business while adding income and even Bonuses.

You will see in the Incentive Bonus Income Section coming up, how you can add these special Incentive Bonuses.

One of my mentoring students just created a \$2,000 income and won the Club Kiai Bonus which is 500 Nikken Bucks that can be used to purchase products. This can easily become cash when the products are purchased by a customer.

The important point about this is that this success was created first by learning. The learning curve takes time but the knowledge of what to DO and how to DO it are priceless and can now be taught and duplicated

The future for this student is very bright. You can give a person a fish or you can teach them how to fish and this is basically Residual Income in the making.

By helping others become successful you become successful and that's how it works.

So why do you want to know this plan inside out and backwards, so you can show it off. (story of Invest Sales and getting someone to send in money)

Now this kind of income could be super beneficial to someone. The Key here is to think in terms of what might be important to others, what do they want.

PERSONAL GROUP REBATE INCOME

"Personal Group Commission Volume (PGCV) Override
This is an override, or bonus, that you may earn on the commission
volume of your Personal Group, which includes all your downline Direct
and Executive volume excluding breakaway volume, depending on
your rank and the ranks of those you have directly sponsored."

Basically this income is for helping other business builders get started and for the time spent working with them. Depending on your objectives and Goals, building a business with other business builders could be beneficial to you and to those you are speaking with.

This was my direction and the direction of many others. Remember my story on working inside of Nikken and the many various results that were created, gave me understanding of what can happen which then allowed me to deal with it.

The way this income works is when you bring on a new Business partner and it will continue until they reach Silver with your help.

So you in essence earn for helping them get started and that's how I explain it. You earn a Rebate based on their <u>CV Volume</u> of Sales made, based on the difference from your rank to their rank.

Example: You are a Silver and you bring on Bob, a Direct who does 400 Points and that generates 240 CV. Bob did his \$100 and is qualified and you are also qualified.

The total rebate available is 15%, Bob would earn 5% and you would then earn the difference, 15 - 5 = 10%.

By understanding the plan and how it works it is easy to figure out, explain and plan out what needs to be done.

DIRECT CONSULTANT HOW TO QUALIFY

- Read, understand and accept Nikken Policies & Procedures and the compensation plan.
- Complete a Consultant Application/Agreement and send it to Nikken headquarters. (Corporate approval is necessary before you officially become a Direct Consultant.)

 Monthly Qualification Requirement
- Achieve 100 PPV

Benefits

- Earn 20% retail profits on customer sales (when sold at suggested retail prices).
- Earn a rebate equal to 5% of your total Personal CV.
- You can Begin to build a personal sales group and receive an override of 5% on the Direct Distributors who have not met the 100 PPV monthly requirement. This is called a Personal Group CV override
- Your next target level is executive

EXECUTIVE CONSULTANT RANK ADVANCEMENT

- First, be a Direct Consultant
- Achieve at least 1,500 PGPV in up to three (3) Consecutive months.
- Achieve at least 100 PPV in order for the PGPV to be counted for a given month during the multi-month qualification period.

Monthly Qualification Requirement

Achieve 100 PPV

Benefits

- 20% retail profits on customer sales (when sold at suggested retail prices).
- 10% Personal CV rebate
- An override of up to 5 percent of the CV generated by the downline in your Personal Group.
- Receive an override up to 10% on downlines who have not met the 100 PPV monthly requirement.



Rank Advancement

- Achieve at least 6,000 PGPV in up to three (3) consecutive months.
- Achieve a 100 PPV in order for PGPV to be counted for a given month during the multi-month qualification period.
- During the month of rank advancement, achieve an Organizational Point Volume of at least 1,000 outside the primary leg and at least 500 of the minimum OPV requirement being met by legs outside the primary and secondary legs

SILVER CONSULTANT MONTHLY QUALIFICATION REQUIREMENTS AND BENEFITS

- Achieve 100 PPV.
- Maintain a PGPV of 1,500
- Maintain an Organization Point Volume of 4,000 each month to be eligible for Leadership Bonus at pin rank.
- 6% Leadership Bonus on Personal Group CV down through two levels of qualified Silver or above Consultants.

Benefits

- 20% retail profit on customer sales (when sold at suggested retail prices).
- 20% Personal CV rebate.
- Up to 15% Personal Group CV override if Consultant meets monthly PPV and PGPV requirements, otherwise Consultant will receive up to 10% Personal Group CV Override if monthly PPV is met and PGPV is not met

Now lets take a close look at these three levels and understand the lncomes that are available and for the results created.

The Retail income is the same and as a matter of fact it's the same for every one.

However the rebates change on the business builders below you and there is a Qualifying requirement to earn the PGCV Override Income on the business builders you bring in who are Directs or Executives.

If as a Silver you achieve \$100 PPV and \$1500 PGPV in any month then you earn up to a 15% Personal Group CV Override depending on their Qualified rank (Direct or Executive)

If you have not met the qualifications then it's only up to a 10% PGCV Override.

PERCENTAGE PAYOUTS FOR DIFFERENT SITUATIONS

	Qualified		
Position/ Rank	PCVR on Retail and Personal use		
Direct	5 %		
Executive	10 %		
Silver to Royal Diamond	20 %		
	Qualified	Unqualified	
	Executive Qualified 10%	Exec Unqualified 0%	
Qualified Silver 15% over Exec	15-10= 5% Override	20-0= 20% Override	
Unqualified Silver 10% over Exec	10-10=0%	10-0=10%	
	Direct Qualified 5%	Direct Unqualified 0%	
Qualified Silver 15% over Direct	15-5=10% Override	20%	
Unqualified Silver 10% over Dir	10-5=5% Override	10%	
Qualified Executive 10% over Dir	10-5=5%	10%	

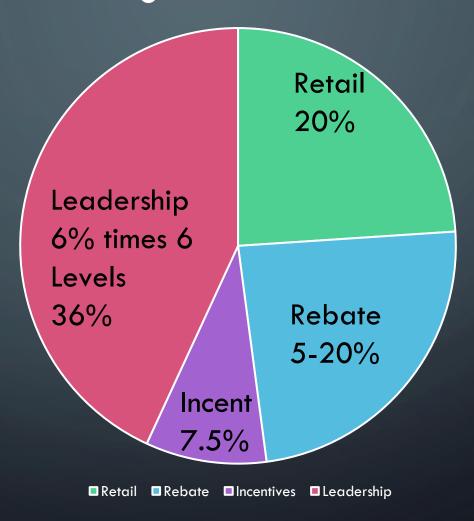
UNDERSTANDING THE PAYOUT PERCENTAGES

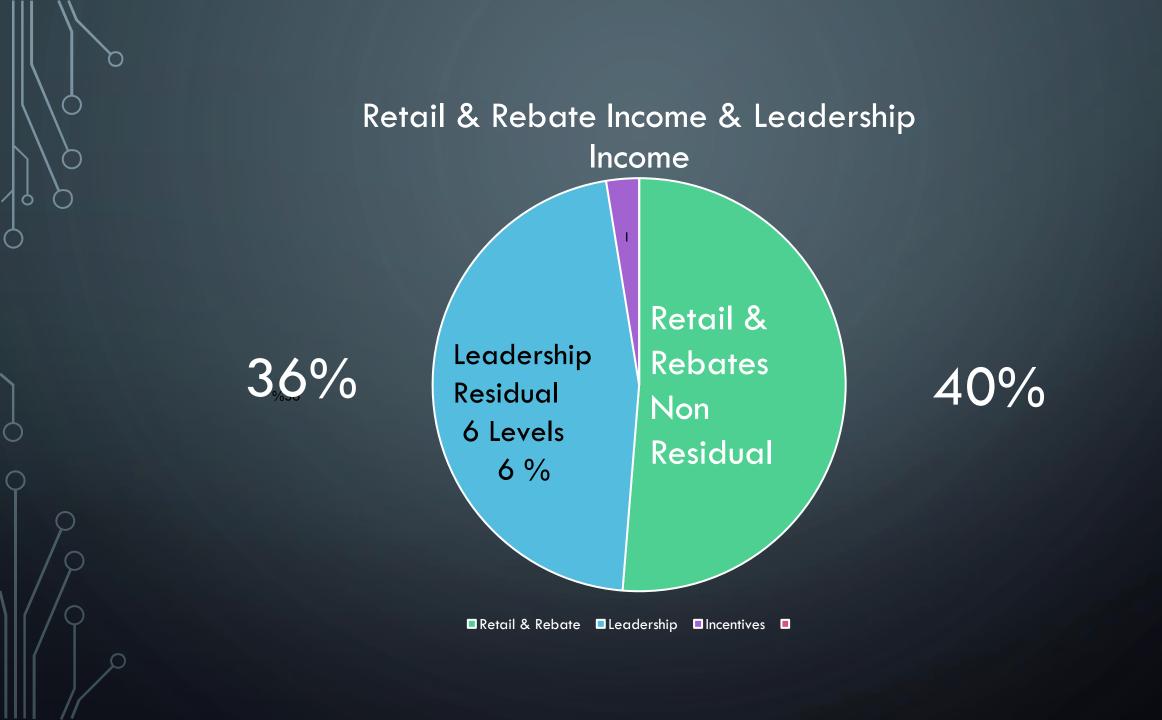
There is only so much money available from any transaction and as you know if you spend more than you make you will go broke and two people can't earn 100% of what is available.

So it's like dividing up the pie.

These are the main areas of Income and then there are production Incentive Bonuses like trips and reward points. The Lifestyle Bonus is cash. Retail 20% paid for by the customer Rebate 5% to 20% Depends on Rank achieved Business Building 5 To 15% initial income up until they go Silver and a potential of 6 Levels of 6% Residual Income

Overall Potential Income Payout Percentages on a Retail Sale





POWER START

Prize 100 Nikken Rewards Points (Potential earnings while qualifying \$225)

• 30 days from the first day of sign up This incentive is aimed at rewarding NEW Direct Consultants who rank advance to Executive or above within the first 30 days of sign up.

REQUIREMENTS

- Achieve at least 1,500 PGPV during the first 30 days from sign up. (At least 50% must be from retail PV)
- Achieve a minimum of 100 PPV during this period REWARD
- Earn 100 NIKKEN Reward Points redeemable for Nikken Products

CLUB KIAI

Prize 500 Nikken Reward Points (Potential Income while qualifying \$4,000) This incentive is aimed at rewarding Consultants who create significant group volume for three consecutive months in a calendar year.

REQUIREMENTS

- 1. 1,200 PPV Must achieve a minimum of 100 PPV each month during the qualification period
- 2. 12,000 PGPV (At least 50% must be from retail PV) Must achieve a minimum of 2,000 PGPV each month during the qualification period.

REWARD

• Earn **500 Nikken Rewards Points** redeemable for Nikken Products

Club Kiai Pro

Prize- a trip worth \$2,500 (Potential Inc while qualifying \$8,000)

- Any 3 consecutive months during the whole year 2021 REQUIREMENTS
- Accumulate the following during any 3 consecutive months:
- 1. 4,000 PPV
- Must achieve a minimum of 500 PPV each month during the qualification period.
- 2. 40,000 PGPV (At least 50% must be from retail PV)
- Must achieve a minimum of 6,000 PGPV each month during the qualification period. REWARD
- North America Region LOCAL TRIP 2021
- Trip for 4 people: 4 days and 3 nights (hotel)
- 3 Nights Hotel for Family Trip
- Cap amount for this <u>reward \$2,500 USD</u>

Team Kaizen

Prize- a Trip, approximate value \$5,000 (Pot Income while qualifying 12,500) Silver rank Consultants and above

- 1. 5,000 PPV
- 2. 50,000 PGPV (At least 50% must be from retail PV) REWARD
- Recognition as a member of TEAM KAIZEN at all NIKKEN events, 50% discount on HBM ST and other big events organized by the company.
- Consultant must achieve a minimum of 100 PPV in order for the PGPV to be counted for a given month.
- At least 5,000 PGPV in every quarter to qualify. No more than 25,000 PGPV will count towards the incentive in any single quarter.
- 3. Sign up 6 new downline Consultants: 3 in the frontline who each accumulate a minimum of 1,500 PGPV during the qualification period. 3 others within the personal group who each accumulate a minimum of 500 PGPV during the qualification period

Team Taishi

Prize a Trip Approximate value \$6,000 (pot Inc while qualifying \$20,000) Platinum rank Consultants and above

1. 5,000 PPV

REWARD • Recognition as a member of TEAM TAISHI at all NIKKEN events, and receive a special NIKKEN product award. • Be invited as a special guest speaker at NIKKEN events.

- Free entrance to HBM ST and other big events organized by the company.
- Trip to TBD 9 days and 8 nights Airfare for 2 people
- 2. 80,000 PGPV (At least 50% must be from retail PV)
- Consultant must achieve a minimum of 100 PPV in order for the PGPV to be counted for a given month.
- At least 10,000 PGPV in every quarter to qualify.
- No more than 40,000 PGPV will count towards the incentive in any single quarter.
- 3. Sign up 6 new downline Consultants: 3 in the frontline who each accumulate a minimum of 1,500 PGPV during the qualification period. 3 others within the personal group who each accumulate a minimum of 500 PGPV during the qualification period

LIFESTYLE INCENTIVE

Prize Cash How to Qualify

- Must be a Gold Consultant or above
- Be paid as Gold or above for three consecutive months (the qualification period) to be enrolled in Lifestyle Bonus program
- After fulfillment of the qualification period, Consultant will be eligible to be paid the Lifestyle Bonus
- Build a network organization exclusively with Nikken.

Monthly Qualification Requirement

- If a Consultant meets PPV, PGPV but fails to satisfy other requirements to be paid as a Gold, he/she will only receive one percent of his/her PGCV.
- Consultants must meet PPV, PGPV, OPV, non-primary OPV and non-primary and secondary OPV requirements and be paid as a Gold or above in order to receive the Lifestyle Bonus on the breakaway volume in leadership levels.

Benefits

Payout by Rank Gold Platinum Diamond R. Diamond Lifestyle Bonus Up to \$500* Up to \$1000* Up to \$1500* Up to \$2000*

LEADERSHIP LEVELS HOW THIS WORKS

This area starts at Silver and goes through Royal Diamond. The basic idea as you will see on the next page is to build a team and this team grows in DEPTH and the deeper it goes the WIDER it gets and thus the greater the return to the BUILDER.

But this does not just happen, it needs to be built by planning and doing the activities that are known to create these results.

They are similar to all the other activities but not everyone will build a business so you need to look for these people and rather aggressively, again to make it work.

DEPTH GROWTH STRUCTURE CONCEPT

This is the Big Money and when you see why this is so you will want to talk about this as it will be of interest to many. It's based on the concept of Leverage and Large Numbers

Level 1 Go out and find 3

Level 2 Teach 3 to each get 3 = 9

Level 3 Same idea get 9 x 3= 27

Level 4 Same idea get $27 \times 3 = 81$

Level 5 Same idea get 81 x 3=243

Level 6 Same Idea get $243 \times 3 = 729$

Total Potential 1092

What if you made \$100 per year from each one; Surprise \$109,200

Silver

Gold

Platinum

Diamond

Royal Diamond

GOLD

Gold Consultant Rank Advancement

- Achieve 100 PPV and a PGPV of 1,500.
- Achieve Organizational Point Volume of 15,000 with at least 5,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 1,500 of the minimum OPV requirement being met by legs outside the primary and secondary legs.

Monthly Qualification Requirements

- Achieve 100 PPV.
- Maintain a PGPV of 1,500. Maintain an Organizational Point Volume of at least 15,000 each month with at least 5,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 1,500 of the minimum OPV requirement being met by legs outside the primary and secondary legs to be eligible for a Leadership Bonus at pin rank.

Benefits

- 20% retail profits on customer sales (when sold at suggested retail prices).
- 20% Personal CV rebate.
- Up to 15% Personal Group CV override if Consultant meets monthly PPV and PGPV requirements, otherwise Consultant will receive up to 10% Personal Group CV Override if monthly PPV is met and PGPV is not met.
- 6% Leadership Bonus on Personal Group CV <u>down through three</u> <u>levels of qualified Silver or above Consultants</u>.
- Eligible to qualify for Lifestyle Bonus.

PLATINUM

Platinum Consultant Rank Advancement

- Achieve 100 PPV and a PGPV of 1,000.
- Achieve Organization Point Volume of at least 30,000 with at least 10,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 3,000 of the minimum OPV requirement being met by legs outside the primary and secondary legs.

Monthly Qualification Requirements

- Achieve 100 PPV
 Maintain a PGPV of 1,000
- Maintain an Organizational Point Volume of at least 30,000 each month with at least 10,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 3,000 of the minimum OPV requirement being met by legs outside the primary and secondary legs to be eligible for a Leadership Bonus at pin rank.

Benefits

- 20% retail profits on customer sales (when sold at suggested retail prices).
- 20% Personal CV rebate.
- Up to 15% Personal Group CV override if Consultant meets monthly PPV and PGPV requirements, otherwise Consultant will receive up to 10% Personal Group CV Override if monthly PPV is met and PGPV is not met.
- 6% Leadership Bonus on Personal Group CV down through four levels of qualified Silver or above Consultants.
- Eligible to qualify for Lifestyle Bonus.

DIAMOND

Diamond Consultant Rank Advancement

• Achieve 100 PPV and a PGPV of 1,000. Achieve an Organization Point Volume of at least 100,000 with at least 33,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 10,000 of the minimum OPV requirement being met by legs outside the primary and secondary legs.

Monthly Qualification Requirements

- Achieve 100 PPV.
- Maintain a PGPV of 1,000
- Maintain an Organization Point Volume of at least 100,000 each month with at least 33,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 10,000 of the minimum OPV requirement being met by legs outside the primary and secondary legs to be eligible for a Leadership Bonus at pin rank

Benefits

20% retail profits on customer sales when sold at suggested retail prices.

- 20% Personal CV rebate.
- Up to 15% Personal Group CV override if Consultant meets monthly PPV and PGPV requirements, otherwise Consultant will receive up to 10% Personal Group CV Override if monthly PPV is met and PGPV is not met.
- Receive override up to 20% on Direct downlines who do not meet their 100 PPV monthly requirements if Consultant meets monthly PPV and PGPV requirements, otherwise receive up to 15%.
- 6% Leadership Bonus on Personal Group CV <u>down through five levels of</u> <u>qualified Silver or above Consultants.</u>
- Eligible to qualify for Lifestyle Bonus.

ROYAL DIAMOND

Royal Diamond Consultant Rank Advancement

- Achieve 100 PPV and a PGPV of 1,000.
- Achieve Organization Point Volume of at least 300,000 with at least 100,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 30,000 of the minimum OPV requirement being met by legs outside the primary and secondary legs.

Monthly Qualification Requirements

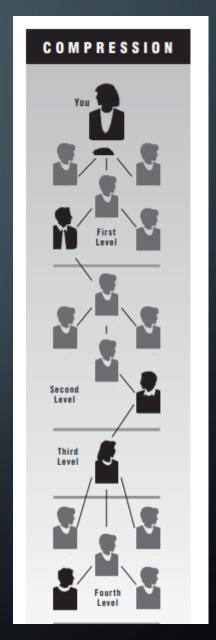
- Achieve 100 PPV.
- Maintain a PGPV of 1,000
- . Maintain an Organization Point Volume of at least 300,000 each month with at least 100,000 of the minimum OPV requirement being met by legs outside the primary leg and at least 30,000 of the minimum OPV requirement being met by legs outside the primary and secondary legs to be eligible for a Leadership Bonus at pin rank.

Benefits

- 20% retail profits on customer sales (when sold at suggested retail prices).
- 20% Personal CV rebate. Up to 15% Personal Group CV override if Consultant meets monthly PPV and PGPV requirements, otherwise Consultant will receive up to 10% Personal Group CV Override if monthly PPV is met and PGPV is not met.
- 6% Leadership Bonus on Personal Group CV <u>down through six levels</u> of qualified Silver or above Consultants.
- Eligible to qualify for Lifestyle Bonus.

COMPRESSION FEATURE

SPECIAL FEATURES OF THE NIKKEN COMPENSATION PLAN Compression of Downline Silver Consultants or above In order to maximize the Leadership Bonuses for all active, productive Silver or above Consultants, the Nikken compensation plan has a compression feature. If a downline Silver or above Consultant fails to qualify in a given month, and if he/she occupies a position on any downline level for which the upline Consultant qualifies for a Leadership Bonus, then the next downline qualifying Consultant (if one exists) will be moved up into the place of the nonqualifying Consultant. Each Silver or above Consultant who is qualified for Leadership Bonuses is paid through the qualified levels for that pay level, and is paid on any unqualified Silver or above distributorships in between.



LEADERSHIP QUALIFICATION CHART FOR RANK AND FOR MONTHLY REQUIREMENTS TO BE PAID

Rank	Pay Lev	PPV	PPGV	OV	Outside Primary	Outside Primary & Secondary
Silver	2	100	1500	4,000		
Gold	3	100	1500	1 <i>5</i> ,000	5,000	1,500
Platinum	4	100	1000	30,000	10,000	3,000
Diamond	d 5	100	1000	100,000	33,000	10,000
Royal Di	amond 6	100	1000	300,000	100,000	30,000

SUMMARY OF INCOME

In summary these are important areas of income to know and understand so you can communicate with others and provide them with answers they need and or want.

For example if I needed to earn \$8,000 per month, then what do I need to see and understand. What part of the plan do I need to know and understand, then what activities do I do that would create the results and earn \$8,000.

In the Creating Your Story Workshop I talked about my neighbors Ralph and Geri and after finding out what they needed, I then was able to present them with a great solution and the reason was because I knew and understood the plan. They ended up making a few hundred thousand and so did I and we had a blast working and playing together. Humans Being More

THE NIKKEN COMPENSATION PLAN



Motivation

Rank Advancement means a larger business and getting more of what you wanted

You will notice as you study the plan that there is a difference in terminology below the level of Silver; Direct and Executive.

Silver is the Key level of the business and for many reasons. It is here where you open the door to a whole new class of earning called Residual Income.

You could easily use Residual Income versus Leadership Bonuses, it will communicate better and create a much clearer message and MOTIVATION.

This is the third key aspect of the Nikken Compensation Plan in it's ability to Motivate some individuals who want to do more, accomplish more and earn a lot more.

THE RANKS OF THE NIKKEN COMPENSATION PLAN

By definition rank means; relative standing or position; an orderly arrangement.

For the Purposes of the compensation Plan, names were given to certain created results that would then trigger specific payments and these then were called in specific terms Ranks using special names.

Silver, Gold, Platinum, Diamond and Royal Diamond were the names given. The names are only significant as they represent specific achievements/results.

Interestingly all of them are related to sales volume and trigger income benefits and nothing else as do the incentives relate to sales volume and trigger other Benefits, like travel and free products.

What is key here and a major area that was not truly understood, is how this aspect of the plan works. It all starts by understanding what the benefits of each level are versus the qualifying requirements and what happens.

Let's look at Silver. The plan states that you need to do 6000 OV to be Silver and one of the Benefits is you can get paid on up to 2 Levels of Silvers or above below you. But there is no strategy given on how one should do this based on looking forward and moving to higher positions.

Let's look at Gold Basically you need 15,000 OV in specific places and your benefit is to be paid 3 Levels of 6% but this is not explained anywhere as to how you do this or what you should do so most don't work below the people they sponsor and nothing happens in DEPTH and one doesn't get this benefit.

HOW DOES OUR BUSINESS WORK IN CONCEPT

This is so important but yet very few have ever understood this including management and by results over the years the concept is so evident it's almost like magic.

In the previous workshop we learned how it works and you may want to review that but for today I want to use one part, and that is <u>you earn income when</u> someone else buys a product, in other words it works when you go out and find others to buy Nikken Products or join the business.

How does it work automatically and continually so you can create a residual income.

When others have the <u>Need to buy the product on a regular basis</u> and for the business when they <u>Need to Qualify to earn their income.</u>

What then creates this need? Well over the past 30 plus years that I have been observing this, I have found that the # 1 Need was due to earning a check. I coined this in 1998 "The Need to Qualify is the driving force of the Business"

The way the plan was written and how it was created was based on "Qualifications" You meet the qualifications then you earn the prize.

Whether it is a contest or a prize or income or the ability to earn more, it is all based around the same concept "The Need To"

Some may say well it's desire, but over time that goes away but the need to get paid never goes away, if there is a important value.

This is so important and a key to the plans overall workability, your future and the entire growth of our business. The business, your business, anyone's Business, MUST HAVE DEPTH IN ORDER TO CREATE THE NEED TO QUALIFY and SURVIVE

Qualifying is an activity of either selling product or signing up business builders who sell product.

So you have made it to Gold and you have created an OV of 80,000 with a CV of 56,000. You could earn \$3,360 if you finish qualifying based on what the plan states. You need an additional 500 PGPV to be Fully Qualified. It's the last day of the month and you have 3 hours left.

What are you going to do? You see that's the need to Qualify. If you don't create depth then this is hard to achieve so the drive stops.

Nikken is also a team activity and when you build a team in DEPTH you also create a benefit for many.

So If I bring in Bob
Who brings in Sally
Who brings in Jane
Who brings in Frank

Who brings in George and George goes crazy and brings in 10 Front —Line then all those above could eventually have a need to qualify and all would gain a benefit. It's a win-Win.

If you don't think and plan depth and building your team it mostly doesn't happen and if you don't understand the plan, you won't plan and strategize building Depth, as you won't understand why you should do this activity.

HOW TO USE THIS DATA

Dave meets John to discuss further the idea of John getting involved with Nikken. Dave is a relatively new Distributor and has reached the Executive Level and is now looking for business builders.

He first attracted John by asking him if he was interested in looking at a business opportunity that could become a full time career and income. He also clarified that John was only interested if he could earn \$60,000 a year or more John is currently working as a construction worker and is making \$25.00 per hour but the work is hard and takes a toll on his body.

So far two issues have been brought up \$60K per year and what he currently does is hard work and takes a toll on his body.

WHAT DO YOU DO NEXT

First off sitting down with someone to go over the idea of joining Nikken is the first major objective as this shows some interest.

Now that Dave and John are meeting what's the objective. An overview of what we are, what we do and where we are going and I did this using the Flip Chart method which talked about our Industry, our Company, our Products, our Plan, Training and support and finally what to do to get started.

Followed by what I would do to help them build their business.

In other words a presentation story with the objective of John signing up.

HOW TO PRESENT THE PLAN

As you now understand we don't want to speak in a language that people don't understand and as you know some of our terms are difficult at first take.

So I converted the 6 areas of income to normal terms that could easily be understood or quickly explained.

Well John the company has created an exciting and rewarding pay plan with 6 different incomes that can be earned over time.

- 1. Retail Income 2. Rebate Rewards Income 3. Contests and Travel Awards Bonuses
- 4. Team Development Income 5. Long Term Residual Income
- 6. Lifestyle Cash Bonus

CREATING THE SOLUTION AND WHY YOU WANT TO UNDERSTAND THE PLAN

So john based on what you told me was important, I've created an example of earning \$60,000 per year and by the way with out taking a toll on your body.

Instruction: \$60,000 equals \$5,000 per month so to create this plan how could one earn \$5,000 or in other words, what do you need to do and create, so that Nikken will pay you \$5K

Remember what your role is and then ask yourself how do I find them and the answer is by looking and asking questions that when answered get them excited to move forward with a great solution. Now that's a Human Being More.

Target Income	500	1500	2500	5000	10000
Retail Volume	2500	7500	12500	25000	50000
PV	2000	6000	10000	20000	40000
CV	1300	3900	6500	13000	26000
5% PCVR	65	195	325	650	1300
10% PCVR	130	390	650	1300	2600
20% PCVR	260	780	1300	2600	5200
Personal Gr PV					
Vol	2000	6000	10000	20000	40000
PGCV OR 5%	65	195	325	650	1300
PGCV OR 10%	130	390	650	1300	2600
PGCV OR 15%	195	585	975	1950	3900
PGCV OR 20%	260	780	1300	2600	5200
Leadership Bonus	500	1500	2500	5000	10000
6 % LB Override					
CV	8333	25000	41667	83333	166667
PV	12821	38462	64103	128205	256410
Note calculations	made using	CV @65%	Of PV		
Potential Rank	Silver	Gold	Platinum	Diamond	Royal D

JOHNS PLAN TO EARN \$60,000 PER YEAR

Based on the chart from the previous page we saw a number of ways John could earn \$5,000 per month. The KEY to what solution is presented, is based on speaking with John and finding out his skill sets, who he knows, what his strengths are how much time can he spend at this and anything else.

It looks like the build should be to Gold or Platinum and this would then be mapped out in a picture form starting with 3 Key Front Line and go from there. Based on todays averages I would estimate that this organization would need anywhere from 50 to 100 Distributors with in the first 4 levels.

The ultimate here is the desire to get the prize and when you extend this out the sky is the limit. Think Big, Plan Your Work and Work Your Plan.

THANKS FOR BEING HERE TODAY

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The Smart Networker

