

National Programs
BBB Direct Selling Self-Regulatory Council

CASE DECISION

DSSRC Stays Busy in 2023

Several direct sellers referred to FTC for inaction on product and income claims.

MORE ON PAGE 9

EU's Supply Chain Law to Revolutionize Corporate Accountability for Human Rights and Environment



Proposed law aims to reshape logistics and procurement, triggering global debate

The European Union (EU) is preparing to enforce a groundbreaking supply chain law that aims to revolutionize logistics and procurement operations across the continent. The Corporate Sustainability Due Diligence Directive (CSDD), also called the European Supply Chain Act, seeks to hold companies accountable for their impact on human rights and the environment, not only within their own operations but also within their supply and value chains.

While some member EU countries such as Germany, Austria, France, and the Netherlands have existing supply chain due

CONTINUED ON PAGE 6

INSIDE THIS ISSUE



SOCIAL TECH UPDATE

AI SHAPING THE FUTURE OF BUSINESS INTELLIGENCE

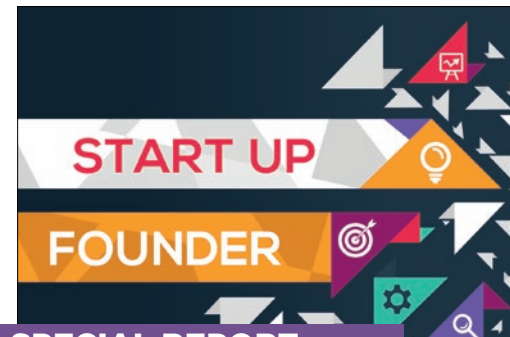
Exploring AI/ML models in brand protection and compliance monitoring. 10



RISK ROUNDUP

EVALUATING RISKS IN CANADIAN REGULATORY PROPOSAL

Impacts of Cost Recovery Plan on direct sellers. 12



SPECIAL REPORT

FROM FIELD LEADER TO FOUNDER

Crucial priorities for companies driven by passion. 15





All Roads Lead to Exigo

Does your tech stack have you feeling lost? Find your way back to real growth, unmatched accuracy and security, and lightning speed with Exigo.

Contact us at sales@Exigo.com to schedule a demo today.



INSIDE October 2023

COVER STORY

01 EU'S SUPPLY CHAIN LAW TO REVOLUTIONIZE CORPORATE ACCOUNTABILITY FOR HUMAN RIGHTS AND THE ENVIRONMENT

Proposed law aims to reshape logistics and procurement, triggering global debate

By David Bland

NEWS FEATURE

09 DSSRC'S GOVERNMENT REFERRALS HIGHLIGHT COMMITMENT TO DIRECT SELLING COMPLIANCE

Perfectly Posh, iCoinPro, Tori Belle Cosmetics, and others referred to regulators for earnings and product claims

By SSN Staff

SOCIAL TECH UPDATE

10 AI TECHNOLOGIES SHAPING THE FUTURE OF BUSINESS INTELLIGENCE

Exploring the diversity of AI/ML models in brand protection and compliance monitoring

By Steve Mook



18 OPTICS: FOUNDATIONAL SUCCESS

RISK ROUNDUP

12 ASSESSING RISKS AND CONCERNS ASSOCIATED WITH CANADIAN PRODUCT REGULATORY PROPOSAL

Direct selling perspectives on Health Canada's cost recovery plan

By Peter Maddox and Lewis Retik

SPECIAL REPORT

15 GETTING TO THE NEXT LEVEL: WISDOM FOR FIELD LEADER-TO-FOUNDER EXECs

For companies born of passion for the channel there are some key priorities

By Jenna Lang Warford

THE RANKS

21 PRODUCTION AND EVENT COMPANIES

INSIDE EACH ISSUE

05 PUBLISHER'S NOTE

24 WHAT'S NEW

25 MEET OUR PARTNERS

26 PEOPLE ON THE MOVE

28 RESOURCE DIRECTORY

Direct Selling's Premier C-Level Event!



DIRECT SELLING & COMPLIANCE LEADERSHIP 2024 SUMMIT

Wednesday - Friday

Feb. 28 - March 1, 2024
JW Marriott Austin
Austin, Texas

Join us for an intensive multi-day summit focused on critical issues facing the direct selling industry and tailored to CEOs, executives, compliance professionals, and corporate attorneys in direct sales.

Discuss strategies, discover best practices and network with the top minds in the industry!

dslcsummit.org

Tickets & Sponsorships
NOW AVAILABLE



OCTOBER 2023 | VOLUME 6 ISSUE 5

PUBLISHER
David Bland
david@socialsellingnews.com

INTERIM DIRECTOR OF ADVERTISING SALES
Anabelle Gilliam
512-623-9269
anabellelg@gmail.com

CONTRIBUTORS
Steve Mook
Peter Maddox
Lewis Retik

ART DIRECTOR
April Allman

CONTRIBUTING EDITORS
Jennifer Mills
Jenna Lang Warford

NEWS
We welcome all of your news.
Please send press releases and all news to contact@socialsellingnews.com

ADVERTISE
For advertising rates and opportunities at *Social Selling News*, call 512-623-9269, or email anabellelg@gmail.com

Please send all additional inquires to contact@socialsellingnews.com
To subscribe, please visit SocialSellingNews.com

SOCIAL SELLING NEWS
8127 Mesa Dr
Ste B206-295
Austin, TX 78759
www.socialsellingnews.com
325-261-3778

Social Selling News is a monthly publication of New Generation Media LLC.

SUBSCRIPTION RATE: Complimentary to all verified direct selling and supplier executives in the U.S. through December 2023. All others \$65 annually for print and digital. Digital only subscriptions \$58 per year. Subscribe online.



Printed on 35# Hi-brite paper with environmentally friendly soy oil-based inks by Community Impact Printing, Pflugerville, Texas.

— PUBLISHER'S NOTE ►►

Mastering Meaningful Connections: Notes for More Effective Networking

Hello friends!

Let's talk about networking! I was recently re-reading an extremely insightful 2020 article from Forbes titled "The 15 Best Networking Strategies You're Not Using." I try to revisit this piece a few times a year, and I wanted to share the highlights with you.

Build Relationships First

Enter into every encounter with a "How can I support you?" mindset. Remember to focus more on building relationships, rather than merely collecting business cards. In short, give first and take second.

Add Value to the Network

An effective yet frequently underutilized strategy involves facilitating connections within your network to create mutual value. Consider the possibility that one of your clients could potentially become a vendor for another client of yours. Actively seek out these connections and introduce the relevant parties within your network. By doing so, you not only provide value but also increase the likelihood of receiving high-quality leads in return.

See Networking As a Way of Being

We all put our networking hats on when at a conference or industry meeting. The trick is to remember to keep the networking light on during the "normal" days. With every interaction, every phone call or Zoom meeting, always listen deeply to identify ways that you could be of service. How many critical connections have we established through chance meetings or unexpected conversations?

Understand the 'Why'

This one really struck home with me. I think we can all agree that all too often, networking becomes overly transactional. We slip into the quantity over quality mindset as we accumulate connections at a meeting or gathering. Instead of merely "networking," shift your approach towards cultivating genuine relationships. Go deeper to understand the "why" behind people's work, not just the "what" they do.

Practice Awareness

Be fully present in the moment! This will help you to be more observant of "intention cues" when speaking to someone. Observe their body language, like posture and who they're engaged with. Once you

can discern subtle changes in vocal tone and body language, you'll be better equipped to understand their intentions and respond appropriately.

Help People Fill One Specific Need

This is probably my favorite bit of advice from the article. We are all familiar with the phrase, "Do one thing well." This can apply to networking also. When you engage with someone, make an effort to identify one particular thing they're seeking, and then follow through on their expressed needs.

This could involve making introductions, offering referrals, providing leads, sharing contacts within your network or suggesting relevant events. This kind of personalized connection and assistance will leave a lasting impression on people, impacting how they remember you and the positive feelings you generate.

I wish each of you a productive 4th quarter and an abundance of networking success stories in the months to come!

Warmly,



DAVID BLAND

ONLINE EXCLUSIVES

Be sure to visit socialsellingnews.com for exclusive online content.

FOLLOW US ONLINE

Facebook.com/socialsellingnews

@SSellingNews

LinkedIn.com/social-selling-news

diligence initiatives, the European Supply Chain Act seeks to harmonize the way companies interact with suppliers and subsidiaries as well as integrate more robust obligations for companies to identify and reduce the adverse effects of their operations on human rights and the environment. By establishing a benchmark of legal certainty within the transnational supply chain, the EU seeks to level the playing field for Member States.

Companies Affected by New Law

First proposed by the European Commission in February 2022, the CSDD was amended by EU Parliament in June 2023 to include two groups of companies as well as “third-country” companies that are active in the EU.

Group 1: Companies with over 500 employees and a net worldwide turnover of €150 million (euros) or more.

Group 2: Companies in high-impact sectors with more than 250 employees and a net worldwide turnover of €40 million (euros). High-impact sectors include areas such as textiles, clothing, agriculture, food and beverage production, mineral extraction, and basic metal products. This group will have an additional two years to comply with the law.

Non-EU companies that are active in the EU will be subject to the new law if their EU-market revenues are aligned with Groups 1 or 2.

Due Diligence Obligations

In an effort to lessen the impact of the new fees, due diligence, as detailed in the proposal, will need to be in place for both upstream as well as downstream chains of activity. The

upstream chain includes the processes and suppliers involved in the manufacturing of the product, including sourcing raw materials, transportation of the materials, and all of the manufacturing processes. The downstream chain refers to the post-manufacturing activities involved in distributing the product to the end consumer. Downstream activities include marketing, warehousing, order fulfillment, customer service and product delivery.

The new law will require Member States to ensure that companies integrate due diligence into their policies and procedures. This will include the following actions:

1. Identifying potential or actual human rights and environmental impacts in their operations.
2. Preventing or mitigating potential impacts.
3. Ending or minimizing actual impacts.
4. Establishing a protocol to submit complaints to the company involving concerns about potential or actual adverse impacts, including the company's value chain.
5. Monitoring the implementation and effectiveness of their due diligence measures.
6. Communicating publicly on their due diligence.

Compliance with Paris Agreement

To effectively combat climate change, companies are urged to devise a plan that aligns their business model and strategy with the transition

to a sustainable economy and the goal of limiting global warming to 1.5 degrees Celsius, in accordance with the Paris Agreement.

Companies in Group 1 with an annual turnover of €150 million (euros) must set out their action plans to be in line with the Paris Agreement. If climate change is identified as a significant risk or impact of a company's operations, the company should incorporate emissions reduction goals into its plan.

The proposed law also suggests that companies consider the successful implementation of the emissions reduction plan into the financial incentives and remuneration of its directors. This is particularly relevant if a director's variable remuneration is tied to their contribution to the company's business strategy, long-term interests and sustainability.

CSDD Enforcement

The proposed directive has established a mechanism for Member States to enforce fines and sanctions for non-compliance with the obligations set out in the proposal. These sanctions are intended to be “effective, proportionate and dissuasive” and may include financial penalties based on a company's turnover.

The rules on corporate sustainability due diligence will be enforced through administrative supervision by Member States' designated authorities, which will be authorized to supervise and impose these sanctions, including fines and compliance orders. Non-compliant companies could also be subject to civil liability.

In an April 2023 press release, Members of the European Parliament (MEPs) called for non-compliant companies to be fined at least 5% of their net worldwide turnover. Furthermore, they called for a ban on public procurement for non-compliant third-country companies.

Laure Alexandre, executive director of the European Direct Selling Association (SELDIA), urges all direct selling companies with operations in the EU to pay close attention to this proposed law.

“The European Union has set the regulatory pace globally on data and privacy with GDPR, digital regulation with the Digital Services Act and the Digital Markets Act, and is now adopting sustainability regulatory frameworks that will have global implications,” Alexandre says.

“Strategically, direct selling companies should not only keep a close eye on what is

happening in the US and with the FTC, but also on what is happening in Brussels. Only one Direct selling company currently has an office in Brussels staffed with regulatory and government affairs experts. The Seldia team is just 2.5 FTE (full-time employees). The sector should not be blindsided by what is happening in the European Union.”

“The Corporate Sustainability Due Diligence Directive opens a transformative era for all businesses, direct selling included, with acute implications for companies with complex supply chains,” Alexandre says. “This regulatory framework compels companies to proactively assess and address risks and social and environmental impacts across their intricate networks of suppliers and distributors. We have alerted Seldia members to it throughout the policy negotiation process. Preparedness is paramount.”

Pushback Highlights Concerns Over Loopholes and Extraterritorial Impact

The CSDD has encountered criticism with one major point of contention being its exclusion of the financial sector. Critics argue that this

omission creates potential loopholes and could undermine the directive's effectiveness.

Another source of concern revolves around the CSDD's extraterritorial impact, particularly on American companies. Under the directive's provisions, companies are obligated to monitor adverse human rights and environmental impacts not only within their operations and subsidiaries but also across entities within their value chain and those with which they have established business relationships, regardless of their location of incorporation.

This has sparked concerns about the potential influence of the ‘Brussels effect,’ which refers to the idea that European Union regulations and standards can unilaterally shape global business practices and policies.

Additionally, apprehensions have arisen regarding the implications of the CSDD for U.S. companies, considering the liability framework applicable to their directors and the frequency of derivative lawsuits in the United States. The directive has the potential to affect various categories of U.S. companies, including those with substantial business ties to the European Union.

Timeline for Finalization

The June 2023 approval of the draft proposal by the EU Parliament paves the way for negotiations with EU Member States. The main points of contention during these negotiations are expected to be the scope of the new regulations and the timeline for their enforcement.

Depending on the outcome of these negotiations, it's conceivable that companies could be required to comply with the due diligence obligations as early as 2025.

As companies around the world await its implementation, the CSDD serves as a potent reminder of the power of EU legislation in driving corporate sustainability and social responsibility on a global level.



David Bland is the publisher of Social Selling News.

“**The CSDD opens a transformative era for all businesses, direct selling included, with acute implications for companies with complex supply chains... Preparedness is paramount.**”
 — Laure Alexandre, Executive Director, SELDIA

SHHHHHHHHH
 There's a *dirty little secret* in our industry that nobody talks about...

Scan the code to find out the secret, and our solution.

Ignite
 firestormignite.com/dirty-little-secret.html

trinitysoftware.com Ignite™ is a product of **trinity** SOFTWARE

INDUSTRY BUZZ

Verb's Direct Selling Division Receives Major Investment from Scaleworks

VerbCRM, the leading sales enablement platform in the direct selling industry, received a major investment from Scaleworks, a SaaS focused equity firm based out of San Antonio, Texas that is now the majority shareholder. This is exciting news for VerbCRM and its customers, as Scaleworks recently raised **\$110 million** to deploy across its portfolio of companies, including VerbCRM.

VerbCRM is still led by the same Executive Team and staff of industry experts that built the business. Bottom line: VerbCRM now has the best of all worlds — unparalleled direct selling experience

coupled with financial backing, a big vision, and access to new technologies to take their platform to the next level.

Whether you are looking to increase your recruiting, expand your online selling, automate your product sampling, or simplify your distributor on-boarding, you should strongly consider VerbCRM as the phone app for your field organization. The company has been rated the #1 Sales Enablement Platform in Social Selling News ... and it's about to enter a new phase of innovation and growth.

TRAINING • ONBOARDING • CUSTOMER ACQUISITION • RETENTION • BUSINESS REPORTS



verb
Direct Sales Division

#1 RATED SALES ENABLEMENT PLATFORM

SSN SOCIAL
SELLING
NEWS

SCHEDULE A DEMO TODAY:



JJ OSWALD
jjo@verb.tech
801.518.4466



JAMES PORTER
jmp@verb.tech
801.369.5191

NEWS FEATURE ▶▶

DSSRC's Government Referrals Highlight Commitment to Direct Selling Compliance

Perfectly Posh, iCoinPro, Tori Belle Cosmetics, and others referred to regulators for earnings and product claims

By SSN Staff

The Direct Selling Self-Regulatory Council (DSSRC) has maintained a steady flow of government referrals in 2023, underscoring its dedication to upholding compliance standards for the direct selling channel.

In January 2023, the Council referred **Perfectly Posh**, a Salt Lake City, Utah-based personal care and beauty company, after the company and its salesforce representatives made multiple income claims, including several claims about “replacing your income” and achieving “career-level income.”



Efforts by DSSRC to contact Perfectly Posh through a November 2022 Notice of Inquiry yielded no response from the company. Despite subsequent outreach, including a 10-day notice, Perfectly Posh did not provide a response to DSSRC's inquiry, prompting the matter to be referred to the Federal Trade Commission (FTC).

In March 2023, the Council made a government referral for earnings claims disseminated by **Karatbars International**, a marketer of small gold bars and gold gift items headquartered in Germany.

Company representatives made claims of “Financial Freedom,” and “Generational Wealth,” aggressively portraying the message that the business opportunity would provide career-level income.

Despite most posts being accessible in the U.S. and Karatbars maintaining an official English-language website, DSSRC struggled to find contact information. The website lacked a phone number or email address for inquiries, but DSSRC found the founder's email and a support email. After the initial 15-day period passed without a response, DSSRC issued a 10-day notice on Feb. 9, 2023, warning that without a response the matter would be referred to a government agency.

Health and wellness direct seller **Woyal Health Sciences USA** was referred to the FTC in May 2023 for non-compliant product performance claims. Representatives of the Salt Lake City, Utah-based company claimed on social media that the products would help fight cancer, depression and ADHD. There were also claims of improved memory and a reduction in the risk of Alzheimer's disease and skin cancer.



The DSSRC repeatedly tried to engage Woyal Health, sending a Notice of Inquiry on April 5, 2023, and later, a 10-day notice on May 1, 2023. Despite receiving automated responses from the company, Woyal Health did not provide substantive answers regarding the claims in question. Additionally, phone contact attempts were unfruitful, as a company representative hung up upon being informed of the inquiry. Notably, the social media posts under scrutiny remain unchanged and publicly accessible.

In June 2023, the Council referred **iCoinPro** cryptocurrency services direct seller **iCoinPro** to the FTC for earnings claims made by salesforce members as well as by the company itself on social media and the official company website. Problematic claims included “Financial Freedom,” “living comfortably without the worry of financial obligations” and “3 to 4k weekly” income.



The Council reports that iCoinPro has not provided any evidence supporting the income levels portrayed in its marketing materials. Despite multiple attempts to contact the company, iCoinPro failed to respond, while misleading income claims continue to circulate on social media and its website. Consequently, in accordance with DSSRC policies, the matter has been referred to relevant government agencies, including the FTC.

Tori Belle Cosmetics, a Woodinville, WA-based direct seller, was the target of the DSSRC's most recent government referral. The Council's inquiry concerned 12 earnings claims made by company representatives. The problematic statements, which were posted on Facebook and YouTube, included claims such as “replacement income,” “Who wants a free vacation?,” “financial freedom,” and “how about we transform your bank account...”



The council reports that Tori Belle failed to provide support for the claims questioned by DSSRC, instead asserting that the dates of the posts were altered and that the claims were over 3 years old, originating from inactive salesforce members. The company emphasized its vigilance in monitoring salespeople and preventing inappropriate claims.

Despite initially responding to DSSRC upon receiving the Notice of Inquiry, Tori Belle failed to engage further or provide evidence to support the identified earnings claims. Although the Council made multiple follow-up attempts regarding alleged post alterations, the company did not respond.

The DSSRC reports that, contrary to Tori Belle's claims, all 12 posts in question remain publicly accessible and none were posted prior to 2020, with two being less than 1 year old at the start of the inquiry.

Despite a written request from DSSRC for Tori Belle to provide a Company Statement in response to the report, the company neither submitted such a statement nor indicated any intention to comply with the report's recommendations. As a result, in accordance with section VI (E) of DSSRC's Policies & Procedures, DSSRC referred the matter to the relevant government agency for potential law enforcement action.

SSN

AI Technologies Shaping the Future of Business Intelligence

Exploring the diversity of AI/ML models in brand protection and compliance monitoring

By Steve Mook

Lately there has been an explosive increase in the number and capabilities of artificial intelligence and machine learning (AI/ML) technologies.

Recent headlines tend to focus mainly on the various “large language models,” or LLMs, because these mimic human speech and reasoning patterns. Interacting with ChatGPT, for example, is sometimes indistinguishable from having a normal conversation with another person. Advances in speech recognition and processing have made consumer-level digital assistants such as Siri, Alexa, and Google useful tools in our daily lives.



Most recently, ChatGPT has announced new image recognition and speech features, claiming that “they offer a new, more intuitive type of interface by allowing you to have a voice conversation or show ChatGPT what you’re talking about.” Generative AI, particularly LLMs, are exciting primarily because they allow any user to interact with the model in the same intuitive way they might interact with another human.

AI Model Diversity in Business Intelligence

But AI/ML models come in many different varieties, and certain problems are better suited to some model types than others. Less-exciting models are, in fact, capable of doing very valuable work. These models come in various types, each designed to solve specific types of problems or tasks.

Supervised Learning Models are trained on historical data sets to predict the probability of certain defined outcomes based on new sets of input values. These include Linear Regression models, used for predicting a continuous output variable (consider this a kind of “score”) based on one or more input features.

Linear Regression models predict an output value based on input values. The result is typically expressed as a probability, ranging from zero (no relationship) to 1 (direct correlation). Remember, probability is like flipping a coin with a 0.5 probability of getting heads; you’ll also get tails half the time, and even five consecutive flips could all be heads.

Logistic Regression models are great for binary tasks like spam detection or medical diagnosis. For classification and regression, Decision Trees, which are tree-like structures, work well. These can be combined into Random Forest models, a group of decision trees that improve accuracy and reliability.

Support Vector Machines, a type of supervised learning algorithm, are also handy for classification and regression, especially with complex data. They are valuable in business intelligence decisions, like finding the best delivery route for 300 packages or assessing a customer’s likelihood to buy a product.

These types of models are all characterized by the need for supervision in the training process. The data these models operate on must be well-defined, and the model must be “taught,” essentially,

the difference between accurate and inaccurate results. This process can be quite expensive, because it requires careful collection and curation of large training data sets as well as testing of the model by AUC/ROC analysis to determine the accuracy and effectiveness of the resulting models.

Unsupervised models can also be very useful in business intelligence applications. These models include Clustering Models, Principal Component Analysis, and Autoencoders. Such models are used for reducing and discovering patterns in unstructured data, and their outputs can be used on their own to provide insights, or they can feed into other models.

You’ve seen such models in operation if you have ever bought a product online and were provided with other suggested products frequently bought together with your purchase.

Using AI for Brand Protection and Compliance Monitoring

Brand protection and compliance monitoring at scale pose some unique challenges that are well suited to several of these somewhat more pedestrian, less sexy AI technologies, though

there are certainly potential applications for Deep Learning and Generative technologies as well.

In order to understand what’s being said about a brand or product, one must first locate references to that brand or product in the vast ocean that is the internet. This is often accomplished by keyword searches. Targeted listening is another key strategy.

While keyword search algorithms do not necessarily require AI, many algorithms rely on Linear or Logistic Regression algorithms such as Bayesian and K-nearest neighbor algorithms to enable “fuzzy” matches, such as alternate spellings, synonyms, or linguistic cognates of keywords.

Targeted listening also benefits from certain types of AI analysis. The internet is a vast virtual space, so searching it efficiently is critical. For example, potential sources can be analyzed for risk using Linear Regression strategies with high-risk targets prioritized.

The next step in a brand protection and compliance monitoring pipeline requires making preliminary decisions about these search results, so that

human specialists can effectively cope with the sheer volume of data generated by the process.

The problem of evaluating content at scale to decide what warrants further scrutiny by human specialists also offers applications for Deep Learning and classification models. First comes the problem of recognizing and isolating a message or claim, “what was said,” from everything else around it.

This may involve parsing a web page for post content as well as recognizing and transcribing text, speech, or images in photographs or videos. Deep Learning AI models can help accomplish these tasks: OCR models can read text from images; speech recognition, transcription and translation models can capture what was said in videos; and image recognition models can identify certain objects.

Then classification models can analyze the message and flag content that might pose a brand or compliance risk in order to streamline the work of a human specialist, who then must exercise their judgment and understanding to determine what action, if any, is needed.

In short, different AI models are best suited for solving different problems, and in any given problem

domain, such as brand protection and compliance monitoring, there is often a specific order in which different problems must be solved. Understanding how these models operate and which models are best suited to each step in the pipeline is key.

What AI technologies cannot do, at least at the present stage of development, is substitute for human intelligence, empathy, and capacity for judgment. Generative AI models such as ChatGPT can sometimes seem as if they can, but anyone who has interacted with a model like ChatGPT at length can intuitively understand some of its inherent limitations.

So the end of these pipelines must still include review of the results by a competent human to be valuable. But they are nonetheless powerful tools.

SSN



Steve Mook, Director of Products, Momentum Factor.

nexio
Powered by CMS

Purpose-built payment and payout solutions for Direct Sellers

- Take control of your commerce strategy
- Orchestrate payouts to your distributors
- Optimize your transactions to grow your revenue

Assessing Risks and Concerns Associated with Canadian Product Regulatory Proposal

Direct selling perspectives on Health Canada’s cost recovery plan

By Peter Maddox and Lewis Retik

The September issue of *SSN* (“Canada’s Cost Recovery Proposal Sparks Unease from Natural Health Product Marketers”) discussed Health Canada’s cost-recovery proposal for natural health products (NHPs) and its plan to recoup costs for product approvals and site licensing.

If unchanged, it would place the onus on the companies that market, manufacture, or import products to cover the regulator’s costs and at a quantum that Health Canada itself indicates is significantly more than what is spent today.

These costs would be onerous on direct selling companies and likely lead to higher consumer prices, reduced product portfolios, and impact entrepreneurial opportunity.

The article did a great job of presenting issues with the proposal and the concerns of DSA Canada, including: the excessive amount of the proposed costs; proposed fees that far exceed actual costs, likely in violation of trade agreements and tax law; and ongoing flaws with the current regulatory framework and service standard levels.

To provide further context, we want to share insights into some of the challenges raised and how the industry is pushing back to ensure a business-friendly marketplace.

History shows that businesses following the correct regulatory processes for pre-market entry are those that most regularly succeed in Canada in the medium- to long-term.

Not for Resale/Personal Use

Firstly, let’s investigate the concept of selling via “Not for Resale” (NFR) into the Canadian marketplace, a practice that the industry fears could grow if the Health Canada proposal moves ahead. As a starting point, operating a direct sales business inside Canada cannot be compliantly done through an NFR model.

Health Canada’s policy *Bringing health products into Canada for personal use* (GUI-0116) (“Policy”) allows consumers to import product for their personal use without the required licence. However, when used by direct sales companies, it is typically not done compliantly with the Policy and other applicable laws, raising significant concerns about its legality and efficacy. Notably, direct sales companies have had to invest significant funds to pivot away from this approach when noticed by regulators, often at great cost.

Briefly, the basic rules around NFR are as follows:

- Residents of Canada are permitted to bring into Canada a personal use quantity (a 90-day supply or single course of treatment) of many NHP-type products, without requiring specific licences for the import.

- Personal use means that a person is bringing a health product into Canada for their own use, or the use of a person who is under their care.
- The Canadian resident importing the product must be the importer of record.
- However, a person is considered a commercial importer and cannot use the personal use exemption if:

- They bring a health product into Canada to sell or give it to someone else that is not under their care.
- Products are marketed, advertised, or commercialized in Canada, or create commission revenue for sales consultants who promote the sale of the products in Canada.
- Importation exceeds the personal importation limit of 90 days or there are multiple shipments that exceed a 90-day supply over a 90-day period.

If read carefully, this information will show that it is very difficult for direct selling companies to legally use this exemption to distribute a substantive amount of product to Canadian consumers, particularly within a direct sales compensation plan.

Health Canada’s plan to implement fees, without improving its deficient service levels, could lead companies to believe that utilizing the exemption to get products to Canadians is a legitimate workaround. We are here to say that it is not.

Adding to this complexity is that operating a direct sales company in Canada and taking the position that the product sales are NFR puts a company’s Canadian independent sales consultants at significant legal risk.

Each province has direct sales requirements, with a number requiring specific licences. The onus of compliance is typically taken on by the direct sales company. As one could imagine, attempting to comply with these requirements by obtaining the appropriate licences is at odds with taking the position that the company is not doing business in Canada.

It is recommended that companies entering the Canadian market with NHPs harness the knowledge and assistance of local legal and regulatory specialists. This helps them to get products approved as quickly and cost-effectively as possible and ensures that they can fully utilize the strengths of the direct sales business model to successfully attract customers and independent sales consultants.

History shows that businesses following the correct regulatory processes for pre-market entry are those that most regularly succeed in Canada in the medium- to long-term.

In tandem, by partnering with DSA Canada, direct selling companies support ongoing advocacy aimed at minimizing the impact of proposals such as this one from Health Canada, helping to keep regulatory costs down and ensuring an attractive market opportunity for businesses and entrepreneurs.

Trade Agreements

One of the ways that DSA Canada and the broader NHP industry is pushing back against the proposal is by pointing out that the fee calculation methodology is inconsistent with Canada’s trade agreement commitments.

An aspect of the calculations presented by Health Canada for developing the fee structure was that part of the charges will be allocated as a tool to fund prospective costs. That is, to pay for future infrastructure required for Health Canada’s NHP regulatory role.

Charging for prospective costs may be in contravention of Canada’s commitments to the USMCA Trade Agreement. USMCA limits permissible fees for certain activities, including “conformity assessments,” to the recovery of the approximate costs of services rendered – i.e., the actual services that are completed, not prospective services that might be or were not completed.

Based on the information available to date, USMCA arguably requires a direct link between



the amount of a fee and the activities of Health Canada in the period during which the fee is collected.

DSA Canada has raised this issue in meetings with officials from Canada’s Department of International Trade, starting a conversation on the topic and highlighting broader concerns around trade issues that could negatively impact the integrated North American marketplace. We understand other US-based organizations have addressed this issue with Federal Trade officials, in an effort to create a dialogue on both sides of the border.

Industry Recommendations

Based on the issues raised in its submission and the specific and real concerns of DSA Canada’s member companies, the following recommendations were made to Health Canada, on behalf of industry. These will help ensure that Canada moves towards developing a world leading NHP regulatory regime:

- That the process to implement this proposal is paused, so that further consultation, research, and development can be carried out to inform program improvements.
- That detailed economic modelling is completed to measure all the impacts

on industry and the Canadian economy resulting from this proposal.

- That Health Canada creates a road map clearly setting out how and when – prior to any cost recovery program being introduced – service levels will be substantially improved and other aspects of the Self-Care Framework, such as labeling and product category simplification, will be completed.
- That industry and all NHP stakeholders are an integral part of the consultation development process for the cost recovery program and for other changes in NHP regulation.

DSA Canada, individual direct selling companies and other industry stakeholders each have an important role to play in ongoing efforts to engage government officials on these important issues.



Peter Maddox is President of the Direct Sellers Association of Canada.

Lewis Retik is a partner at Gowling WLG with a focus on product and direct sales legal and regulatory issues.

Unified payment solutions for global reach.

Dallas, Texas



metricsglobal
Worldwide Payment Solutions. Trusted Partner.

WITH GLOBAL ACCESS, EASY INTEGRATION, AND INFRASTRUCTURE BUILT FOR RECURRING PAYMENTS, YOU CAN REACH THE WORLD.

Contact us at
connect@metricsglobal.com

Metrics Global's unified commerce and payments platform enables you to sell anywhere and everywhere. Your customers expect a localized and seamless buying experience, and we deliver it globally with one simple technical integration point.

We connect you to a functionality-rich, cloud-based technology platform that scales to fuel your market expansion strategy and drives optimization and efficiency within your payments infrastructure.

Top direct selling brands partner with us to provide best in class payment solutions that add meaningful business value; ease of integration, speed to market, localization, payment method optionality, and transaction security.

Getting to the Next Level: Wisdom for Field-Leader-to-Founder Execs

For companies born of passion for the channel there are some key priorities

By Jenna Lang Warford

The direct selling channel is an industry born, and sustained, through passion. Both legacy companies as well as new startups are often founded by a leader who had his or her start successfully leading a sales organization. **Mary Kay Cosmetics, Amway, It Works!, Senegence, ACN and Neora** are among the most well-known examples.

Garrett McGrath, a former CEO who is also president of the Association of Network Marketing Professionals and has been a top field leader for over 30 years, says, "A founder who has never built in the field before tends to look just at the aggregate numbers or is more focused on 'streamlining operations' or 'maximizing profits' rather than serving the people who are out there every day promoting the products and opportunity. I believe that over time, such CEO/founders will inevitably make decisions at times that will cause teams of field leaders to leave their company."

He continued, "It's not that it's intentional; it's just that the hundreds of daily decisions, large and small, that may affect the company's field leaders are exponentially easier to see and predict once you've walked in their shoes. Field-to-founder leaders have the advantage of

understanding (and caring deeply about, and perhaps agonizing over, at times) the impact that their decisions and actions will have on families' lives, perhaps tens of thousands of families."

While charisma and understanding what people want are crucial factors, there are other keys to helping a field-to-founder leader excel.

Paul Adams, a trusted advisor to both legacy and newer companies that are looking for growth strategy as well as CEO of Adams Resource Group, says, "In years past, I think people used to be able to take a company from zero to a hundred-million on brute force and charisma. While I think the days of going from zero to a hundred-million that way are probably behind us for the most part, maybe you can still get a company to a million a month on charisma and force of will. But at some point, you have to make good business decisions for the long term.

"Is the back office navigable and paying properly? Am I managing inventory? Do I have the supply chain figured out? Is shipping and handling performing well? Are there problems out in the field? Recognizing that none of these skills are usually in the wheelhouse

of a successful field leader, and then hiring to fill those gaps is essential."

Melissa Soete, whose leadership played a pivotal role in shaping sales strategy for founders at **Green Compass Global** from 2021 to 2023 and at **Color Street** before that, says today requires a different mindset and strategy.

"You have to be eyes-wide-open and understand today's consumer is savvy and demanding," Soete says. "The days of Doris Christopher are no more. That was a beautiful era of people that worked really hard and made brilliant things happen.

"Today's consumer requires top-notch technology and marketing; it's hard for me to wrap my head around how anyone could create success without experts in e-commerce tech and real, legitimate marketing," she adds. "(Customers) are on a website for less than one minute; they have to immediately 'get it' and have a transaction with no barriers—or at worst, they'll leave the site, and at best, they'll abandon cart."

Hubris: Just Say 'No'

Recognizing that creating and maintaining a strong sales organization is a key skill, but not the skill that creates a legacy company, requires humility.

"Founders that have been successful have what we would consider to be a high emotional EQ and an ability to be humble in their approach to the business," Sean Eggert, CEO of Hanna Shea Executive Search, says. "While they may have confidence in their ability to recruit, they understand their own shortcomings and are able to build a team that complements this. These leaders take in the thoughts and ideas of (the executives they've hired), people who are potentially smarter than them in their own respective areas."

Adams adds that it's important for a leader to know their own limitations and to be open to feedback from their team and field. "Letting go of some of the decisions, understanding that there are people out there that are probably better at it than you is crucial. That doesn't mean you just leave all decisions to your team, but when they bring you good ideas and give you a reason to back it up, then there's a good reason to listen to them."

Eggert agrees. "One of the most common issues we see with leaders-turned-founders is a lack of ability to delegate and empower their key corporate executives.

CONTINUED ON 16

GETTING TO THE NEXT LEVEL, CONTINUED FROM 15

Oftentimes, this creates a bottleneck within the company where all decisions need to run through the founder. This causes a situation where the founder is overwhelmed with having to be involved in every decision, so in turn, decisions aren't made, progress is slowed, and corporate employees are frustrated and left with a feeling of not being valued for their ideas.

“These field-leaders-turned-founders need to rethink how they manage their teams and embrace the ideas that are brought to the table in order to keep the team engaged and successful. Managing an executive team is different from managing a leader's downline. Both take a unique set of skills, but the former requires that the founder trusts the people that he or she puts in place to make the right decisions.”

Recognition Is Key

How does a leader recognize that while their opinion is strong and they have been successful in many areas or even had limited success in a particular area, managing all decisions isn't the best strategy for growth?

“First, you don't always know that you're doing it,” Adams says. “But if somebody says, ‘You know, you're doing this,’ maybe listen. You have to have a team around you that has a willingness and an ability to tell the hard truth. And as the leader, you have to have the willingness and ability to listen.”

“Being able to have real honest conversations is crucial. It's really hard, but it's worth the effort. You have to talk to a lot of people and understand exactly where your gaps are that you're trying to fill, or augment, or support so that you can be a better team versus just being the egomaniac at the top of the company. Jim Collins essentially says ‘Hubris is the greatest killer of companies there is.’ And when leaders think, ‘I can make all these decisions because look, I did it once and it'll surely work again,’ you fall into that hubris trap.”

Founders who have employed person after person (after person) in a particular role with little success should consider whether they're the problem. If the team reassures them that they aren't the problem despite the high rate of turnover, it's possible the problem is even bigger than the founder thought.



Solid Business Plans

A thorough and well-thought-out business plan is also key to success. Soete says, “Key to understanding the state of the industry right now is understanding that what worked five years ago is not working today. So founders should talk to industry executives about what has changed in marketing and technology that needs to be implemented from day one to create growth. To have a successful company today we have to be brilliant at e-commerce and marketing, and we have to be brilliant at our product; then we can put fuel on the sales with our reviews and person-to-person/relationship selling. But as a foundation, the other pieces have to be brilliant.”

She also believes that it's completely possible to compete with the “no shipping fees” that consumers focus on, and that it can be done in more ways than simply building shipping fees into the price of the products. “You've got to look at our

competition, which is Amazon, or even other e-commerce sites that have no shipping. The consumer has zero patience anymore for shipping. Of the four reasons people abandon a cart, shipping cost is No. 1. Forty percent of worldwide e-commerce sales are going through Amazon right now. If we can do the product right, and the e-commerce right, then the sales field puts fire on that. But it has to start with those two pieces.”

Foundational Character

One absolute key component founders will discover sooner rather than later, Eggert says, is that character counts. “It's important to note that the founders who have successfully made the transition (from sales leader to company founder) have a strong reputation not just with their team, but within the industry, for having high integrity, strong work ethic, and high character. Their reputation is part of the brand of the new venture. They know

what it will take to get the initial distributors into the company, oftentimes leveraging their existing relationships to ensure the organization will achieve lift-off.”

Their excellent character and their skill within relationships can often create a dynamic that is tricky to deal with though. Adams says, “If they came out of the field, that means they have people from their past they're going to attract to come be top leaders in their new company, people in the field who have their cell phone number.

“And because of the established relationship, they each think they have a direct pipeline to the decision-making process. Because ‘We used to go out together, we used to have dinner together, etc. And the relationships are critical. You want to maintain them, but you have to make decisions for the company as a leader. This requires a distributor's mindset, to some degree, but balanced with a corporate mentality.”

Creating a Bigger Solution

Great relationships can also add another burden to founders—one of being the “hot line” for top and even mid-level distributors. Adams says, “I knew a leader who kept getting all the ‘fix it’ calls from the field members, so he put a sales team in place to take those calls. But the sales team ended up being a glorified customer service team because all the top leaders just called the sales team to complain and get what they wanted.

“The solution ended up being that they made fix-it calls a customer service component. So if a leader called about something in their back office or something with a shipment, they went to a leadership service line. And the founder and

“Founders that have been successful have what we would consider to be a high emotional EQ and an ability to be humble in their approach to the business.”
— Sean Eggert, CEO, Hanna Shea Executive Search

sales team members got to say, ‘You know what? I don't handle that anymore. Why don't you call the so-and-so at the leadership customer service line.’”

Understand Funding

Forbes' standard is that the average company needs 18-24 months to reach profitability. Even when the expectation for generating revenue is much earlier, Soete says, “It's crucial to understand that cost to entry includes strategy, technology, tools, staff, product, events/travel; these are needed for launch and expenses for the first two years.” For the majority of companies, she estimates that to be \$3 million to \$4 million.

Leaders transitioning from field roles to founders must consider vital factors. These include grasping customer base expenses, realistic growth projections and effective product differentiation. There are also costs involved for distributor tools, content plans and understanding diverse demographics' perspectives. Investing in marketing and community-building across platforms is additionally imperative. These areas of expertise may not impact salaries but entail substantial costs not to be overlooked.

Consumer-Driven Changes

There are a few other things founders today need to keep an eye on, that are a reflection of today's market. In addition to expecting no shipping fees, today's consumer—which includes the distributor base—also looks for flexibility within opportunity. Two factors that used to be considered channel-standards—exclusivity of representation and technology fees—are now questioned by existing and potential distributors.

Regarding exclusivity, Heather Chastain, founder and CEO of the Bridgehead Collective, recently completed a generational engagement study that focuses on attitudes toward entrepreneurship in general and direct sales specifically. She says that today's entrepreneur will choose to represent a brand that allows them the authenticity of representing all brands they're interested in, over a company that limits participation with other direct sales companies.

Chastain says, “The idea that direct selling companies would be open to—much less encourage—Distributors to represent multiple brands is contrary to what many of us have believed... But for Millennials and Gen Z, who value authenticity, advocating one

brand and one brand only seems disingenuous. They may love the nutritional shake of another. Being able to share both, regardless of whether those are from two different direct selling companies, is important to them.”

As for technology fees, while standard for many if not most direct selling companies, they aren't the norm for those who are earning gig cash from Amazon, Uber, Airbnb or Etsy—that technology is included in the gig.

When it comes to creating strong direct selling companies, founders today face the similar challenges that founders in the past faced. To succeed, they must respond to market conditions and consumer attitudes with innovative solutions rather than traditional or conventional ones.

“If we can do the product right, and the e-commerce right, then the sales field puts fire on that. But it has to start with those two pieces.”
— Melissa Soete, Growth Strategist

SSN



Jenna Lang Warford is a Social Selling News Contributor.



Top Tips for Founder Success

The DO's & DON'Ts of Building Success



Use the Expertise You're Paying For

- Consumer response has drastically changed over the past few years.
- Ecommerce has become sleeker than it was even 12 months ago.
- Traditional compensation plans are now viewed as cumbersome.
- Market diversity has reached the point that the "minimum income" that appeals to Gen X causes "scam alarms" to go off in Gen Z.
- Perspectives on gigs have shifted drastically due to Influencer practices.

All of these factors mean that even the most successful, brilliant executive needs to heed the advice of the management team. When the CMO continues to bring up User Generated Content, it's not an effort to save money or jump on a trend, it's an observation that today's consumers don't trust the polished, beautiful images a corporation has spent considerable effort and cash on; instead they look for authentic recommendations from people they identify with.

Sales Won't Fully Support a Start-Up



Although significant sales can be driven by talented network marketing pros, a reserve of capital is still required for all the same expenses as a regular ecommerce business, including technology, infrastructure, employee compensation, product development, inventory, warehousing & shipping. It's not unusual for the first year to require an investment of \$1M or more, even foregoing office space and full-time, salaried employees for remote-working contractors.

Glitz and Glamour Can Wait... But Not For Long

Trips are a staple attraction of direct selling/network marketing. It's acceptable for a company's first trips to be less lavish than those of legacy companies, or even for the trips to be planned after the second year. Pro Tip: Base the trip on activity rather than leader-level, an incentive that is earned through specific behavior rather than attained through leader level. Leaders who don't earn trips aren't leading.

Full Access Is Hard to Take Back

Giving Master Distributors or Founding Distributors entrée into all executive decisions seems like a great way to earn their loyalty and ensure that you're making decisions that help them grow their businesses. But as talented and crucial as successful field leaders are, their strengths lie in building successful organizations, not in running successful direct selling companies... which today are truly ecommerce companies. There isn't an easy way to remove the privilege of being a decision-maker, but if that's the current situation, make sure there are formal conversations where the new boundaries are outlined and established.

The Money Rule, or Rule No. 1

Make sure commission snafus, when they occur, are fixed immediately. New founders may believe that since their "master distributor" is their best friend that these types of issues will be viewed with leniency—and they would be wrong.

The Diplomacy Rule, or Rule No. 2

When bugs are found in the systems (like those that create commission snafus) have the most diplomatic executive address the field. It's difficult to recover from any type of challenge that affects distributors' money; it's impossible to fully recover if the messaging isn't handled well. No matter how important a stake-holder is, if he/she isn't known for being a diplomatic communicator, have someone who is handle these conversations, both public and private.

The New Basics



For decades, direct selling companies relied on grit, charismatic personalities and events to drive the business. Today, the basics of ecommerce have to be mastered for a company to engage the consumers that distributors are driving to their sites. Have someone keep an eye on:

- Website load time
- Abandoned carts
- Individualized email campaigns

Price Isn't the Only Option

Amazon accounts for 40% of all online sales and no matter what your product is, it's your competition. If you're looking at lowering or even removing shipping prices, remember there are options other than absorbing them in product cost.



GAME CHANGER.

ELIMINATE ILLEGAL CLAIMS BEFORE THEY EVER GO OUT

For years, your compliance team has worked tirelessly to find and resolve inaccurate online income, product and lifestyle claims after they have already been posted.

Introducing **FieldCheck™** — the first and only system that can prevent improper claims from ever reaching the internet ... and even suggest to your field new ways they can deliver the right message, directly from their favorite mobile and social media apps. **Contact us today for a demo.**

MOMENTUMFACTOR
WE PROTECT - WITH PASSION

512.690.2134 • hi@momofactor.com

fully integrated with



PRODUCTION AND EVENT COMPANIES

LISTED IN ALPHABETICAL ORDER

Each month, *The Ranks* spotlights companies, people or trends that are important to the direct selling channel. This month, *The Ranks* includes production and event companies, listed in alphabetical order. *The Ranks* will vary monthly in type of information and in number of items included.

COMPANY NAME	LOCATION	YEAR FOUNDED	CONTACT INFORMATION	WEBSITE
ADI Meetings and Events	Scottsdale, AZ	1982	Dianna Crnkovich dianna@adimeetings.com	adimeetings.com
Bartha	Columbus, OH	1946	John Killacky johnk@bartha.com	bartha.com
Display Group	Detroit, MI	1991	Richard Portwood rp@displaygroup.com	displaygroup.com
Gettings Productions	Ocoee, FL	1975	Mike Redding mredding@gettingsproductions.com	gettingsproductions.com
Katapult Events	Orlando, FL	2018	Erik Johnson erik@katapultevents.com	katapultevents.com
Maritz Global Events	Fenton, MO	2016	info.maritzglobalevents.com	maritzglobalevents.com
Multi Image Group	Boca Raton, FL	1979	Monica Ballerano monica.ballerano@mig.cc	mig.cc
Solomon Group	New Orleans, LA	2009	Adan Murad adan.murad@solomongroup.com	solomongroup.com

Fortify your Defense

with  **FIELDWATCH**
POWERED BY MOMENTUM FACTOR

PROTECT YOUR CASTLE FROM ALL SIDES.

Regulators are marching and direct selling is coming under attack. Direct Sales companies can no longer ignore the regulatory challenges on the horizon. With the increased scrutiny of regulators, consumer advocates and industry foes, improper income and product claims are an existential threat to your business.

The FieldWatch™ platform is the answer – powering the compliance management efforts for the world’s finest direct selling companies.

“Having a monitoring program in place that is effective at finding claims, follow up and training is going to go a long way with us.”
- Andrew Smith, Federal Trade Commission

CONTACT US TODAY FOR A DEMO!

hi@momofactor.com

512.690.2134

MOMENTUMFACTOR
WE PROTECT - WITH PASSION



“*Social Selling News* has become a trusted source for the entire leadership team here at Theorem. The top news and features give us a broader view of the entire direct selling industry and shape many of our most important decisions.”

SSN SOCIAL SELLING NEWS
Insightful. Actionable. Compelling. Independent.

- **Brian Palmer**
CEO, Theorem

Avalara
avalara.com

BlooKanoo
blookanoo.com

ByDesign Technologies
bydesign.com

Dion
eadion.com

DirecTech Labs
directechlabs.com

DSA
dsa.com

Exigo
exigo.com

Hanna Shea
hannashea.com

IDSTC
idstc.com

InfoTrax
infotraxsys.com

i-payout
i-payout.com

Jenkon
Jenkon.com

Metrics Global
metricsglobal.com

Millar & Kreklewetz
taxandtradelaw.com

Momentum Factor
momofactor.com

Nexio
nex.io

Nuvei
nuvei.com/en-us

Rallyware
rallyware.com

**Serendipity
Executive Search**
serendipityexecutivesearch.com

Strategic Choice Partners
strategicchoicepartners.com

**Thatcher
Technology Group**
thatchertech.com

Trinity Software
trinitysoft.net

Verb
verb.tech

Xirect
xirect.com

We are so thankful for our advertisers, who provide important support to our mission of providing insightful, actionable, compelling and independent content to our readers.

We Hope You Feel The Love.

THANK YOU!

SSN SOCIAL
SELLING
NEWS
Insightful. Actionable. Compelling. Independent.

socialsellingnews.com | [f](#) [t](#) [in](#)

SET YOUR COURSE FOR 2024

JOIN US at the DSA START Summit January 15-17.

Come together with your colleagues and peers from across the channel at the Disney Yacht Club Resort, and get the tools you need to facilitate smooth sailing ahead!

Reward yourself and your key team players with a new conference experience designed to move beyond the same old stories and hype.

Get down to business with direct selling's leading movers and shakers as you set new resolutions and establish daily rituals to chart your course for growth and innovation.

This limited attendance summit will include platinum supplier partners to enhance your knowledge and ability to share with your peers.

Fun, sun, and learning await this January in sunny Florida!

Register today, get ready to push the boundaries of what you know to head toward a bright new horizon.



dsa.org/start



DIRECT SELLING ASSOCIATION

DSEF Conference Focuses on ‘Building Trust in the Marketplace’

The **Direct Selling Education Foundation (DSEF)** recently sponsored the “Building Trust in the Marketplace,” conference at Emory University, which brought together academics, state and federal regulatory officials, consumer protection advocates, and industry representatives to discuss the state of trust in the marketplace. The event was hosted by DSEF Fellow Dr. Sandy Jap, a professor of marketing at Emory University, and Dr. Kent Grayson, an associate professor of marketing at Northwestern University. Building and sustaining a healthy marketplace, particularly in the direct selling channel, was at the center of the conversation. Conference sessions included a variety of views with questions from consumer protection advocates about some industry practices, as well as proposed business regulations from regulators. Presenters at the conference included those from Auburn University, Northwestern, Northeastern, University of North Carolina (Greensboro), University of Colorado (Colorado Springs), and Rutgers Business School.

Avon Products to Roll Out in UK-Based Superdrug Stores

Avon Products has partnered with Superdrug, a retailer with over 830 health and beauty stores in the United Kingdom. Starting on Oct. 11, 150 of Avon’s iconic beauty and skincare products will be available on store shelves for the first time—in 100 Superdrug locations. Products will also be for sale through the retailer’s website Superdrug.com starting Oct. 9. Included in the product launch lineup will be items from Avon’s best-selling Anew line as well as lipsticks available in 15 shades. The retail agreement is part of the beauty brand’s efforts to become “a truly omnichannel beauty company.” According to Angela Cretu, CEO of Avon, “At Avon, we’re all about bringing aspirational beauty at irresistible value to consumers however they want to shop with us, whether that’s with high-touch service from one of our beauty advisers or with high street convenience at Superdrug.”

DSA Hosts Annual Day on Capitol Hill for Independent Workers

The **Direct Selling Association (DSA)** once again brought together more than 75 direct sellers and executives representing 12 DSA member companies for its annual DSA Day on Capitol Hill. Attendees from across the United States met with 60 Members of Congress to discuss the benefits and low-risk opportunities direct selling provides toward entrepreneurship. The group also advocated for legislative protections for independent workers and shared how other regulations have impacted their businesses. DSA President and CEO Joseph N. Mariano demonstrated his support of independent direct sellers as well as encouraged those from member companies to meet with elected officials so they can share their stories with regulatory decision makers. He said, “There are no better advocates for the value of direct selling to entrepreneurs in all 50 states than these independent workers.”

In Memoriam: Sales Leader and Influencer Jessie Lee Ward

Jessie Lee Ward, or “Boss Lee,” a top distributor and member of the corporate team at Prüvit, passed away Sept. 16, 2023, after a brief battle with colon cancer. Born in Middletown, Maryland, on Oct. 12, 1987, she studied marketing and communication before entering direct selling in 2015. Ward quickly rose through the distributor ranks at Prüvit, becoming its top earner and recruiter with a network totaling 1.6 million customers and 21,000 promoters across 41 countries. She was also an author, coach and public speaker, having written *The MLM Queen* and *Boss Up*. She became a well-known influencer on social media platforms with over 1 million subscribers as well as hosted the podcast *The People’s Mentor*, discussing leadership, business, mindset and motivation. Ward had shared her fight with stage 4 colon cancer openly on her social media after being diagnosed in March. “We will always remember Jessie Lee as our shooting star,” Prüvit said in a statement. “...Jessie Lee dreamed big, loved big and always made it happen in a big way.”

AdvoCare Foundation Grants \$330,000 to Nonprofits Helping Children and Families

AdvoCare’s charitable organization, The AdvoCare Foundation, has selected grantees for 2023-2024. Totalling \$330,000 in funding, the grants will go toward improving the well-being of children and families in vulnerable communities through programs that provide healthy food, exercise, and nutritional education. Grant recipients include: Alliance for a Healthier Generation Inc. (nationwide); Boys & Girls Club of Dallas (Dallas); CHOICES (Atlanta, Georgia); Iowa Healthiest State Initiative (Des Moines, Iowa); LA’s BEST Afterschool Enrichment Program (Los Angeles, California); Mission2Move (Cincinnati, Ohio); The North Texas Food Bank (Dallas); Optimist Youth Services (Los Angeles); The Partnership for a Healthy Mississippi (Flowood, Mississippi); Servicios De La Raza (Denver, Colorado); The Concilio (Dallas); United Way of Metropolitan Dallas (Dallas); Urban Youth Impact (West Palm Beach, Florida); Vetri Community Partnership (Philadelphia, Pennsylvania); and YMCA of Metropolitan Dallas (Dallas). Founded in 2015, the foundation has contributed over \$1 million to provide safety and improve health for families and children throughout the U.S.

Young Living Shares Digital Safety Course with Kids on National Online Learning Day

The **D. Gary Young – Young Living Foundation** recognized National Online Learning Day on Sept. 15 by offering a free online course that helps children and families safely navigate the digital space and prepare for its challenges. Created through a partnership with Hope for Justice, the course offers interactive scenarios, real-life stories, data, and videos that help parents prepare their children to identify risky interactions and avoid online exploitation. By completing the course, users will gain access to tools that teach them how to spot signs of danger, establish digital safeguards, and take action if a child is being cyberbullied. Parents, educators, caregivers, and more can benefit from the three-course module to better protect children worldwide. According to Arturo Fuentes, Young Living Essential Oils director of philanthropy, “Everyone is capable of becoming an advocate for children, and the online nature of this course makes it all the more accessible to a wider audience.”

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	NEXIO	11	HANNA SHEA	26
TRINITY	07	METRICS GLOBAL	14	JENKON	31
VERB	08	MOMENTUM FACTOR	19,20	INFOTRAX	32

Ann Summers Is New Member of DSA UK

Relationship-enhancement company **Ann Summers** has joined the Direct Selling Association UK (DSA). Founded in 1972, the company had a “mission to put women’s needs first,” by offering lingerie and bedroom products as well as a business opportunity to empower women who wish to earn additional income as independent brand ambassadors. According to DSA UK, officially the organization is in the process of onboarding Ann Summers as a Prospective Member. Susannah Schofield OBE, director general of the Direct Selling Association, shared that there had been a number of years of communication with the company to get to the point of membership, and their relationship has now been formalized. The size of the U.K. direct selling market is estimated to be \$1.2 billion annually, with almost half a million people working as independent sales representatives.

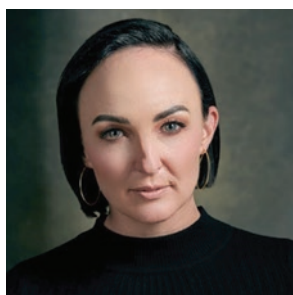
Bella Grace Plans Bold Expansion Strategy

Florida-based **Bella Grace Global** has announced an aggressive expansion strategy with target markets in Europe and the Middle East. This coincides with the launch of products in Canada and Australia, as well as the release of a new product line that includes a collagen-based wellness formulation and skincare range. The luxury and lifestyle brand has opted to step out of the traditional retail route and focus on the direct selling model, according to Bella Grace. That includes providing a platform that offers a business opportunity by combining the traditional affiliate marketing model with the influencer marketing model. As part of the rollout, Bella Grace Global is also releasing a book, *War to Wealth*. The book will offer insights and personal reflections, with a goal of guiding entrepreneurs through the challenges they may face, both on a personal level and as a business owner.

4Life Participates in Day of Service in Remembrance of 9/11

Utah-based Foundation 4Life, **4Life’s** philanthropic organization, took part in a National Day of Service and Remembrance project in honor of those who lost their lives during the tragic events of Sept. 11, 2001. Coordinated locally by the Granite Education Foundation, the day was established by a proclamation from the White House that stated Sept. 11, 2023, would be known as Patriot Day and National Day of Service and Remembrance. In observance of those who acted heroically to help others on 9/11, 20 4Life volunteers assembled 600 meal kits as part of a goal to reach 15,000 kits. Several other organizations also joined 4Life at the Granite Education Foundation warehouse to provide meals for over one-third of the student body in the Granite School District who qualify for free meals. The meal kits will offer nutritious food that will last over the weekend while the children are not at school.

People on the Move



SARAH CROCKETT, NATURE'S SUNSHINE

Nature's Sunshine Products Inc. has hired **Sarah Crockett** as global chief marketing officer. Crockett has over 20 years of experience in building lifestyle brands, driving digital and omnichannel strategies, and attracting next-gen consumers. She previously held the same role guiding the Dickies brand, and before that, Backcountry.com and Burton Snowboards.



MARIELA MATUTE, TUPPERWARE

Following the resignation of Madeline Otero, senior vice president and chief accounting officer of **Tupperware Brands**, Chief Financial Officer **Mariela Matute** has been appointed to also lead accounting until a successor is appointed. Matute recently joined Tupperware and has over 20 years of finance experience in technology, consumer, and manufacturing.



RODICA MACADRAI, HERBALIFE

Herbalife has appointed **Rodica Macadrai** to its board of directors. Macadrai is an Herbalife independent distributor, who has been with the company since joining in 1994 in Moldova. For more than 29 years, she has built a global business over 50 markets and become a top distributor among the company's Chairman's Club.



FRED REICHHELD, EXP WORLD HOLDINGS

eXp World Holdings, the parent company of **eXp Realty**, has added **Fred Reichheld** to its board of directors. Reichheld is the creator of the Net Promoter System, which measures customer and employee loyalty and satisfaction, and is an expert in the field. Reichheld also is a recognized speaker and best-selling author.



KATY HOLT-LARSEN, PARTNER.CO

Katy Holt-Larsen has joined **Partner.Co** as chief impact officer. Holt-Larsen brings over 25 years of direct selling experience to the role, including serving as president and CEO of **Kyäni** and president of North America at **Jeunesse Global**. She will now focus on collaborating with field teams to drive growth and develop leaders.



MATT LINFORD, PARTNER.CO

Partner.Co has hired **Matt Linford** as chief operating officer. Linford has spent over 20 years as a strategy and operations leader. Most recently, Linford has led operational transformations with Conservice and Vivint Smart Home. Linford will now develop a healthy operational organization and quality customer and consultant experiences.



ANDREA NEIPP, AMARE GLOBAL

Amare Global has promoted **Andrea Neipp** to chief marketing officer. Neipp previously served as executive vice president of global marketing for the company. With over 17 years spent in marketing, Neipp will maintain oversight of the global marketing organization as well as deliver marketing tools to field leaders and build the brand.



DEVON BURKE, RAIN INTERNATIONAL

Rain International has named **Devon Burke** as its new vice president of marketing. Devon brings 10 years of experience to this role, having worked in marketing, communication, retention and sales at **Isagenix International**, **Plexus Worldwide**, and **Rodan + Fields**. Burke will focus on the customer experience and field sales teams.

People on the Move



JUSTIN WILSON, RAIN INTERNATIONAL

Rain International has hired **Justin Wilson** as chief revenue officer. Wilson has worked in the channel for over 27 years. He has held various corporate positions, including with **Morinda (Tahitian Noni)** and **ASEA**, developing and executing growth strategies, forming international management teams, and creating incentive programs.



DAVID CASANOVA, QUIARI

Industry veteran **David Casanova** has joined **QuiAri** as vice president of global expansion. Casanova, who is originally from Panama, has spent more than 35 years in direct selling, having served as **Amway** Latin America's first employee. He went on to work in sales and marketing for multinational companies including **Nu Skin** and **Natura**.



DEMONT RAINGE, QUIARI

QuiAri announced the appointment of **Demont Rainge** as the company's chief operating officer. Rainge brings more than 20 years of experience working in operations, logistics and supply chain. He previously served as COO of **Jeunesse Global** after spending most of his career with **SIEMENS**.



EXECUTIVE COMMITTEE, GROUPE ROCHER

Groupe Rocher, parent company of Yves Rocher, **Arbonne**, **Stanhomes** and six other brands, has restructured its governance structure, creating a new Executive Committee. The committee includes **Jean-David Schwartz**, Group CEO; **Jeanne Renard**, Group People and Mission; **Laurent Delaurière**, Finance and Legal Department; **Stanislas Duthier**, Group Information Systems Department; **Vincent Taglioni**, Group Operations; **Alexandre Rubin**, CEO, Petit Bateau; **Guillaume Darrousez**, CEO, Yves Rocher, also in charge of Dr.Pierre Ricaud and Global Strategic Insights; **Jennifer Orlando**, CEO, Arbonne; **Matthieu Gomart**, CEO, Flormar; **Joffrey Chartier**, CEO, Sabon; and **Stéphanie Marnat-Chastenot**, CEO, Stanhomes.

GET IT RIGHT
THE FIRST TIME



Your most valued executive search partner for the direct sale industry

info@hannashea.com • www.hannashea.com



BYDESIGN

813-253-2235 x321
Sales@bydesign.com
9503 Princess Palm Ave,
Tampa, FL 33619

Top ranked Direct Selling, Party Plan and MLM software (SaaS), including Genealogy & Commissions, Inventory, Replicated Websites, Premier Rep Tools, Mobile App, Virtual Parties, E-vites, Hostess Rewards, Bookings, Social Sharing, Promotions, & E-commerce.

THATCHER TECHNOLOGY GROUP

55 Shuman Blvd. Suite 350
Naperville, IL 60563
866.698.3848
www.thatchertech.com



We provide direct selling's most configurable technology platform designed for social selling, network marketing, and party plan companies of every size.

DIRECT SALES EXPERTS EXECUTIVE SEARCH

8305 Via Vittoria Way
Orlando, FL 32819
(407) 489-3351
directsalesexperts.com,
craig@directsalesexperts.com



At Direct Sales Experts we have spent a lifetime (46 years) building relationships with the channel's strongest leaders. Utilizing our global network of 50,000 contacts, our focus is to identify, interview, qualify and deliver to you high performing proven leaders to help grow your business.



XIRECT

686 E 110 S Suite 104
American Fork, UT 84003
385-448-1800
https://www.xirect.com

Xirect helps companies reclaim control by providing flexible, reliable, and affordable software solutions so you can: Stop feeling forced to compromise quality, accuracy, and speed, Build trust with your field, reduce frustration, enhance productivity.



NEXIO

1-866-80-NEXIO
(1-866-806-3946)
sales@nex.io
727 N 1550 E 3rd Floor
Orem, UT 84097

Nexio is a purpose-built commerce platform for direct sales. Nexio's technology and services empower distributors to simplify payment complexity, optimize payment revenue, and scale to meet their needs now and in the future.



VERB

801-367-8032
mjo@verb.tech
782 S. Auto Mall Dr. Ste A
American Fork, UT 84043
www.verb.tech

The industry leader in cutting edge digital and physical sales and marketing solutions. Our digital prospecting and training platform provides Sampling, Training/ Education, and our new Mobile LMS. Call for a FREE demo.



I-PAYOUT

540 NE 4th Street
Fort Lauderdale, FL
www.i-payout.com
discover@i-payout.com
866-317-8772

Since 2007 i-payout has been the leading payment choice for pay out and pay in solutions. We pride ourselves on exceptional service paired with integrated and customized solutions.



MOMENTUM FACTOR

4801 Spicewood Springs Ste. 250
Austin, TX 78759
(512) 690-2134
www.momofactor.com

The leading global compliance monitoring, reputation management, and brand protection firm for direct sellers who want to lower costs, reduce risks and outperform their competitors.



RALLYWARE

1-877-858-8857
sales@rallyware.com
650 Castro St, Suite 120-376,
Mountain View, CA 94041

Rallyware mobile and web apps enable direct selling companies to onboard, train, and engage distributors by delivering personalized activities based on their individual performance data. Global industry leaders use Rallyware realizing 23X ROI on average.



BLOO KANOO

20280 SW Acacia St.,
Suite 100,
Newport Beach, CA 92660
(866) 943-2869
www.blookanoo.com

Bloo Kanoo is the first company to enable distributors around the world to conduct shoppable videoconferences, host shoppable livestreams and play shoppable videos directly on their own distributor sites. Bloo Kanoo's mission is to humanize the internet by eliminating the line between digital and personal selling.



JENKON

201 NE Park Plaza Dr.
Suite 218
Vancouver, WA 98684
(360) 256-4400
www.jenkon.com
solutions@jenkon.com

Innovation and stability are central to 5 decades of unprecedented, multinational success. JoT™, the Jenkon of Things, is a suite of digital commerce and sales performance technologies delivering state of the art user experiences. The newest solution: JoT Live Shopping integrates with any enterprise.

FLIGHT COMMERCE, INC.

1208 E. Kennedy Blvd., Suite 222
Tampa, FL 33602
(813) 277-0625
www.flightcommerce.com,
info@flightcommerce.com



Flight is the all-in-one software solution for direct, social & influencer selling, party plans & Affiliate marketing. Our commerce engine, consultant & custom portals, websites & headless commerce engine give your field ultimate control.



PENNY AI

375 Water St, Unit 250,
Vancouver, BC V6B 1B8
www.getpenny.com

Penny AI is the data-driven, enterprise platform built for social sales enablement, learning, and strategic insights.



EXIGO

1600 Viceroy Dr, Suite 125
Dallas TX 75235
(214) 367-9933
www.exigo.com
sales@exigo.com

We give you everything you need to operate a full-scale and premier direct sales company. We offer a flexible and scalable platform to give you a turnkey solution requiring little or no technical expertise.



INFO TRAX

1875 S State Street #3000 Orem,
UT 84097
(801) 431-4900
info@infotraxsys.com

InfoTrax Systems is a trusted global name in MLM software with over 30 years of commissions and network marketing expertise. We've created the first and only comprehensive platform software solution, FlexCloud.

Ask Us How to Feature Your Company Here!

Print and Digital Resource Directory Ads Starting at \$2,200/12 months.

Contact joyce@socialsellingnews.com



We get used. A lot.
(And we like it.)

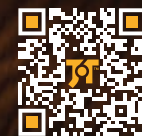
Our readers love us for our hard-hitting business news and articles. That means they're more likely to see your ad. Advertise today and get in front of direct selling's decision makers.

contact@socialsellingnews.com



التعاون مع القيادة العالمية في دبي
Collaborate with World Leadership in Dubai

Direct Selling's World Congress **October 16-18**



jenkon

innovation

www.jenkon.com



WFDSA 2023 دبي
 World Congress **DUBAI**



www.wfdsa2023dubai.com

Commissions For Every Cart & Plan

Integrate and win



Get FlexCloud

A Complete Solution Hub for Affiliate Marketing

