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 DSA voices opposition
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US Supreme Court Weighs Overturning Chevron Doctrine: A Potential Game-Changer for Regulatory Landscape



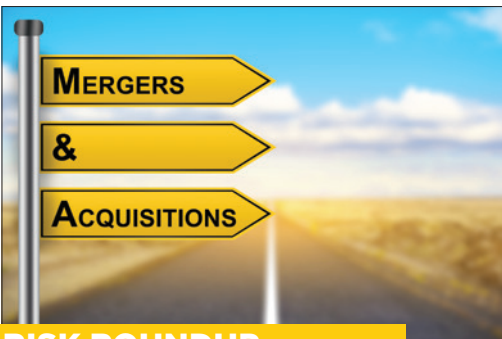
Decision could impact FTC's relationship with direct selling channel

In January 2024, the U.S. Supreme Court took up two cases that have the potential to upend 40 years of administrative law precedent and fundamentally alter the regulatory landscape, ushering in a new era of legal interpretation that could reshape the relationship between government agencies and the industries they oversee.

In *Relentless Inc. v. U.S. Department of Commerce* and *Loper Bright Enterprises Inc. v. Gina Raimondo*, two cases related to fisheries management, the court is grappling with whether

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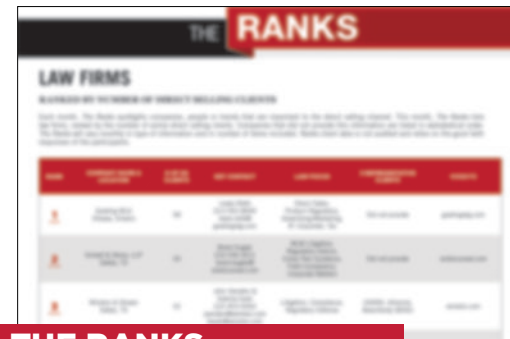
Navigating deal-making risks amid evolving regulatory standards.



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PUBLISHER'S NOTE

The Only Constant Is Change

Adapting to Regulatory Shifts Affecting Direct Selling

Hello Friends,

As I studied the recent court cases and government agency announcements potentially impacting our channel to include in this issue of *SSN*, I was reminded of the immense challenge that companies (especially direct selling companies) and their legal teams face when navigating the ever-evolving landscape of regulatory oversight.

As we saw in the landmark 2021 Supreme Court decision ending the FTC's authority to seek equitable monetary relief through Section 13(b) of the FTC Act, even long-held judicial and administrative frameworks are subject to change.

This month's cover story highlights another potential Supreme Court blow to regulators' authority—the deference they receive to interpret and enforce ambiguous statutes, such as the FTC Act's "unfair or deceptive acts or practices" provision. We also cover the Department of

Labor's Final Rule regarding independent contractor vs. employee classification, another critically important development impacting the direct selling channel.

These cases and guideline revisions highlight the importance of remaining informed about the latest changes and trends in how agencies such as the FTC and FDA scrutinize direct sellers, as well as the statutes and guidelines regulators employ to guide their enforcement actions and shape industry practices.

Neora's momentous legal victory over the FTC is a shining example of the importance of vigilance, strategic planning, and investing in robust legal support to safeguard the interests of direct sellers and ensure a fair and equitable regulatory environment.

We are thrilled to highlight the distinguished legal minds serving the direct selling channel in this month's *Ranks*. I am grateful to these experts, not only for their dedicated service

to our channel, but also for their invaluable contributions to *SSN*.

Navigating the ambiguities and inconsistencies of the current regulatory landscape is a significant challenge, and these legal professionals play a central role in ensuring companies are in full compliance with the evolving interpretations of the FTC Act.

As we finish the first quarter of 2024, I wish each of you continued success with every aspect of your company, and I hope that you will continue to reach out to me with your suggestions, insights, and ideas for making *Social Selling News* your go-to resource for staying informed on governmental developments affecting your business.

With appreciation,



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it should weaken or discard the Chevron doctrine, a deference principle that has been a foundational element of administrative law for over four decades.

The Chevron Doctrine

Since its establishment in a watershed 1984 Supreme Court ruling, the Chevron doctrine, also called the Chevron deference, has held a central and influential role in shaping the dynamics of administrative law, serving as a cornerstone in determining the balance of power between the judiciary and government agencies such as the Federal Trade Commission (FTC), the Food and Drug Administration, and the Environmental Protection Agency (EPA).

Named after the oil company involved in the 1984 case, the Chevron doctrine is a legal principle that guides how courts should handle cases involving federal agencies and ambiguous statutes. It dictates that when a statute is unclear, courts should defer to the agency's interpretation of the law, assuming it is a reasonable interpretation. This confers to regulatory agencies a powerful level of authority in interpreting and implementing federal laws.

Conservative Justices Show Hostility Toward the Chevron Doctrine

This regulatory authority has been questioned by conservative legislators, jurists, and business groups who believe that the doctrine gives immense and undue rulemaking power to unelected administrators, thus violating Article III of the Constitution, which says that federal courts should handle interpretation of the law. Supreme Court Justice Samuel Alito stated in a 2017 keynote speech at the Claremont Institute that the Chevron doctrine is a “massive shift of

lawmaking from the elected representatives of the people to unelected bureaucrats.”

Justice Brett Kavanaugh, in a 2016 *Harvard Law Review* article, wrote that the doctrine “has no basis in the Administrative Procedure Act and is an atextual invention by the courts.” He added that the 1984 ruling was “nothing more than a judicially orchestrated shift of power from Congress to the Executive Branch.”

In a separate case, Justice Neil Gorsuch, in his 2022 dissent from a denial of review, argued that the court “should acknowledge forthrightly that Chevron did not undo, and could not have undone, the judicial duty to provide an independent judgment of the law’s meaning in the cases that come before the Nation’s courts.”

Justices’ Opinions of Chevron Have Shifted in Recent Years

Interestingly, one of the earliest and most ardent proponents of the Chevron doctrine was prominent conservative Supreme Court Justice Antonin Scalia, who was known for his steadfast traditionalist views during his tenure on the bench. When the Chevron doctrine was established in 1984, Justice Scalia served as a judge on the D.C. Circuit Court of Appeals, a court that handled a significant number of cases related to administrative action review.

Justice Scalia played a leading role in elevating the significance of the Chevron doctrine, expressing in his concurring opinion in a case that the majority opinion in Chevron had not gone far enough in its application.

Conservative Justice Clarence Thomas also showed initial support for the deference, writing the majority opinion in a 2005 case that ordered

courts to increase the deference to federal regulators. However, in a 2015 concurring opinion, Thomas reversed his stance by arguing that the Chevron deference “wrests from Courts the ultimate interpretative authority ‘to say what the law is,’ and hands it over to” the executive branch.

Biden Administration Urges Court to Uphold Chevron

Chevron stands as a cornerstone in administrative law, widely acknowledged by scholars from both sides of the argument as one of the most pivotal and frequently referenced precedents. Although the Supreme Court has not invoked the doctrine since 2016, it has been used thousands of times by lower courts since its inception.

Solicitor General Elizabeth Prelogar, the Biden administration’s chief litigator before the Supreme Court, has warned of dire consequences if it is overturned.

There are “thousands of decisions that could stand to be displaced and create chaos if Chevron is overruled,” Prelogar told the court as it heard arguments for the two current Chevron cases on Jan. 17.

Prelogar emphasized that the Chevron doctrine has deep roots within the Supreme Court’s jurisprudence and should be upheld based on the principle of stare decisis, which suggests that established precedents should generally be adhered to unless there is a truly exceptional justification for overturning them. She argued that the challengers did not present such a justification.

Furthermore, Prelogar contended that federal agencies possess valuable scientific and technical expertise, making them better equipped than courts to navigate ambiguities in federal statutes. She illustrated this point with a hypothetical example of regulating artificial intelligence, suggesting that Congress anticipates gaps in its legislation and relies on experts within agencies to make informed decisions on complex matters. According to Prelogar, this expertise ensures that regulatory decisions align with the evolving landscape of technology and policy.

Supporters of Doctrine Warn of Dire Consequences If Struck Down

A wide variety of health, labor, environmental and small business groups that support the administration’s efforts to prevent the



Justices of the US Supreme Court

dismantling of the Chevron doctrine are voicing their concerns through amicus briefs to the court.

The American Heart Association, the American Cancer Society, and the American Academy of Pediatrics joined several other health organizations in their amicus brief, arguing that the Chevron doctrine has historically recognized and respected the competence and expertise of executive agencies when addressing the intricacies of complex public programs. The brief states that deference to agency expertise has played a vital role in establishing the regulatory framework that supports the multitrillion-dollar American healthcare system.

In a separate brief, the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) argues that the Constitution requires the Chevron deference. “Congress may and often must legislate in broad terms and designate an agency to elaborate those terms in order to effectively exercise its authority under Article I,” the union federation argues.

Representing small business interests, groups including the American Sustainable Business Council (ASBC), Main Street Alliance (MSA), and others submitted an amicus brief arguing that an end to the Chevron deference would lead to regulatory uncertainty and cause instability and disruption to government programs such as the lending services provided by the Small Business Administration (SBA).

“The resulting uncertainty and inconsistency will do more than just drive increasing costs. Competing interpretations of federal regulations in the Courts of Appeals and district courts could impede small business growth across jurisdictions,” the group states in the brief.

In a surprising twist, the Natural Resources Defense Council (NRDC), a party to the original 1984 case, has submitted an amicus brief supporting the doctrine. Despite previous losses in *Chevron v. NRDC* and a subsequent case applying the Chevron test, the Council’s brief expresses respect for the principles of deference that underlie the court’s decisions. The NRDC urges the court to exercise caution before abandoning these principles. In

its brief, the Council requests the affirmation of Chevron, even though doing so may result in fewer victories for its organization and similar groups if the doctrine were to be overturned.

Opponents of Doctrine Urge Return to a More Robust Separation of Powers

The Supreme Court received 45 amicus briefs in support of overturning the Chevron case. This included submissions by the U.S. Chamber of Commerce, the U.S. House of Representatives, the Landmark Legal Foundation and others.

In its brief to the court, the U.S. Chamber of Commerce maintains that, in spite of the safeguards implemented by this Court to restrict the broad use of Chevron, lower courts have consistently extended deference to agencies without due consideration for separation-of-powers principles.

“This lenient approach to Chevron incentivizes Congress to abdicate its lawmaking role, and

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An end to Chevron deference will make it more difficult for the FTC to publish regulations and rules that exceed the agency’s statutory authority or initiate enforcement actions based on unpublished, subjective criteria.

— Brent Kugler, Partner, Scheef & Stone LLP

US Department of Labor Finalizes Independent Contractor Rule

DSA opposes ‘harmful’ Final Rule, warns of uncertainty ahead for direct sellers

By SSN Staff

On Jan. 10, 2024, the U.S. Department of Labor (DOL) published a long-awaited Final Rule for classifying independent contractors under the Fair Labor Standards Act (FLSA). Set to go into effect on March 11, 2024, the Final Rule—Employee or Independent Contractor Classification Under the Fair Labor Standards Act—will rescind the 2021 Independent Contractor Rule and, according to the DOL, will bring the DOL’s guidance more in line with current case law, as well as long-standing judicial precedent.



Emphasizing that the Final Rule was enacted to safeguard employees who may be misclassified as independent contractors, the DOL emphasizes that it does not wish to disrupt the industries utilizing independent contractors.

Core Factors vs. Totality of Circumstances Test

The Final Rule departs from the “core factors” test introduced in the 2021 rule and reverts to a “totality of the circumstances” assessment to determine the classification of a worker as an employee or an independent contractor.

The core factor test identified two controlling factors in the DOL’s multi-factor reality test that carried more weight than the others in determining a worker’s status—the

nature and degree of control over the work and the worker’s opportunity for profit or loss.

Under the Final Rule, independent contractor evaluations will shift to a “totality of the circumstances” analysis, taking equally into account six specific factors that gauge the level of economic interdependence between the employer and the worker:

1. Opportunity for profit or loss depending on managerial skill: Is the worker able to experience profit or loss depending on their own business decisions and judgment? This factor considers whether the worker uses managerial skill to influence their economic success or failure. Relevant

aspects include whether the worker can set rates, choose jobs, schedule work, market their services, hire others, and make business-related decisions. If a worker has no opportunity for profit or loss, it suggests employee status.

2. Investments by the worker and the potential employer: Is the worker making entrepreneurial investments in their work? The DOL specifies that costs related to tools, equipment, and labor for job performance do not indicate capital or entrepreneurial investment, thus implying employee status. In contrast, investments that support an independent business and enhance capabilities, reduce costs, or

expand market reach indicate independent contractor status.

3. Degree of permanence of the work relationship: Does the work arrangement have a set duration, continuous nature, or exclusivity, preventing the worker from working for other employers? The Final Rule suggests that the permanence factor favors employee status for indefinite or continuous relationships, such as exclusivity, but leans towards independent contractor status in defined, non-exclusive, project-based, or sporadic arrangements where the worker markets their services to multiple entities.

4. Nature and degree of control: Does the employer have control over the work and the manner in which it is executed, including reserved but unexercised control? If so, the test would suggest employee status. However, the Final Rule clarifies that compliance with specific requirements, such as safety or quality control, in isolation does not automatically determine worker status, allowing for consideration of other factors.

5. Extent to which the work performed is an integral part of the potential employer’s business: Is the work considered an essential part of the employer’s core

business operations? If so, the integral factor may weigh in favor of employee status.

6. Skill and initiative: Does the worker have specialized skills or do they depend on employer-provided training? If the worker employs specialized skills in conjunction with entrepreneurial initiative, it indicates independent contractor status.

DSA Announces Its Strong Opposition to DOL’s Final Rule

The Direct Selling Association (DSA) released a statement on Jan. 11 strongly opposing the Final Rule. The DSA contends that the Final Rule does not address the legitimate concerns previously raised during the Notice of Proposed Rulemaking and could introduce uncertainty for direct selling brand partners by necessitating substantial startup investments, limiting the use of technology, and reducing self-regulatory standards. The DSA is also concerned that existing federal statutes that classify direct sellers as independent contractors will be overlooked.

“As one of longest-standing business models that utilizes independent contractors, this comprises part-time, flexible, supplemental income earning opportunities for millions of Americans,” the DSA states. “The rule seeks to undermine entrepreneurs and deny millions of American workers their right and preference to work independently.”

The DSA says it is committed to backing initiatives aimed at preventing the implementation of the rule and will continue its support for achieving greater statutory clarity. This includes its endorsement of H.R. 5419, a 2023 bipartisan bill introduced in the House of Representatives that would provide a clear definition of direct sellers as independent contractors.

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allows courts to abdicate their interpretive obligations. The Court should take this opportunity to eliminate those incentives for constitutional mischief,” the Chamber warned.

The Cato Institute’s brief asserts that the Chevron deference is unconstitutional and ahistorical, arguing that the 40-year-old framework “arose out of the growth of administrative power during the New Deal” and that by not vesting all judicial powers in the judiciary, it is a violation of due process.

The Court’s Decision: Implications for the Direct Selling Channel

Legal experts within the direct selling channel are following this case closely and believe its impact could be profound, affecting not only the companies and entrepreneurs operating in the dynamic sector, but also the broader landscape of commerce and consumer engagement.

Brent Kugler, a partner at Scheef & Stone, LLP, believes that the end of the Chevron deference would positively impact direct sellers.

“The anticipated end of Chevron Deference, especially for the direct selling channel, can only be viewed as a significant, if not extremely significant, positive development,” Kugler says. “For the last decade, direct selling companies have devoted significant resources trying to figure out how to comply with FTC administrative interpretations that conflicted with existing law and case precedent.

“An end to Chevron deference will make it more difficult for the FTC to publish regulations and rules that exceed the agency’s statutory authority or initiate enforcement actions based on unpublished, subjective criteria. The reality of meaningful judicial review of administrative interpretations without the deference that has existed for more than 40 years may also incentivize the FTC and other agencies to reconsider regulatory initiatives that are not well-grounded in law or statute,” Kugler concludes.

Clay Brewer, an attorney at Thompson Burton PLLC, sheds light on the potential consequences of overruling the Chevron deference and the broader implications for the way in which the FTC interprets Section 5 of the FTC Act.

“An overruling of Chevron or any type of rollback would shock the administrative state,” he says. “The FTC is the most prominent agency

tied to network marketing, and they receive a large amount of deference, especially in their interpretation of Section 5 of the FTC Act, which grants the FTC the power to regulate ‘unfair or deceptive practices in or affecting commerce.’ You’re guess is as good as mine as to what that truly means. It was written in 1914.”

Brewer says he believes that overturning Chevron would prevent agency interpretations from shifting as different administrations come and go.

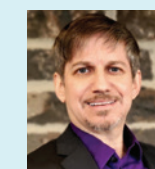
“Absent clear rules of the road, the deference granted can change with the wind of each administration. What’s an unfair practice or unfair competition today might be fair tomorrow.

“This deference only applies to an agency’s interpretation of a statute and wouldn’t address their own interpretation of regulations, but overruling or narrowing the application would be a positive step in returning the power to the people as designed in the U.S. Constitution. Companies and individuals have a right to know what is expected of them. Regulation by enforcement is not a viable or responsible way of governing,” Brewer says.

Brian Bennett, senior vice president, government affairs and policy, Direct Selling Association (DSA), tells SSN, “We don’t have an official position on it, but we would always hope an agency would take a reasonable interpretation of the law. DSA is open to being involved in legal efforts to ensure they do if it impacts direct selling. As seen in the amicus brief we were party to in the *AMG Capital Management* case. We will also continue to work with Congress to ensure agencies have clear statutory authority and recognition on laws that impact direct selling.”

The Supreme Court is expected to decide the *Relentless* and *Loper* cases before July 2024.

SSN



David Bland is the publisher of *Social Selling News*.

FTC Updates Mergers & Acquisitions Guidelines

Navigating deal-making risks in the direct selling channel amid evolving regulatory standards

By Troy Keller, Michael Lindsay and Anthony Badaracco

Mergers and acquisitions is an important growth strategy in many industries, and the direct selling space is no different. Companies in this sector tend to embrace a variety of deal types. The higher-profile deals may involve a major player in the industry acquiring a peer company.

These types of transactions can be transformative, but they also tend to be big bets for the acquirer. Another important approach involves moving upstream by acquiring manufacturing capabilities and even agricultural production.

Perhaps the most common strategy is for a company to employ “bolt-on” programs through which it pursues targets that allow it to expand into new geographies or acquire new product lines and technologies. Joint venture structures are also used regularly, particularly for cross-border transactions.

Each of these strategies, however, will require more careful planning going forward as a result of new merger guidelines adopted jointly by the Federal Trade Commission (FTC) and Department of Justice (DOJ) on Dec. 18, 2023.

The agencies have published merger guidelines for decades, and the 2023 Merger Guidelines replace the most recent versions—the 2010 Horizontal Merger Guidelines and 2020 Vertical Merger Guidelines.

The 2023 Merger Guidelines were issued in draft form earlier in

the year, and the FTC and DOJ received more than 30,000 comments during the notice and public comment period.

The new guidelines seem to reflect the agencies’ expanded views of merger-related injuries to competition and signal more aggressive merger-control enforcement going forward, with expectations being that many deals will receive a closer look than they might have in the past.

Accordingly, when preparing for a deal, or developing an acquisition strategy, companies should take into consideration the potential impact of regulatory review on a transaction—and on its timing—as a result of the new guidelines.

Noted below are some of the changes in the new guidelines that could be particularly impactful to the types of deals done in the direct selling space:

Principles-Based Rather Than Rules-Based Approach to Merger Review

The direct selling industry is no stranger to regulatory philosophies that take a principles-based approach to enforcement rather than a rules-based one. This can lead to a lack of clarity for businesses and brings a “we know it when we see it” feeling to enforcement that can be frustrating to say the least.

The 2023 Merger Guidelines mark a shift toward more aggressive



enforcement through a number of “principles-based” factors. For example, mergers by “already dominant” firms; mergers related to industry “consolidation,” patterns, or strategies of “serial acquisitions”; and mergers that threaten to eliminate “nascent competitive threats” are all principles that the new guidelines espouse. They would also seem to give the agencies significant discretion to challenge deals they don’t like.

Reduced Reliance on ‘Horizontal’ and ‘Vertical’ Distinctions

Historically, the agencies looked more closely at horizontal mergers, i.e., transactions involving companies competing in the same space. Vertical mergers, such as an

acquisition of or by a supplier, were also examined, but those purely vertical deals were less likely to be challenged.

The 2023 Merger Guidelines reflect a dramatically reduced emphasis on the distinctions between “horizontal” and “vertical” mergers and their effects. In fact, unlike previous guidelines, the 2023 Merger Guidelines address both horizontal and vertical merger analysis together.

The agencies will likely increase their scrutiny of vertical mergers accordingly and take into account potential supply chain effects.

A Return to Structuralism

The guidelines that the agencies most recently used—the 2010 Horizontal Merger Guidelines and 2020 Vertical Merger Guidelines—did not use the term “structural,” and they declined to rely on any particular market share levels as evidence of market effects.

By contrast, the 2023 Merger Guidelines use the term “structural” 11 times and create two market-share presumptions that will guide the agencies’ analysis of whether a transaction is likely to substantially lessen competition.

Specifically, the new guidelines restore pre-2010 thresholds for levels of market concentration seen as being of concern. These thresholds are measured using

concentration indexes (e.g., the Herfindahl-Hirschman Index).

The agencies will also look at market shares. For example, they will presume that if a merger results in a firm having a 30% market share or more, it will be deemed to lessen competition, and the agencies will generally infer, absent countervailing evidence, that a merging firm has or is approaching monopoly power if it has a share greater than 50% in a market for a product, service, or route to market that its rivals use to compete with it.

It is important to recognize that because industries are most commonly defined in terms of products and services, rather than business models, deals in the direct selling space could be reviewed both on the basis of their route to market (e.g., the direct selling model) and in the context of the end-product markets they participate in.

Many product categories that direct selling companies compete in (natural products, cosmetics, housewares, apparel) tend to be broad and deep markets. Perhaps for this reason, most deals in this space historically have not garnered significant regulatory review. However, as markets evolve, regulators may define markets more narrowly to cover specific types of natural products.

By way of illustration, they might decide to define a type of drink, say protein drinks, as a market, rather than just a part of the broader beverages market, leading to increased scrutiny of deals that implicate the narrowed market.

Further, given the expanded guidelines and principles, there is meaningful risk that agencies will scrutinize transactions differently than they have in the past in other ways as well.

Navigating Regulatory Risks

It is also important to keep in mind that not all transactions are subject

to advance reporting requirements that trigger a review period before a transaction can close.

A premerger notification filing is required only for transactions above a certain size (for 2024, the threshold is \$119.5 million). Transactions below that threshold do not require notification to the agencies, and they are therefore less likely to be reviewed and are more likely to be able to proceed without regulatory delay.

But be aware that the agencies can and do periodically investigate non-reportable transactions, including even those that have already closed. As such, it is advisable to consult with antitrust counsel before proceeding with a transaction that might raise competitive issues.

As a final note, while there has not been significant consolidation in the direct selling space in recent years, it is conceivable that evolving market factors—such as slower growth or increasingly more expensive capital—could lead to consolidation in coming months and years.

As markets consolidate, deals become progressively harder to get cleared by regulators, and there can be something of a first-mover advantage.

It is therefore prudent to have a clear strategy, coupled with a company’s best view of future market developments, in order to prepare contingency plans and be in a position to pivot quickly as markets change and evolve.



Troy Keller, Michael Lindsay and Anthony Badaracco are partners at Dorsey & Whitney LLP.

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Rebranding Done Right

Top executives share their perspective on timing, preparation and clarity of purpose

By Jenna Lang Warford

The trick to successful rebranding, according to *Harvard Business Review's* November 2023 podcast, is to keep as much “cumulative advantage” as possible.

“The modern fantasy about wow, business is changing so quickly. You’ve got to keep morphing and changing, updating your brand, getting a new visual identity. Don’t do that. Why? ...because you interrupt habit,” says Roger Martin, professor emeritus and former dean of the Rotman School of Management at the University of Toronto (Canada).

“Cumulative advantage is what you increasingly build as the customer becomes more and more comfortable with using your product or service,” Martin says. “Each time they use it and get the benefits they wish, you get more cumulative advantage that causes the subconscious to say ‘I’m totally comfortable with this and I would be uncomfortable if we did something else.’ That’s the win of cumulative advantage.”

So does that mean rebranding is always a bad idea? Of course not.

Melissa Soete, who helped rebrand **Sensaria** and **SwissJust USA**, is now an executive sales leader and keynote speaker. She says, “Companies should consider rebranding when there’s a need for differentiation and clarity of your brand identity from your competitors; when there’s a shift in product line extensions, brand

“We wanted to... make it more hip, more fun, but we did not want to disconnect with the overarching brand.”
 — Lela Tucker, Executive Vice President Marketing, Bella Grace Global

positioning or company values; when there’s feedback from customer research and a need to evolve to current market trends.” Soete also says, “Sometimes declining sales and market share can be a reason to consider rebranding.”

Lela Russo Tucker, currently executive vice president of marketing at **Bella Grace Global**, helped successfully rebrand **MONAT** and **Farmasi**. She says, “I think the biggest thing is to make sure that brands still look like themselves. When Tropicana Orange Juice decided to rebrand, no one could find them on the shelf anymore because they looked so different than what they used to be.

“When I think about rebranding, I consider, OK, what are the things that need to be consistent? What needs to change?” Tucker adds.

“Sometimes it’s important to keep the mark and the overall logo the same; sometimes it’s the feel of the palette. I think one of the biggest things you should be cautious about

when you go in and rebrand is to avoid making it so different that no one identifies with who you are anymore.”

Some Key Questions & Considerations

Robert “Bob” Finigan, who has more than 20 years’ experience working with direct selling companies, has two key questions he asks. “When we’ve determined that we think there’s a need, I first ask, ‘Is it a problem that’s worth solving? Not just that it’s a problem. Is it a problem that we’re willing to solve? And second, do we have the appetite and the means to get it done?’”

As a fractional CMO who frequently serves as a brand and strategy consultant via Black Labs Ventures, Finigan says he knows how challenging a rebrand can be, so he begins all rebrands with a thorough investigation.

“I always ask, are there any constraints? Are there any swords in stones that I can’t quite pull out? I start with meeting and

workshopping with all aspects of the company, and not just senior leadership,” he says. “We need to listen to the people who are touching the customer the most, and connect that with the vision of where the leadership team is heading, and what mid-management is feeling. You’ll learn quickly if there’s alignment or not!”

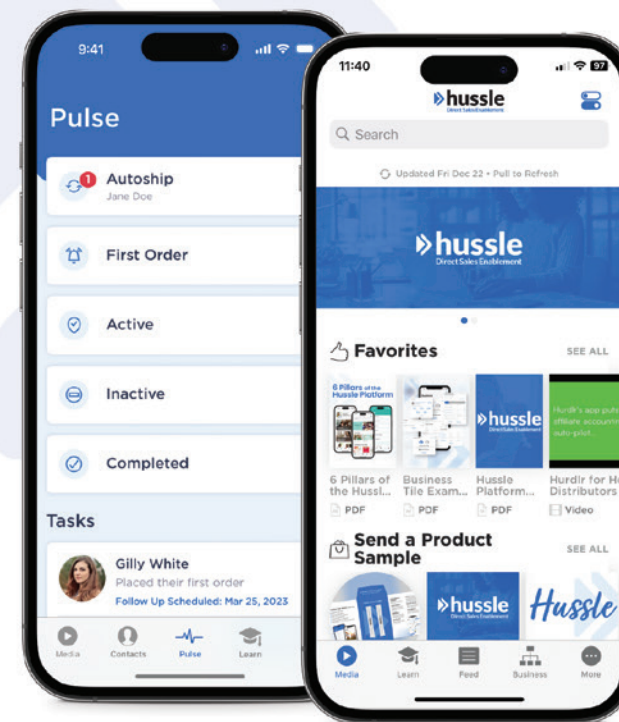
“And understand your constraints,” Finigan adds. “I question them about company culture, competition and several other considerations. Maybe consumers aren’t buying as regularly, or subscribe-and-save or autoships are failing.

“From a business perspective, look at those two dynamics to see relevancy and unpack that to see if there’s an intangible, which is sometimes a difficult thing to quantify. Creating relevancy in the marketplace can lead you to a pathway of rebranding.”

Jonathan Gelfand, executive vice president of business and

CONTINUED ON PAGE 14

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REBRANDING DONE RIGHT, CONTINUED FROM 12

legal affairs for **Bodi**, formerly Beachbody, says, “My biggest piece of advice is never go into this lightly and communicate, communicate, communicate. Explain the why, and before you pull any triggers, really try and chase down what it is going to take administratively and financially.”

“On the legal side, you have a lot of contracts, you have a lot of logos and trademarks floating out there,” he says. “What happens to all of those? Your bank accounts, your credit card descriptors, people that walk around with your old name on sweatshirts and water bottles; all these little things can come up. So make sure you’re rebranding for the right reasons, and most important, to the extent possible, understand what you’re going into.”

Soete adds, “The most important factors for your company’s success today are high-quality products, the value of products or services priced competitively, and ordering technology and customer support matching the Amazon experience. These factors must be focused on before undertaking an expensive rebranding initiative.”

Rebranding vs. Refreshing

“Brands are much more pervasive than just how they look. It’s how customer service agents answer the phone with a smile in their voice. It’s what is said online. It’s the conversation that’s happening in social and digital,” Finigan says.



“Looking at those factors, if a company feels like they might be in trouble, that’s probably a good time to really understand that and ask for some help. Then from there, it may be a rebranding, it may be a refresh, it may be a complete reset where you need to pivot on your entire business strategy or your go-to-market model. But, again, sometimes it may be just a refresh.”

Tucker says, “Sometimes companies just want to refresh because they’re really not identifying with the market they’re going after. With a company I helped rebrand as MONAT’s VP of Global Marketing and Product Development, it began as there were certain functionalities we wanted to bring into the website that we didn’t already have, and then they wanted a refresh.”

“So it wasn’t changing the core brand, but that we wanted to do something specific for new lines coming in, make it more hip, more fun, but carry through so that it still looks like the brand because we did not want to disconnect with the overarching brand,” she continues.

“We did the same with skin care, making it look clean, keeping the light colors to attract younger demographics. Branding has to fit with who you’re trying to attract, and the same with refreshing.”

When Not to Consider Rebranding

Tucker says, “If you don’t understand what the marketplace is doing and what’s going on with your distributors and customers,

then definitely don’t rebrand. And if you’re trying to rebrand and thinking, ‘Hey, we want to re-skin the same cat, and hopefully people won’t identify us as the same person, then you shouldn’t rebrand. It can’t just be a surface thing that you’re changing. It has to be the correct direction. Because if it’s just on the surface, people will know that.’”

Gelfand says, “It is very important that you are able to answer the why behind any rebranding, and this is even more important in network marketing because people will be asking that question to your independent distributors, not just the company.

“So you need to make sure that message is clear and consistent, otherwise you are asking your distributors to fill in the blanks,” he says.

Shifting from Subjective to Objective

Finigan, who has been involved in several legacy company rebrands, says, “My process typically starts with a document I call the ‘messaging architecture.’ It’s a

CONTINUED ON PAGE 16

“Sometimes declining sales and market share can be a reason to consider rebranding.”
 — Melissa Soete, Executive Sales Leader, Strategic Choice Partners

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REBRANDING DONE RIGHT, CONTINUED FROM 14

foundation that takes the process, which can be somewhat subjective, and makes it more objective.

“It’s a long and comprehensive document that only contains words. And sometimes executives don’t want words, they want pictures; they want to see the pretty stuff. But every time that I’ve been in a process that jumps to visuals, it’s not built on a solid foundation of what the brand stands for.

“Rebranding requires the why, what and how, its purpose, its vision, and some of those brand values and ‘personality’ traits of how we’re articulating our features and benefits and substantiating them in the marketplace,” Finigan says.

“This lengthy ‘messaging architecture’ document contains all of those words that are so inextricably tied to the business. Then you move into actual messaging, and then you can build visuals and narratives and stories and all of that because you’ve built it on a foundation,” he says.

“This foundation also helps circumvent comments like, ‘I like blue,’ and ‘I don’t like blue.’ Those aren’t relevant in the conversation. What is relevant is, ‘Is blue successful for the brand because it meets these criteria?’ Or ‘why



do we pick the photography? Why do we design our packages in this way?’ We need to have the answers to that and fight for it, but more importantly, use it as filters for our personal biases.”

Tucker says, “I think the No. 1 thing for overall design is to be clear on your key priorities, visually the most important things that you want to be top of mind for people

as they look at your brand. What are the top three things that you want them to notice? Whether it be on the website, the packaging, the advertising: What are the things that you want them to notice first?”

“How beautiful and clean it is? Is it that you want them to notice your name, or maybe the name of the product? Is it archetypes? Have clarity on things in order of what is most important to the brand that they see first. Then build accordingly.”

The Realities of Rebranding

Budgets, timelines, owner/founder buy-in, inventory and manufacturing are all pieces of the rebranding puzzle. When Tucker was helping rebrand Farmasi she faced each of these situations.

“It’s important to not rush rebranding. You need to make sure you have a realistic timeframe to do it and within that, you have to consider timing of inventory,” she says.

“We had to look at ‘How do we flow in this new branding with our existing branding? How do we bring this in and pull it out and not cost an arm and a leg?’ Because you can end up wasting a lot of money when you’re rebranding if you’re not careful. Have a strategy for your rollout plan. We chose to do it around events so that we could introduce it in a way that everyone would have buy-in; launching it was very methodical.

“The entire process required open dialogue with everyone. Because as you’re bringing these new things out, you have to remember whoever brought the original out loved it at that time,” Tucker continues.

“So it’s important to set ego aside and not be married to the end. When it comes to getting buy-in with key executives and owners or founders, as you’re moving through these various things, be sure to continually be asking them questions because the worst you could do is to surprise them and say, ‘Hey, this is what we did. Do you like it?’

“So we took iterations to them and said, ‘Okay, these are the ones we like,’ she says. “Even to the point that when we decided to go with rose gold as part of the palette, we took probably five or six different versions of Rose Gold to show them; keeping in mind that rose gold on a tube versus rose gold on a metallic lid looks different.

“We also had to be realistic with options and what they’re going to cost,” Tucker adds. “Sure, it’s beautiful, but is it worth the return? With Farmasi, another factor was that the company manufactured some of their own packaging, and an idea we loved simply wasn’t possible given the machines that made the tubes for the product. All of these factors play into the realities of rebranding.”

The Must-Have Team Member

Gelfand says, “Like with most other major initiatives, having a dedicated project manager is so important because a rebrand is company-wide; there’s communications, legal, finance, operations, updating the website, packaging—the list truly goes on and on. Having a dedicated project manager that is great at seeing the big picture, is watching all of the deadlines, and perhaps most important, loves the details, is imperative.

“Just make sure that project manager has buy-in and support from the top down so they can hit all the goals on time and hopefully under budget,” he says.

Soete agrees and suggests frequent meetings to facilitate that communication. “Make sure you have a strong project manager leading the branding project and include every department in the weekly meetings so a timeline is created for every asset,” she says.

“Hold weekly meetings with all dept leads to support

“**...Make sure you’re rebranding for the right reasons.**”
— Jonathan Gelfand, EVP Business and Legal Affairs, Bodi, formerly Beachbody

accountability by discussing progress, and deadlines.” Soete also notes that the project manager can keep a company from overlooking small details that can trip a rebranding process up. “I worked with a company that launched without a brand guide and had a name that could not be trademarked.”

The visual aesthetic also can’t be overlooked. “One of the top priorities is the right designers,” Tucker says. While she has hired a large external team to help with rebranding, she learned that having employees who were familiar with the audience made the process easier.

“We used an outside company for the UX, for the flow and for some of the layouts,” she says. “But we ended up using our own designers in-house, too, because they understood better about where we wanted to go versus these other individuals. Make sure you have the right designers for executing the look.”

Timing Is Everything

Finigan says, “Companies often completely overestimate what they can get done in one year and completely underestimate what they can get done in 10. So we have to look all the way out during rebranding. We can’t solve everything, so decide what problems are worth solving and prioritize them.”

Tucker adds, “Plan on taking at least a year. Plan around restocking, product launches and the rebranding roll-out to optimize all your opportunities.”

Making a Rebrand Successful

Planning for follow-up and follow-through is important, too.

Soete knows that rebranding can have unexpected consequences. “Branding will not change sales unless the product quality and product value both resonate with the consumer, of course,” she says.

“But also keep in mind that while the sales leaders of the company can support a rebrand, it is common to lose a high percentage of the sales Consultants who are making \$300 or less.”

To mitigate that, Soete says, “I recommend creating a plan so that Consultants can earn rebranded products and purchase them in packages at a discount during the first month or two after the new brand is launched.”

Tucker says that was key in her previous rebranding experiences. “The whole rollout was cool. But on top of that, it wasn’t just the launch of the product, it was the post-launch, too. We created a vehicle that resembled a branded food truck, and it went on a tour around Canada and the U.S.”

Finigan adds, “When rebranding it’s important to have key executives

thinking about ‘embracing change.’ Nobody likes change, especially employees and often the field, so we need to champion it, sell it, and show how it will positively impact them personally.

“The other thing to keep in mind is ‘staying the course,’ he continues. “Building a vibrant and relevant brand in the marketplace is an ongoing, living breathing process and one that takes time! Too many opinions, or too often, changes in leadership, opinions, or preferences will drive it off course. Stay the course and stay convicted to the beliefs that instigated the rebranding.”

Make Your Rebrand Stick

After all is said and done, no one wants that hard work to go to waste either. To ensure that the investment in rebranding gets as much ROI as possible, Finigan advises that companies intentionally put a guardian in place.

“While you have to have a decision maker and internal support, it’s important to have a protector and a keeper of the brand, somebody to make sure that the integrity of all we just went through really becomes adopted in the marketplace, adopted in the company, adopted in the field, and believed in.”

“**Building a vibrant and relevant brand in the marketplace is an ongoing, living breathing process.**”
— Robert Finigan, Fractional CMO, Black Labs Ventures

SSN



Jenna Lang Warford is a Social Selling News Contributor.



REBRANDING REALITY

THE INS AND OUTS OF LAUNCHING A REBRAND



Reasons to Consider Rebranding

- Communicate relevance
 - Decline in sales
 - Decline in market share
- Clarify brand
- Shift in product or product extensions
- Shift in company values
- New company positioning

Reasons to Skip Rebranding (for the moment)

- Bad publicity
- Inadequate number of team members available to fully transition
- Lack of buy-in from all key executives
- Product line quality not up to par yet
- Lack of clarity on reasons to revamp
- Budget doesn't allow for rebranding expertise
- Budget doesn't allow for dedicated project manager

What to Expect

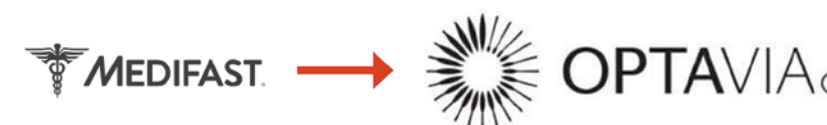
- It's common to lose distributors making \$300 or less a month.
- Informed sales leaders with buy-in are (as usual) crucial.
- Legal expenses can include extensive searches on copyrights and logos.
- Dedicating a project manager is worth the expense.
- Swag from the former brand won't disappear from the field.
- A certain amount of product will need to be cleared or relabeled.

Top Tips

- The planning process should include plenty of "what if" strategy sessions on each facet of rebranding.
- The planning process should take long enough to execute strategies for depleting the old brand:
 - stock
 - swag
- Include top-producing sales leaders early in the process.
- Having a dedicated project manager is key (this can't be said enough).
- Have a well-planned strategy for presenting the rebrand to the field at large.
- Over-communicate with in-house team.

For International Companies

- Launch all countries at the same time.
- Have international strategy meetings as well as in-country-only meetings.
- Plan for legal copyright and logo searches for each country.
- Include native speakers of each country's languages in "naming" sessions.
 - Remember that the connotations of words count as much as denotations.
- (Again) Each country launch will need a dedicated project manager.



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Each month, *The Ranks* spotlights companies, people or trends that are important to the direct selling channel. This month, *The Ranks* lists law firms, ranked by the number of active direct selling clients. Companies that did not provide this information are listed in alphabetical order. *The Ranks* will vary monthly in type of information and in number of items included. *Ranks* client data is not audited and relies on the good faith responses of the participants.

RANK	COMPANY NAME & LOCATION	# OF DS CLIENTS	KEY CONTACT	LAW FOCUS	3 REPRESENTATIVE CLIENTS	WEBSITE
<u>1</u>	Gowling WLG Ottawa, Canada	58	Lewis Retik 613-783-8849 lewis.retik@gowlingwlg.com	Direct Sales, Product Regulatory, Advertising/Marketing, IP, Corporate, Tax	Did not provide	gowlingwlg.com
<u>2</u>	Scheef & Stone, LLP Dallas, TX	34	Brent Kugler 214-706-4211 brent.kugler@solidcounsel.com	MLM Litigation, Regulatory Advice, Comp Plan Guidance, Field Compliance, Corporate Matters	Did not provide	solidcounsel.com
<u>3</u>	Winston & Strawn Dallas, TX	32	John Sanders & Katrina Eash 214-453-6462 jsanders@winston.com keash@winston.com	Litigation, Compliance, Regulatory Defense	USANA, Arbonne, Beachbody (BODi)	winston.com
<u>4</u>	Buchalter Los Angeles, CA Salt Lake City, UT	28	Larry Steinberg 213-891-0700 LSteinberg@buchalter.com	Litigation, Field Compliance, Regulatory Compliance	Enagic, Market America, Isagenix	buchalter.com/ industry-specialty/mlm
<u>5</u>	Foley & Lardner LLP Dallas, TX	26	Jane Ferguson jfergason@foley.com	Corporate, Supply Chain, Direct Selling, Franchising	Did not provide	foley.com
*	Kelley Drye & Warren LLP Washington, D.C.	Did not provide	John Villafranco 202-342-8423 jvillafranco@kelleydrye.com	Litigation, Advertising Law, Consumer Protection	Did not provide	kelleydrye.com/ advertising-and-privacy-law-resource-center
*	Millar Kreklewetz LLP Toronto, Canada	Did not provide	Rob Kreklewetz 416-540-6204 rgk@taxandtradelaw.com	International, Tax Law, Management Consulting	Did not provide	taxandtradelaw.com
*	Reese Richards Cottonwood Heights, UT	Did not provide	Spencer Reese 801-981-8281 sreese@rprlaw.net	Corporate Law, Start-Up Consulting, Litigation	Did not provide	mlmlaw.com
*	Thompson Burton PLLC Nashville, TN	Did not provide	Kevin Thompson 615-465-6001 kevin@thompsonburton.com	Corporate Law, Start-up Consulting, Litigation	Did not provide	thompsonburton.com

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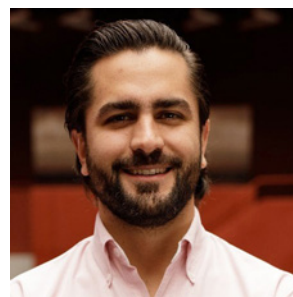
STEPHAN GRATZIANI, HERBALIFE
Herbalife has promoted **Stephan Gratziani** to president as part of its succession plan. Gratziani, who has spent over 32 years as an Herbalife distributor, joined the corporate office in August 2023 as chief strategy officer. In his new role, Gratziani will partner with regional presidents and teams to implement strategic initiatives.



ANDRÉS CAMPOS, BETTERWARE
Betterware de Mexico has appointed **Andrés Campos** as Betterware Group CEO. Previously serving as Betterware Mexico CEO, his new role will now include leadership over **Betterware** and **Jafra** brands in Mexico and internationally. Campos joined Betterware 11 years ago, first serving as commercial director.



ÖZLEM ÇİTÇİ, AVON
Avon has promoted **Özlem Çitçi** to chief marketing officer. Previously, Çitçi was head of the company's marketing department in Europe. She joined Avon in 2020 as the executive director of marketing for Turkey. In her new role, Çitçi will lead global brand marketing as well as Avon's commercial marketing in Europe.



SANTIAGO CAMPOS, BETTERWARE
Santiago Campos has been named managing director of **Betterware Mexico**, a regional role for Betterware de Mexico. He was previously chief transformation officer, and before that was chief marketing officer. He joined the company six years ago to work within the sales and quality teams for **Betterware**.



SAMANTHA LOMOW, TUPPERWARE
Tupperware Brands has restructured the role of chief commercial officer, removing sales, and has appointed **Samantha Lomow** as new CCO, leading innovation, product, marketing and digital commerce. Lomow has been a consultant to Tupperware since late 2023 and previously served as EVP, chief customer officer at Footlocker.



NATE FRAZIER, MÖDERE
Mödere has appointed **Nate Frazier** as president and chief operating officer, and as executive chairman of its board. Frazier has spent over 20 years in omnichannel leadership for such companies as GNC and Helzberg Diamonds. In this new role, he will guide growth strategies, operations, supply chain, marketing, finance and IT.



GREGG RENFREW, BEAUTYCOUNTER
Gregg Renfrew, who founded **Beautycounter** in 2013, is returning to the company as CEO. After selling it to private equity firm Carlyle in 2021 and exiting her CEO role in early 2022, Renfrew had remained on the company's board of directors. Now, her return will focus on reinforcing its mission and driving growth.



JAYSON JORGENSEN, LE-VEL
Jayson Jorgensen has joined **Le-Vel Brands** as vice president of strategy and growth. Bringing over 25 years of experience to the role, Jorgensen has served in the C-suite for companies such as **ForeverGreen**, **Visi**, and **Nu Skin**. Now, he will work with the field, focused on acquisition and retention, recruitment, and rank advancement.

MEET OUR PARTNERS

Below is a listing of all of the suppliers who placed display advertising in this month's issue. We are grateful for their participation and support in bringing news and information to the social selling channel.

EXIGO.....	02	HUSSLE.....	13	JENKON.....	27
MOMENTUM FACTOR.....	04,19,20	HANNA SHEA.....	23	INFOTRAX.....	28

People on the Move



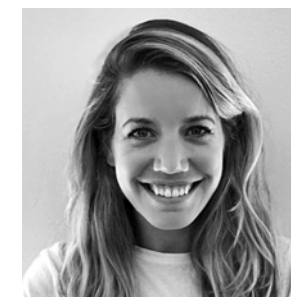
STEVE BOSSON, MARKET AMERICA
Market America Worldwide | SHOP.COM has hired **Steve Bosson** as chief growth officer. Bosson previously had a 29-year career with **Avon** and later **New Avon**, where he most recently served as president of sales and chief operations officer. In this new role, Bosson will lead the company's strategy for global reach and economic impact.



DEBBIE DAVIES, PARTNER.CO
Partner.Co has added **Debbie Davies** to its Wellness Council. Davies is a registered nurse and midwife with more than 37 years of experience. During that time, she has worked in South Africa and the Middle East, and later New Zealand where she currently focuses on the review of perinatal and maternal mortality.



LAURENT MARTEAU, L'OCCITANE GROUP
L'Occitane Group, parent company of **LimeLife**, has named **Laurent Marteau** Group CEO. The new title combines Marteau's current role of group managing director with the responsibility of CEO. He has spent over 20 years in beauty, working for the LVMH Group and the La Prairie Group. He joined the L'Occitane Group in 2022.



CAROLINE PENN, JACK WINN PRO
Haircare brand **Jack Winn Pro** has hired **Caroline Penn** as CEO. Penn has leadership experience in several categories, including marketing, partnerships, product management, and operations at companies such as American Express, Cardlytics, and Dosh. In this new role, she will focus on growth and innovation at Jack Winn Pro.



Y.C. LOIS TANG, PARTNER.CO
Y.C. Lois Tang, Ph.D., has joined **Partner.Co's** Wellness Council. With a background in traditional Chinese medicine and accounting, Dr. Tang has been a professor for more than 20 years in Taiwan, most recently at the National Changhua University of Education. Her experience has included investigating nutritional supplements and their benefits.

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Natura &Co Considers Establishing Avon As an Independent Company

Natura &Co's Board of Directors has approved an assessment to possibly separate **Natura &Co Latam** and **Avon**. This would mean establishing two independent publicly traded companies, each with its own business plans, independent governance, and management teams that can focus on strategies unique to their needs—thus driving long-term shareholder value, according to the company. It is a move consistent with the group's earlier announced plan to simplify its corporate structure and strengthen brand autonomy of each of its business units. The separation would also provide greater visibility into financial performance, growth potential, structure and investment for shareholders. Natura and Avon have distinct geographical footprints serving different categories of beauty consultants and consumers, so each brand will be able to continue operating independently in Latin America, with Avon also able to do its business in other parts of the world as well. Whether the separation will actually take place is yet to be determined by the Board of Directors.

PartyLite NA to Adopt A Direct-to-Consumer Model After 50 Years in Direct Selling

Luminex Home Décor & Fragrance has decided to transition its **PartyLite North America** segment from a direct selling and affiliate hybrid model to a direct-to-consumer (DTC) structure starting March 1, 2024. The company will also have a Brand Ambassador program in place to provide opportunities for its PartyLite Affiliates to continue as advocates for the brand. PartyLite had established itself as a party plan company offering candles, home fragrance, and décor with the ability to adapt to changing market landscapes and consumer preferences while maintaining “quality, innovation, field support, and customer satisfaction,” according to the company. It stated the transition was a natural move, considering PartyLite's 50-year commitment to “staying at the forefront of industry and market trends,” and the time was right. The change will also provide the company with the proficiency to respond quickly to market trends, gather immediate feedback, and provide a more personalized product experience for consumers. PartyLite's European markets will continue operating with a direct selling model.

Latest LifeVantage Results Show A 3.8% Drop in Fiscal Q2 2024 Revenue

LifeVantage Corp. has released financial results for the second fiscal quarter ending Dec. 31, 2023, with revenue dropping 3.8% to \$51.6 million, compared to the prior year. Revenue in the Americas decreased slightly to 1.6%, including a 2.0% decrease in the United States. Revenue in the Asia-Pacific and Europe region decreased 10.0%. Net loss for the second quarter of fiscal 2024 was \$700,000, or 5 cents per diluted share vs. a net loss of \$1.1 million, or 8 cents per diluted share, compared to the prior year. Gross profit for the second quarter was \$40.6 million, or 78.6% of revenue, compared to \$41.9 million, or 78.1% of revenue, in Q2 2023. Cash and cash equivalents at the end of the year were \$17.3 million with no debt outstanding. Revenue guidance is now expected to be between \$207 million and \$213 million in fiscal year 2024, a decrease from previous guidance of \$216 million to \$226 million, with an adjusted EBITDA of between \$16 million and \$18 million.

Zinzino And ACN Europe Have Agreed to a Strategic Partnership

Sweden-based **Zinzino** has entered into a strategic partnership with **ACN** to take over the company's European distributor database as ACN has initiated winding down its direct selling operations in Europe. Per the agreement, Zinzino will integrate the distributor database into its existing technical platform. As part of this latest acquisition, ACN has agreed to invest \$1 million in Zinzino through its holding company, Manna Holdings LLC., and Zinzino's investment will be based on the sales development generated by the acquired distributor organization during 2024-2029. Zinzino's board of directors has also approved a new issue of B shares to Manna equivalent to \$1 million. In related news, Neora has acquired ACN Korea as part of Neora's ongoing expansion across the Asia Pacific market.

Nature's Sunshine, eXp Realty Named As Best Places to Work

Two direct selling companies have once again been recognized for their company culture and named a Best Place to Work. **Nature's Sunshine** has been recognized by Comparably, a workplace culture and corporate brand reputation platform, for “Best Company Culture.” This award celebrates its culture as well as its focus on providing “a thriving environment for its employees to improve productivity and drive results.” Nature's Sunshine has already received 12 other Comparably awards in the past three years. Award recipients for 2023 were selected based on over 15 million anonymous employee ratings from 70,000 companies of all sizes. **eXp Realty** was also named a Best Places to Work, receiving this honor by Glassdoor and ranking No. 22 on its list of 100 in the U.S. Large Company category. Making the list for the seventh consecutive year, the direct seller's own employees provided anonymous feedback on Glassdoor about their job, the work environment at their company and their employer. Those surveyed rated their satisfaction levels across nine workplace factors such as career opportunities, diversity and inclusion, and compensation.

Plexus Marks 40 Million Meals Donated to Fight Hunger

Plexus Worldwide has officially reached the milestone of having donated 40 million meals to families experiencing food insecurity, a goal it set for itself five years ago. Through its philanthropic initiative Nourish One, the company partnered with Feeding America and international organization Mary's Meals starting in 2018 to deliver meals to food banks globally. With every purchase of Plexus Lean, Plexus Reset, and Canada's Protein+, the company donates a monetary amount equivalent to, for example, 10 or three meals, to these organizations serving food to those in need. What's more, Plexus employees regularly volunteer at local food banks as well as make monetary donations throughout the year. Feeding America is the largest hunger-relief organization in the U.S. working through more than 200 food banks to reach families, while Mary's Meals feeds more than 2.4 million children each school day in impoverished areas of the world.

The Body Shop At Home Closes Operations

The Body Shop has decided after a full review to discontinue operating its direct selling business segment, **The Body Shop At Home**, in the United Kingdom and Australia. Replacing the direct selling offering with a digital ambassador program, Consultants will now have the opportunity to join the program and earn commissions as ambassadors. The two countries were the only active markets left operating under the segment that had been in existence for 30 years. The company had ended activities in the United States in 2023. According to The Body Shop, the latest transition is part of its strategy to drive growth where its customers are, which includes digital marketplaces, e-retailers, wholesalers and social media platforms. The Body Shop Ambassador Programme will be offered in the next few months.

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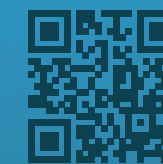
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