



Major Direct Sellers Beat Q2 Expectations

Primerica, Nu Skin, Herbalife and USANA report earnings.

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Canada's Cost Recovery Proposal Sparks Unease from Natural Health Product Marketers

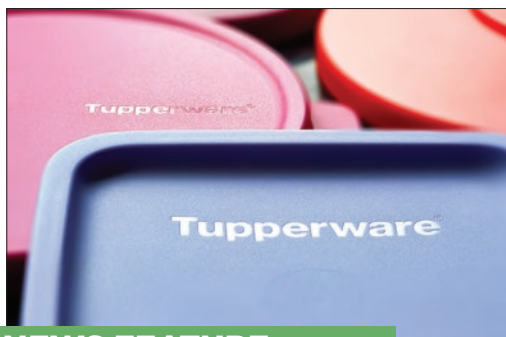


Through a formal response, the Canadian DSA voices concerns that proposed fees will have an adverse impact on direct sellers

In a significant development that could impact the accessibility and cost of natural health products (NHPs) across Canada, the country's national health department, Health Canada, has announced a proposed fee aimed at offsetting regulatory costs. Responsible for overseeing various aspects of health standards and wellness policy to ensure public safety, Health Canada unveiled the plan on May 3, revealing its intention to levy a fee on manufacturers and distributors of natural health products as part of an effort to enhance oversight and ensure product safety. The department closed public comments and

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TUPPERWARE COMES BACK FROM THE BRINK

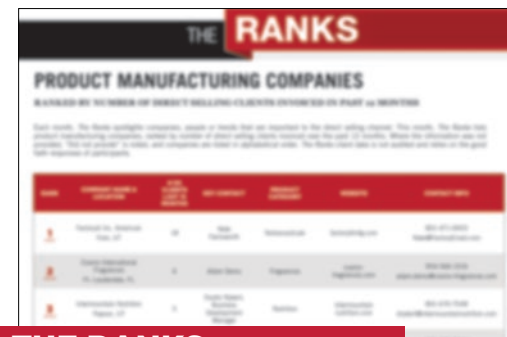
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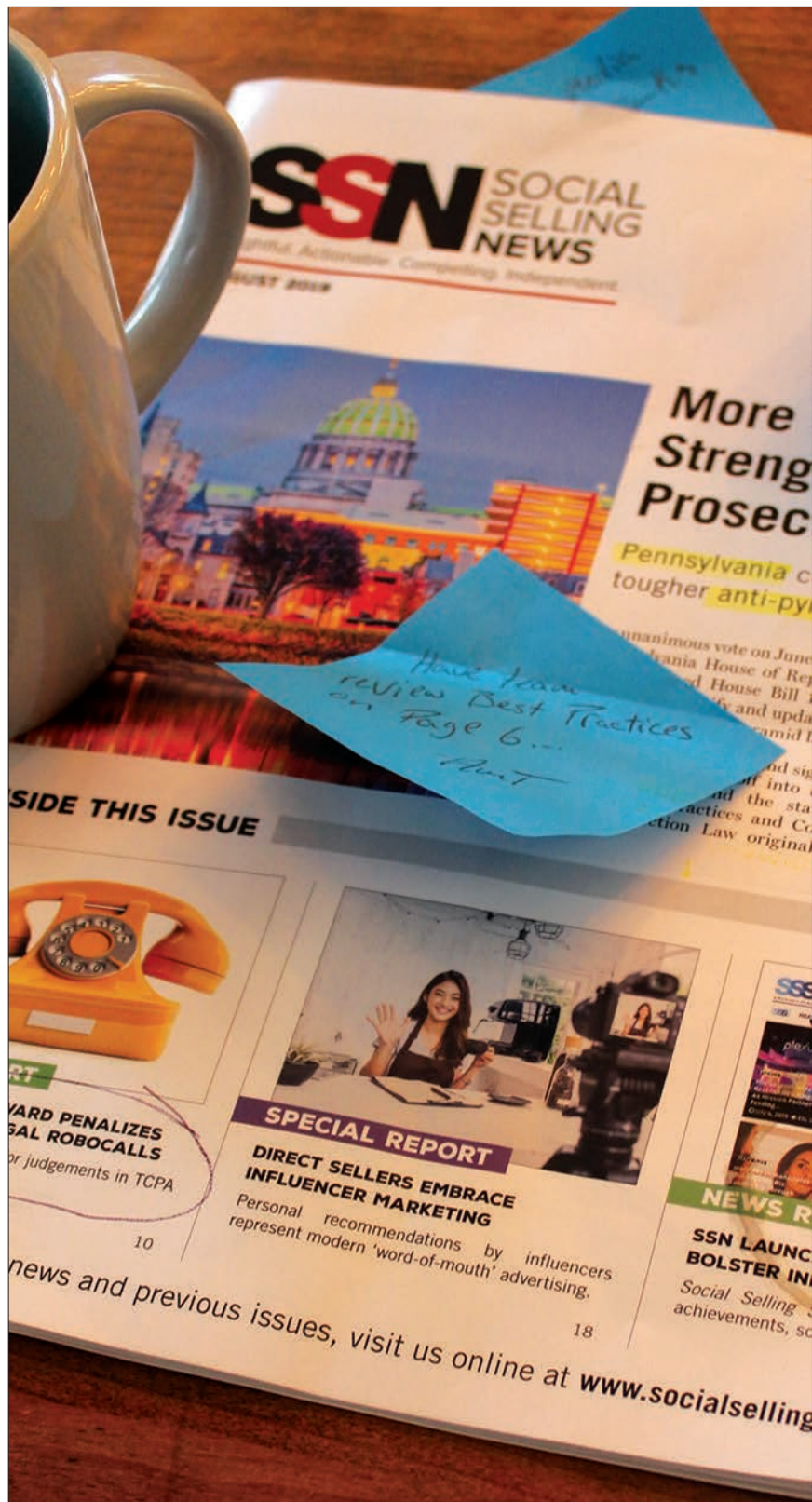
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PUBLISHER'S NOTE

Work Smarter, Not Harder to Unlock Efficiency and Success

Hello friends!

Have you ever worn yourself out working on a project for work or home, only to discover at the end that the blood, sweat and tears that you put into the job would have been lessened greatly if you had approached the work from a different perspective, or used a better tool?

I had to re-learn this valuable lesson recently when working on a home repair. If only I had remembered the invaluable mantra, "Work Smarter, Not Harder," and spent more time analyzing the problem and thinking of the most efficient way to solve it before jumping in, I would have saved myself hours of work and frustration.

I resolved to remind myself of this more often because I truly believe that this approach can transform not only mundane physical tasks,

but professional success as well. We are indeed creatures of habit. Our "auto-pilot" tendencies inevitably steer us down outdated or impractical paths of familiarity, even when a more efficient solution might be hiding in plain sight.

As the direct selling channel continues to shift, adapt, and reinvent itself, I believe this "work smarter" philosophy can be particularly valuable to both executives and field members.

With changes in consumer behavior emerging at the same rapid pace as advances in technology, there has never been a better time to reevaluate strategy and consider smarter, streamlined methods and tools for personal as well as organizational success.

Whether it be alternative methods to survey product interest, innovative sales team training

and productivity tools, or new technologies to streamline supply chain management, there are often better solutions waiting to be utilized. The key to finding them is maintaining a mindset of curiosity. Turn off the auto-pilot and form a new habit of always asking yourself: Is there an even better way to do this?

Wishing each of you a successful and efficient month ahead!

Warmly,



DAVID BLAND

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consultations on the proposal on Aug. 10, 2023, and is working toward an implementation date of April 1, 2025.

While proponents argue that the fee could bolster consumer confidence and quality control, critics express concerns about potential cost burdens on small and medium-sized businesses and how that could impact consumers who rely on these products. Opponents to the new fee also warn that Canadian consumers may order more non-compliant health products from outside Canada.

NHP Framework to Mirror Fees for Human Drugs and Medical Devices

According to Health Canada, the strategy of introducing fees, recognized as cost recovery, has been used for select health products since the 1990s, while natural health products in Canada have been regulated by the governmental department since 2004. By embracing cost recovery fees, Health Canada seeks to fund its operations without being solely dependent on public funding from taxpayers.

In a bid to establish consistency across various health product categories, Health Canada is putting forth a fee framework for natural health products akin to that which was enacted on April 1, 2020, for human drugs and medical devices. The proposed structure encompasses three distinct categories:

- 1. 100% coverage of overall expenses for site licenses (SLs).** This fee aims to provide financial backing for activities including new site license applications, site license renewal, and post-market compliance and enforcement efforts. In cases where a site undertakes multiple regulated activities, a single fee will be applied based on the most costly activity conducted at that particular site.

- 2. 75% coverage of overall expenses linked to pre-market evaluation (EVAL).** This fee is based on the time it takes Health Canada to review a product submission package, not including the time spent conducting the initial screening.
- 3. 67% coverage of overall expenses associated with the right to sell (RTS) NHPs.** This fee gives companies the exclusive right to sell their natural health products in Canada.

Small Business Mitigation

In an effort to lessen the impact of the new fees on small businesses, Health Canada is proposing a small business fee reduction. Defined as a company with fewer than 100 employees or between \$30,000 and \$5 million in gross annual revenue, including affiliates, small businesses will be eligible for the following fee mitigations.

- 100% reduction for first-ever NHP EVAL submission
- 50% reduction for all subsequent EVAL submissions
- 25% reduction for SL and RTS fees



Canadian DSA Makes Formal Submission Outlining Concerns

The Direct Sellers Association of Canada (DSA) submitted a formal response to Health Canada in August, outlining its concerns regarding the proposed fees for NHPs. In a bid to engage in the regulatory discourse, the DSA's submission highlights potential challenges and implications that the proposed fee structure could pose to the Canadian direct selling industry and its stakeholders.

The Association's submission highlighted seven issues that its leaders believe merit consideration before the fee schedule for NHPs is finalized.

1. Consumer Choice and Affordability

The DSA leaders believe that the cost recovery plan could lead to reduced product variety and the cancellation of new NHP formulations, affecting both Canadians and the economy amid inflation concerns. A majority of respondents to a NHP survey conducted by the DSA say they predict higher retail prices for Canadian consumers due to proposed cost increases.

Meanwhile, Health Canada is conducting a separate consultation titled "Consultation on Improving Access to Drugs and Other Health Products in Canada," aimed at addressing shortages and enhancing consumer access.

The Association's leadership suggests in its submission that the new Consultation appears inconsistent with the cost recovery proposal's recommendations and impacts, citing as an example that around 30% of surveyed direct sellers' NHP offerings are niche products that are crucial for consumer health despite low revenue. DSA Canada members foresee these products being removed with cost-recovery fees, impacting consumers' access to vital NHPs.

2. Economic Impacts

The DSA's report reminds Health Canada that the economic impact of NHPs sold through direct selling in Canada, valued at \$2.5 billion annually, encompasses consumer spending, taxes, investments and employment. This impact is multiplied by entrepreneurial opportunities for independent sales consultants. The Association argues that



the cost recovery proposal poses a risk to these impacts in both direct selling and the broader NHP industry.

The Canadian DSA also noted the absence of acknowledgment regarding the negative economic consequences of the proposal. The lack of a formal economic impact study during the planning and consultation period is seen as disappointing and fiscally irresponsible by the DSA.

Furthermore, the Association anticipates that the new fees will result in job losses, not only for NHP companies, but also for regulators, as fewer products are submitted for approval and companies reduce operations in Canada, thus reducing the number of staff needed to facilitate the fees.

3. Inhibiting Innovation

The DSA notes that innovation is vital for the direct selling industry, especially for smaller businesses, to differentiate and cater to evolving consumer needs. Bringing innovative products to market is risky, as success is uncertain.

However, the Association warns that the proposed plan would substantially increase costs for introducing new products, particularly in Class III or Class III Novel categories. Since many NHP formulations lack patent protection, the motivation to develop and market innovative NHP products will decline due to higher costs. The absence of refunds for unapproved product license applications further weakens this incentive.

"If Canada is not seen as a supporter of innovation, companies will invest their time and expertise in other countries, where they see a better chance of a positive return on investment," the DSA says in its submission.

4. Fee Structure

The DSA also reminds regulators that, industry-wide, the incorporation of cost recovery charges within Health Canada's Self-Care Framework is generally acknowledged. Most businesses are willing to pay for high-quality, transparent, timely, and customer-centric services.

Furthermore, the Association states that its members express readiness to adopt a fee-for-service approach if charges are reasonable and substantial service standard enhancements accompany them. This would establish certainty and predictability for both their domestic and global operations.

The Association highlights three distinct fees and types of fees from the proposal that present challenges for direct selling firms.

Firstly, a \$58,332 charge for a Class III novel application is overly restrictive, especially considering Health Canada's lack of clear definition for such products. Moreover, the proposed review time standard for these products is longer—300 days compared to the current 210 days, contradicting reasonableness, timeliness, and service standard improvement.

Secondly, the DSA states that importer site license costs exceeding \$20,000 could

“If Canada is not seen as a supporter of innovation, companies will invest their time and expertise in other countries.”
— DSA Canada

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.

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COVER STORY ▶▶

CANADA'S PROPOSAL SPARKS UNEASE, CONTINUED FROM 7

deter companies exploring entry into the Canadian market. This could also adversely affect businesses striving to uphold their own high standards.

Finally, the Association pushes back against the annual right-to-sell fee of \$542, suggesting that this fee will create obstacles for businesses with extensive product ranges or those catering to niche markets. This approach may result in the removal of significant products, leading to diminished investments and employment prospects.

5. Fee Calculations

Health Canada's fee structure calculations include charges allocated for funding prospective costs to support future NHP regulatory infrastructure. The Canadian DSA asserts that fees related to prospective costs might be regarded as a tax, obligating current market participants to finance future regulatory infrastructure. Health Canada lacks the authority to impose taxes without Parliamentary approval.

Should these charges not be deemed as taxes, the existing statutory authority for cost recovery strictly limits charges to actual costs. The Association maintains that prospective costs inherently surpass actual costs, thus remaining beyond Health Canada's authority and not constituting reasonable cost recovery.

Furthermore, charging for prospective costs could potentially clash with Canada's obligations under the CUSMA Trade Agreement. CUSMA restricts allowable fees for certain activities, such as "conformity assessments," to recovering approximate costs for completed services, excluding prospective or uncompleted services.

6. Entrepreneurial Impact

The DSA points out that there are over 1.1 million active independent sales consultants (ISCs) in Canada's direct selling sector. These ISCs, with 84% identifying as women, rely on the additional income from part-time direct selling endeavors to support themselves and their families. Annually, they generate \$1.57 billion in personal revenue, aiding mortgage payments, children's activities, and financial stability.

FEE LINE/CATEGORY	PROPOSED FEE AMOUNT (2025) (\$CAD)
Pre-market evaluation (EVAL)	
Class I application or amendment	\$1,124
Class II application or amendment	\$2,761
Class III application or amendment	\$7,209
Class III novel application	\$58,332
Class III novel safety and efficacy amendment	\$23,333
Class III novel quality amendment	\$8,750
NHP site licenses (SL)	
SL applications or amendments	\$4,784
Annual SL - manufacturing - sterile dosage form	\$40,071
Annual SL - manufacturing - non-sterile dosage form	\$23,071
Annual SL - importation	\$20,035
Annual SL - packaging	\$7,650
Annual SL - labelling	\$6,921
NHP right to sell (RTS)	
NHP RTS (per NPN or DIN-HM)	\$542

Around 45% of current ISCs in direct selling earn income from selling NHPs. However, the DSA argues that Health Canada's proposal could negatively impact ISCs by reducing product options, stifling innovation, and causing companies to exit the Canadian market.

7. Personal Use (Not-For-Resale) Exemption

Raising a point of particular importance to direct sellers, the DSA asserts that the Health Canada proposal poses the risk of burdening small and medium-sized businesses with unaffordable fees, causing larger businesses to reconsider their operations in Canada due to the added expenses.

One potential strategy for international companies is shipping from non-Canadian warehouses to consumers using Canada's personal use exemption. This exemption allows Canadian consumers to order up to 90 days of non-compliant products from outside Canada. Some non-resident and non-DSA Canada member direct sellers already employ this approach, while others use it temporarily or partially to navigate licensing delays.

The DSA, along with industry responders, expresses concern that the proposal could lead to increased orders of non-compliant products from outside Canada and international companies adopting this method for Canadian business. This could disadvantage businesses fully committed to Canadian regulations.

These shifts could elevate consumer risk by promoting consumption of unregulated products, reduce investments and tax revenues in Canada, and diminish income prospects for direct selling independent sales consultants. This is because products under the personal use exemption cannot be marketed or generate commission revenue in Canada.

Proposal's Potential Impact on Direct Selling in Canada

The Health Canada proposal has wide-ranging implications for the direct selling industry, especially for the significant number of active independent sales consultants who play a significant role in Canada's economic landscape.

The proposal's potential to impact businesses of varying sizes, alter market dynamics, and influence international operations could reshape the industry's trajectory and the future landscape of the direct selling sector in Canada.

SSN



David Bland is the publisher of Social Selling News.

Primerica, Nu Skin and USANA Beat 2Q Expectations While Herbalife's Slump Continues

Acquisitions, new products and a strong Chinese market benefit major direct sellers

By Dave Rauf



Primerica

Primerica reported an uptick in sales and profit during the second quarter of 2023, spurred by growth in its life insurance division and improved results in its senior health business.

The Georgia-based life insurance and financial services company reported profit of \$144.5 million for the quarter, an increase of 13% compared to the period a year ago. Sales were also up 3% to about \$688 million.

CEO Glenn Williams told analysts during a recent earnings call that second quarter results reflect continued and predictable growth in the company's life insurance division.

During the quarter, Primerica issued 97,000 new term life policies, up 9% year over year.

"Growth in our sales force and the appeal of our life insurance products are creating sales momentum despite the continuing financial pressure on middle income households," Williams said during the call.

A lucrative part of Primerica's business—its Investment and Savings Product—reported sales of

about \$215 million in the period, down 4%. Results in this segment improved, Williams said, as equity market recovery positively impacted client asset values.

Despite economic uncertainty, Williams said clients remain focused on their long-term investment goals.

"However, new sales are still under pressure," he said. "We believe the compounding impact of high inflation over the last few years has slowed middle-income families' ability to invest for the future."

Primerica's senior health business also benefited during the quarter from the "absence of a negative tail revenue adjustment." Last year, the segment experienced a \$5.4 million negative tail adjustment during the second quarter.

The Numbers

- Profit: \$144.5 million, up 13%
- Revenue: \$688.4 million, up 3%

Recruiting and Licenses on the Rise

During the quarter, Primerica said it recruited 86,000 new representatives, a 23% increase compared to the second quarter of 2022. And the company said it had more than 12,600 new reps licensed during the quarter, a 10% improvement year over year. The

company now has almost 138,000 reps licensed to sell life insurance and is projecting a 3% to 4% increase in its sales force for 2023.

"It's all kind of fundamental organic growth that we're seeing right now," Williams said. "So we expect recruiting to continue to be strong."



Nu Skin

The Utah-based seller of skincare and nutritional products beat Wall Street earnings estimates during the second-quarter but lowered its full-year financial outlook because of economic pressures and soft sales in several key global markets.

For the quarter, Nu Skin posted sales of \$500 million, a year-over-year decrease of 11%, as revenue declined in just about every global region the company sells its products. The lone exception: China, where sales increased by 8% on a constant-currency basis.

But CEO Ryan Napierski told analysts during a recent earnings call that the company's growth in China during the quarter was offset by weaker-than-expected sales in other markets. Additionally, recent product launches in the Americas and South Korea performed below expectations.

In all, a variety of macroeconomic headwinds, Napierski said, are hurting customer sentiment and spending. And aggressive price increases Nu Skin implemented over the past several quarters in markets around the world "has led to sluggish sales channel performance, most notably in developing markets, including Southeast Asia Pacific, Europe and Africa and Latin America," he said.

"While we remain confident in the direction and future outcome of our strategy, the persistence of macro headwinds has made the journey more challenging than expected, especially over the past several quarters," Napierski added. "Nevertheless, we remain committed to our strategic direction."

The company reported second-quarter profit of \$26.9 million, down 21% compared to the same period a year ago.

However, Nu Skin officials are encouraged about the second half of 2023. Napierski said there are positive signs—growth of paid affiliates and sales leaders during the second quarter—that point toward "sustained second-half growth."

Nu Skin said it expects revenue in the range of \$500 million to \$540 million for the third quarter.

The company expects full-year revenue to range from \$2 billion to \$2.08 billion. Earlier this year, Nu Skin projected full-year revenue would be between \$2.03 billion and \$2.18 billion.

The Numbers

- Total Profit: \$26.9 million, down 21%
- Total Sales: \$500 million, down 11%
- Americas Sales: \$107.6 million, 14%
- Europe and Africa Sales: \$46.9 million, down 8%
- China Sales: \$88.3 million, up 2%
- Southeast Asia/Pacific Sales: \$63.7 million, down 32%

Smart Beauty Devices

Nu Skin is betting big on IoT-connected beauty devices. The company launched its first smart

beauty device last year—LumiSpa iO—and is now ready to launch its second product in the connected-device segment: the WellSpa iO.

Napierski told analysts the new device system is scheduled to launch in several markets during the third quarter of this year and is expected to roll out in nearly all markets by the end of 2023.

The smart device segment is a key part of Nu Skin's product personalization strategy, offering customized treatment options, intelligent coaching, and skincare routine tracking. The devices are intended to be coupled with the company's consumer-facing app that offers product personalization, providing Nu Skin with valuable customer data about product usage.

"With the introduction of this next device, we expect to make steady progress towards our annual goal of 15 percent of revenue coming

from connected device systems on our way to the longer-term target of 30 percent of revenue by 2025," Napierski said.

Acquisition Finalized

During the second quarter, Nu Skin also completed its acquisition of BeautyBio, a beauty device brand with an omni-channel marketing strategy.

Through the acquisition, Nu Skin obtained BeautyBio's patents for products focusing on hydration facial and micro-needling technology—both fast-growing segments in the beauty device market that Nu Skin plans to leverage.

BeautyBio will continue to operate independently as its own company, Napierski said, but Nu Skin "will look at their IP and we'll look at opportunities to incorporate some of that technology into our Nu Skin business."



HERBALIFE NUTRITION

Herbalife

Herbalife's profit declined by 30% during the second quarter as a sales slump continued in the company's two biggest markets: North America and China.

The direct selling giant reported net sales totaled \$1.6 billion during the quarter, down almost 6%. That included a roughly 12% decline in North America to \$303.6 million and 15% decrease in China to \$88 million.

Net income for the second quarter was \$59.9 million, down from

CONTINUED ON PAGE 12

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PRIMERICA, NU SKIN AND USANA BEAT 2Q EXPECTATIONS, CONTINUED FROM 11

\$86.5 million during the same period a year ago.

CEO Michael Johnson told analysts during a recent earnings call that the company's performance improved compared to the first quarter of this year, and that it marked a second consecutive quarter of improved sales.

"We are building strong momentum and our trends are improving," he said. "I can confidently say we're making steady progress."

Company officials cited a 10% price increase put in place last year across most global markets for helping bolster sales figures.

Revenue in the company's Europe/Middle East and Latin America regions was flat during the period, while Asia Pacific was down nearly 6% for the quarter.

In North America, a key market for the company, Johnson said Herbalife remains "laser-focused" on creating new engagement with customers and distributors through the launch of several new initiatives, some of which will be focused on "healthy active lifestyle activities."

Herbalife did not release a revenue forecast, but company officials reiterated that they expect to see growth in the fourth quarter of this year based on trends in the market.

The Numbers

- Total Profit: \$60 million, down 30%
- Total Sales: \$1.3 billion, down 6%
- North America Sales: \$303.6 million, down 11.6%
- Europe and the Middle East Sales: \$289 million, FLAT
- Latin America Sales: \$207 million, FLAT
- Asia Pacific Sales: \$425.8 million, down 5.5%
- China Sales: \$88 million, down 15%

Vegan Product Launch

Earlier this month, Herbalife launched its first vegan line of supplements for the U.S. market, Herbalife V.

During the call with analysts, Johnson said the line contains five plant-based products, including protein shakes, a greens booster, and a digestive support and immune support product.

"I can attest, they all taste great," Johnson said.

Herbalife executives said they are hoping the plant-based product line will open the door to a new group of customers and distributors, while also providing an opportunity for existing distributors to expand their business.

The company already has a vegan line of products in Europe and in parts of the Middle East, Johnson said. He added: "We've got an incredible product line here that we're just super proud of."

New Chief Strategy Officer

During the earnings call with analysts, Herbalife also introduced Stephan Gratziani as its new chief strategy officer.

Gratziani spent 32 years as an independent distributor, selling the company's products across global markets. He was one of Herbalife's top three independent contractors in the world last year.

One of his primary roles will be to create new synergy between the company and its distributors. Johnson called the move a "game-changer" for Herbalife.

"He brings a new voice inside the company, the voice of the distributor with valuable field experience," Johnson said. "In the ever-changing landscape of our business, we want the distributor voice to be even more integral as a part of our company."



USANA

USANA Health Sciences reported profit of \$17.3 million for the second quarter, and stronger-than-expected sales in China that helped the company beat expectations for the period.

Overall, the company's profit for the quarter was down 9%. USANA said sales totaled \$238 million during the period, down 10%.

CEO Jim Brown said USANA saw its active customer counts stabilize during the three-month period, while the company continued to make progress on several long-term strategic initiatives.

He said second-quarter operating results exceeded expectations.

"Although we remain in a fluid operating environment that is being influenced by inflationary pressures, we are generally pleased with the net sales and active customer counts and recognize that there is far more work to do to generate growth," Brown told analysts during a recent earnings call.

The biggest bright spot for USANA during the period came from Mainland China, where sequential improvements in sales were driven by strong demand from a small market-specific promotion offered during the second quarter.

Brown said China is still in the process of reopening following COVID-19, and the company expects to see continued improvements in the market, though he cautioned that consumers are still feeling the pinch from inflation.

"We are pleased with our performance in this market,

particularly given the macroeconomic environment. The country continues to reopen, allowing us to hold more in-person meetings and re-engage with our customers in our single largest market," he said. "We are, however, continuing to see an impact on consumer spending from broader inflationary pressures, which are affecting customer purchasing decisions."

USANA also updated its guidance for 2023 to \$900 million to \$950 million, up from a previous forecast of \$875 million to \$950 million.

The Numbers

- Total Profit: \$17.3 million, down 9%
- Total Sales: \$238 million, down 10%
- Asia Pacific Sales: \$193.6 million, down 11%
- China Sales: \$128.7 million, down 8.5%
- Americas and Europe Sales: \$238.2 million, down 10%

New Global Market

USANA plans to open up shop in India in late 2023. It will become the company's 25th global market.

During the call with analysts, Brown said the new market expansion is several years in the making.

"India is an exciting and compelling market opportunity," he said. "I would like to stress that our approach to expanding and growing this market will be intentional and will focus on long-term sustainable growth."



Dave Rauf is a Social Selling News Contributor.

Tupperware Emerges from Brink with Debt Restructuring, Shares Rebound

The iconic brand secures an agreement to reduce debt, re-establish financing, and extend deadlines, signaling a potential turnaround

By SSN Staff

Tupperware, recently presumed dead after announcing earlier this year it might not be able to stay in business, appears to have new life.



The party plan giant announced in August it had finalized an agreement with its lenders to restructure its debt, narrowly avoiding going bust in the process.

The deal with its creditors will reduce interest payment obligations by \$150 million. Tupperware also secured \$21 million in new financing, an extension on the deadline for paying back about \$348 million in debt and a reduction in the amount of debt it owes by around \$55 million.

Tupperware shares surged in early August on news of the lending agreement.

"I am confident that this agreement provides us with the financial flexibility to continue executing on our near-term turnaround efforts as well as our long-term strategy to create a global omni-channel consumer brand," Chief Financial Officer Mariela Matute said in a statement. "We are committed to making ongoing progress in improving liquidity and strengthening our capital structure. We appreciate the support of our lenders, who share in our strategy, as we move forward."

In April, the company announced it was struggling to survive as a sales slump coupled with mounting debt were pushing it to the brink. At the time, the company said in a regulatory filing that "there is substantial doubt about the company's ability to continue as a going concern due to anticipated non-compliance with financial covenants and inadequate liquidity to fund its operating costs and obligations in the near term."

Tupperware warned that it could violate obligations in its credit, and that cash flow was a top priority. And for months, the company

had been discussing financing options with advisers to avoid shutting down the iconic direct selling brand.

To help with ongoing debt issues, the company also appointed Brian Fox, a managing director with Alvarez & Marsal's North American Commercial Restructuring practice in New York, as its chief restructuring officer.

The company's recent problems also extended to the New York Stock Exchange, which sent Tupperware two noncompliance notices in the span of three months earlier this year. In June, the NYSE told the company it was in noncompliance because its market capitalization was too low, and that its average closing price of its stock was less than \$1 over 30 consecutive trading days.

The NYSE gave Tupperware 45 days to submit a plan before potentially delisting the company.

Now, with a new lending deal in place, analysts and investors appear satisfied for the time being, as the company charts its future.

Share prices started rallying in late July, ahead of the lending deal's announcement. That was when the company entered meme-stock territory with investors driving the value of Tupperware stock up five-fold before the restructuring deal was announced on Aug. 3. By Aug. 7 the stock had jumped to \$5.23 from a 52-week low of 61 cents on July 20.

Tupperware stock was trading at \$2.51 as of Aug. 24.

Along with its restructuring, Tupperware also announced on Aug. 24 that it had expanded the size of its board of directors to 13. As part of the lending deal, the company agreed to appoint an additional director with restructuring and turnaround experience.

To fill that role, Tupperware tapped Paul Aronzon, a strategic financial consultant who specializes in corporate reorganizations. He will chair the company's "Transformation Committee," which is focused on Tupperware's restructuring.

After years of slumping sales, Tupperware seemed to be on track to regain its footing financially. The company, which sells products in over 70 countries through its independent sales force, launched an ambitious three-year turnaround plan in 2020. This included an executive shake-up aimed at rejuvenating its beleaguered brand after years of revenue declines and falling stock prices.

That same year, Tupperware reported its first year-over-year sales increase in a quarter since 2017, and the company's stock rallied at the time in response. Things continued to look up, with retail giant Target starting to carry Tupperware products on store shelves in 2022.

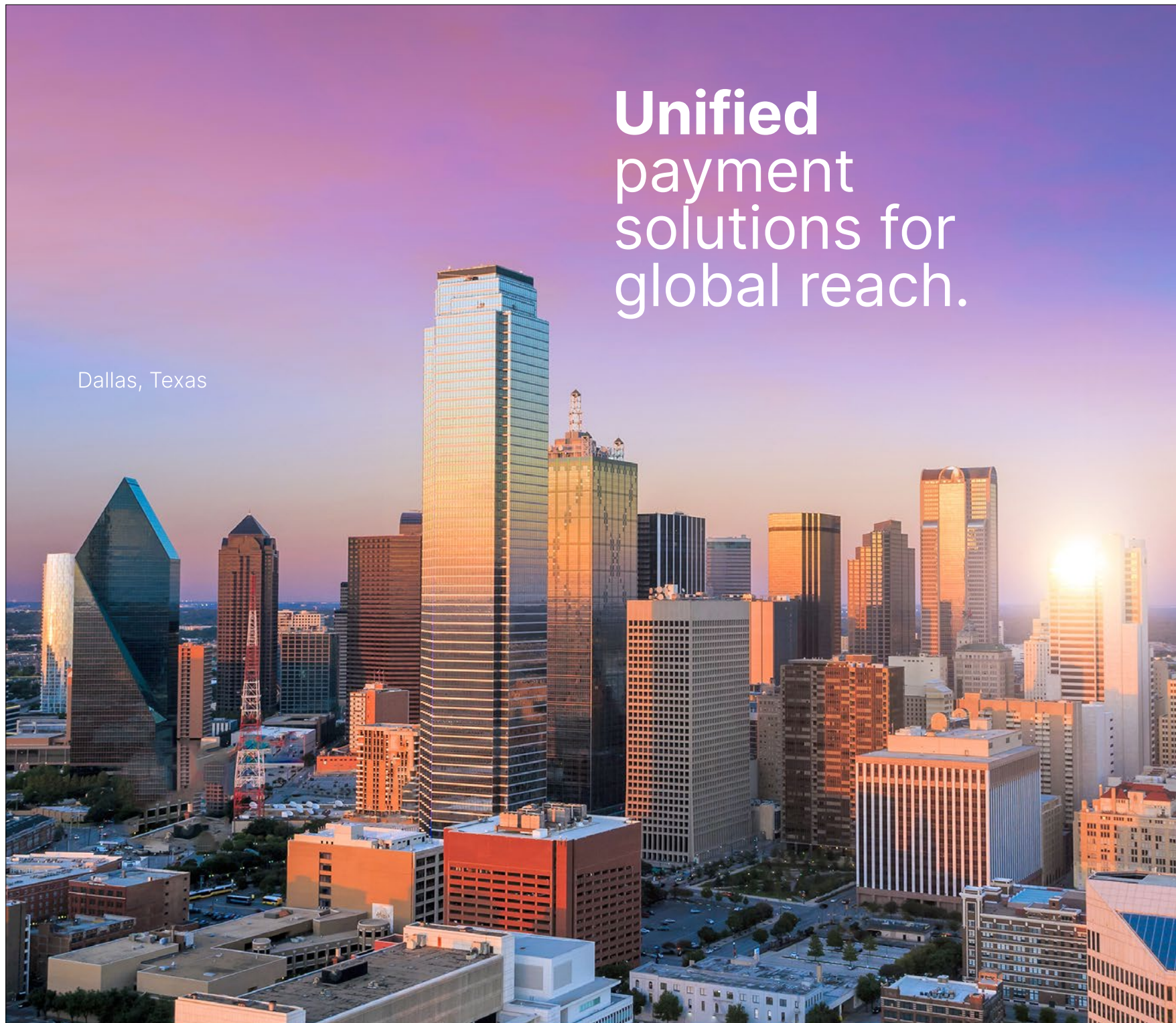
But Tupperware has faced additional challenges in recent financial quarters, as pandemic trends bolstering their sales have softened: More people have returned to restaurants and eating outside the home again.

In 2022, sales dropped by 18% to \$1.3 billion compared to 2021, and the company's stock price has plummeted 86% since last June.



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CBD Direct Sellers Optimistic About 2023 Farm Bill

The House Oversight Committee calls for more FDA action to ensure safe hemp product access

By Stephanie Ramirez

The Subcommittee on Health Care and Financial Services within the Committee on Oversight and Accountability (U.S. House of Representatives) held a hearing in late July, titled “Hemp in the Modern World: The Yearslong Wait for FDA Action,” to examine the failures of the Food and Drug Administration (FDA) to regulate CBD and hemp-derived products.

The backdrop of this hearing traces back to the pivotal 2018 Farm Bill, which not only ushered in the legality of hemp cultivation and the sale of hemp-derived goods but also affirmed the FDA’s jurisdiction over regulating these products.

The 2018 Farm Bill brought about significant changes to hemp product laws in the United States. One of the most notable changes was the removal of hemp from the list of controlled substances, effectively legalizing its cultivation, transportation and sale. This legislation defined hemp as cannabis containing no more than 0.3% THC by dry weight, distinguishing it from marijuana. Hemp is where cannabidiol, or CBD, is sourced from as it is the dominant cannabinoid in the plant vs. THC.

Consequently, farmers gained the opportunity to participate in legal hemp cultivation, promoting economic growth



in the agricultural sector. Additionally, the Farm Bill paved the way for increased research into hemp’s potential benefits, allowing universities and state departments to initiate pilot programs for cultivation. Overall, the 2018 Farm Bill marked a pivotal shift in hemp regulations, fostering a burgeoning industry for hemp-derived products such as CBD and textiles.

However, despite these legislative provisions, the FDA’s stance has been a subject of concern, with the agency seemingly reluctant to fully embrace its regulatory authority, as pointed out in a press release issued by the Committee on Oversight and Accountability on July 28.

This uncertainty has left CBD manufacturers in a gray market purgatory. Witnesses at the hearing included Jonathan S. Miller, General Counsel of the U.S. Hemp Roundtable, who stated during opening testimony, “unfortunately, the U.S. hemp industry has been struggling considerably in the last few years. This turmoil is due in large part to decisions made by the FDA. Lack of a federal framework has led to the proliferation of unregulated products, some of which raise significant quality, safety, and other consumer protection concerns.”

All the witnesses underscored that the absence of an FDA regulatory framework for hemp-derived CBD

has led to the increased availability of products containing potentially intoxicating cannabinoids, notably delta-8 THC. These products are being sold without oversight, and there are instances of them reaching minors.

While the witnesses unanimously reject the idea of criminalizing these products, they share a consensus on the necessity for robust regulations. The primary objective is to ensure safety and prevent access by children.

One of the key takeaways the Committee leaders gathered from testimony is that the public

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CONTINUED FROM 15

needs the FDA to do its job and regulate CBD for the benefit of the industry, farmers, businesses, and consumers alike.

“Without a federal regulatory pathway for requiring such standards, economic opportunities for U.S. hemp farmers will be diminished and consumers will not have access to safe, quality products,” Miller also stated during the hearing.

Committee member Rep. Glenn Grothman (R-Wisconsin) asked the witnesses what the economic consequences would be if CBD was regulated as a food supplement or additive by the FDA, and Miller responded by saying that according to a study from the Brightfield Group, it could mean a difference of \$5 billion if these regulatory pathways are made clear.

“It’s unfortunate that it’s taken this long for Congress to finally get a sit down with the FDA to get the ball really rolling here, but we’ve had a relatively long leash with CBD,” shared Nate Farnsworth, co-owner at Factory6, an integrated contract manufacturer and co-packer of supplements. “Being able to manufacture

products with it in the U.S. has allowed different companies to test the market and to get the product out there to consumers in different ways, albeit with some limitations,” he added.

The CBD industry is at a precipice of change, but despite the regulatory uncertainty currently clouding the CBD landscape, industry leaders and stakeholders remain resilient and hopeful for a transformative future.

Meredith Cook, co-CEO and co-founder of **Green Compass**, a mission-led provider of hemp-based wellness products out of North Carolina, says her team is excited about the 2023 Farm Bill. They believe it will have a most positive impact on the broader industry.

“We believe the Farm Bill will loosen bank regulations and better empower and reward farmers,” Cook shares. “It will implement fair and reasonable regulation and lift unnecessary restrictions. To us, it shows that there has been a close evaluation of what has and hasn’t worked for the industry in the years since the 2018 Farm Bill.”



“It’s unfortunate that it’s taken this long for Congress to finally get a sit down with the FDA to get the ball really rolling here, but we’ve had a relatively long leash with CBD.”
 — Nate Farnsworth, Co-owner, Factory6 Inc.

Consumer Perceptions of CBD Products

Recent published data from independent health research firm CFAH indicates that only 26% of Americans say they use CBD products, but that is expected to increase to 35% by 2024. However, according to a survey conducted among 1,500 respondents by CFAH, there are still a great number of people who are either hesitant to try it or have not found any CBD products that appeal to them.

Channel leaders suggest that one of the reasons demand has slowed is because many consumers may not have had a good experience with the products they tried or simply didn’t feel anything at all.

“What’s happened is that consumers may see two products, and they’re priced the same, but one has a thousand milligrams and one has a hundred – that’s a bad actor,” says Nicola Stephenson, co-founder of **Ohho**, a direct seller of hemp-derived products based in Bedford, N.Y. “At Ohho we make everything as strong as we possibly can. We’re not going to make anything that doesn’t work.”

Stephenson adds, “And I think the other thing that’s been very harmful to the industry are the claims, like, it can cure cancer, well, it definitely can’t. There’s anomalies everywhere, but it is just so misleading to people. I think the potency has got to be there. The transparency’s got to be there.”

While keeping a positive outlook for the future of the industry, Farnsworth feels it’s going to take a long time to recover from the effects the bad actors had on the industry early on.

“I think it’s an unfortunate situation that we’ve gotten into,” he says. “There were, I think, enough bad actors early on that were hyper inflating the effects of CBD and oftentimes diluting and not accurately reporting what was in the product, then lots of consumers tried CBD products and had poor experiences that were not necessarily averse, but they just didn’t feel the effects that other people may have had. If you build a product that works, and you test it and you appropriately disclose what’s in it, I think there’s a lot of good benefit and we’re seeing that.”

CBD has gone from fringe to mainstream in the world of wellness, and today it is legal in almost all 50 states with many states providing conditions around its legality.

Still there are some communities and generations that associate hemp and CBD products with marijuana, opines Cook.

“The CBD industry is a complicated one, and there are many misconceptions about how hemp is grown and how products are formulated and produced,” Cook says. “We partner with our community, helping them to understand how hemp is different from marijuana, the different extractions that come from the hemp plant – full spectrum and broad spectrum – and the user experience and benefits for each type.”

She continues, “Additionally, we are passionate about educating around the hemp industry as a whole, shedding light on the lack of regulations and why it’s important to shop with brands that are USDA-certified Organic and involved in every step of production, from cultivation to extraction to formulation.”

Farnsworth affirms that CBD is not going anywhere. He says humans have been using it for thousands of years. “The science that we’re finding and now pairing with other supplements is only going to make it more and more effective,” Farnsworth adds. “And if you’re doing it right, and you’re in it for the long game, then absolutely there is value in it, and consumers will see that value.”

The Evolution of CBD Products

Farnsworth believes that microdosing cannabis products and combining them with other supplements is an untapped market.

“The CBD industry is a complicated one, and there are many misconceptions about how hemp is grown and how products are formulated and produced.”
 — Meredith Cook, Co-CEO and Co-founder, Green Compass

“We’re seeing a lot of really good benefits in that space, especially from a legal standpoint,” he shares. “Using small amounts of Delta 9 THC and combining them with some really innovative, but clinically studied nootropics, I think is a really mostly untapped market.”

The term “nootropics” is used to refer to any natural or synthetic substance that may have a positive impact on mental skills.

“Nootropic is a buzzword right now that’s a little bit of a catch-all for anything that gives a cognitive benefit,” Farnsworth says. “So technically you can say caffeine is a nootropic because it’s a cognitive booster, even though it’s really just a stimulant. There are a bunch of branded ingredients out there that suppliers are selling that have good clinical studies behind them that allow you, especially as a network marketing company, to make claims around the benefits that you get from them.”

Cook shares that in many cases, cannabinoids work best when paired with one another.

“This is what is known as the entourage effect,” Cook says. “Currently, we use CBD, CBN, CBG, and CBDA in our products, though some products also contain THC. We are always looking to evolve and innovate, and have been interested in learning more about the combination of cannabinoids

and other synergistic, functional plant ingredients.”

She adds that individual cannabinoid research is ongoing in the hemp industry and her company is excited to see what researched benefits might be up next. The focus now seems to be on minor cannabinoids outside of CBD and THC, she says.

“At Green Compass, we focus on researched cannabinoids that solve a problem we know our customers struggle with,” Cook says. “An example would be CBN and sleep benefits. A No. 1 concern or problem faced by our customers is not getting enough quality sleep.” Stephenson shares how Ohho is diving into mixers infused with CBD.

“We’re always thinking about what problem we can solve so we’ve just launched a water soluble mixer because so many people are trying to get away from alcohol,” Stephenson says. “This is another huge trend, which again, I think will totally amplify this business. You can have a low-dose drink and replace alcohol with that because there’s nothing good about alcohol.”

She says chocolate is also a great carrier for cannabinoids. She adds that Ohho combines both CBN and CBD in chocolate bars made with Ecuadorian chocolate.

“We have hot chocolate coming out this winter, so you’ll be able to mix

this with whatever milk or nut milk of your choice before bed and add marshmallows and anything else that makes you happy,” Stephenson says. “We don’t want our CBD to look pharmaceutical. That’s the antithesis for us.”

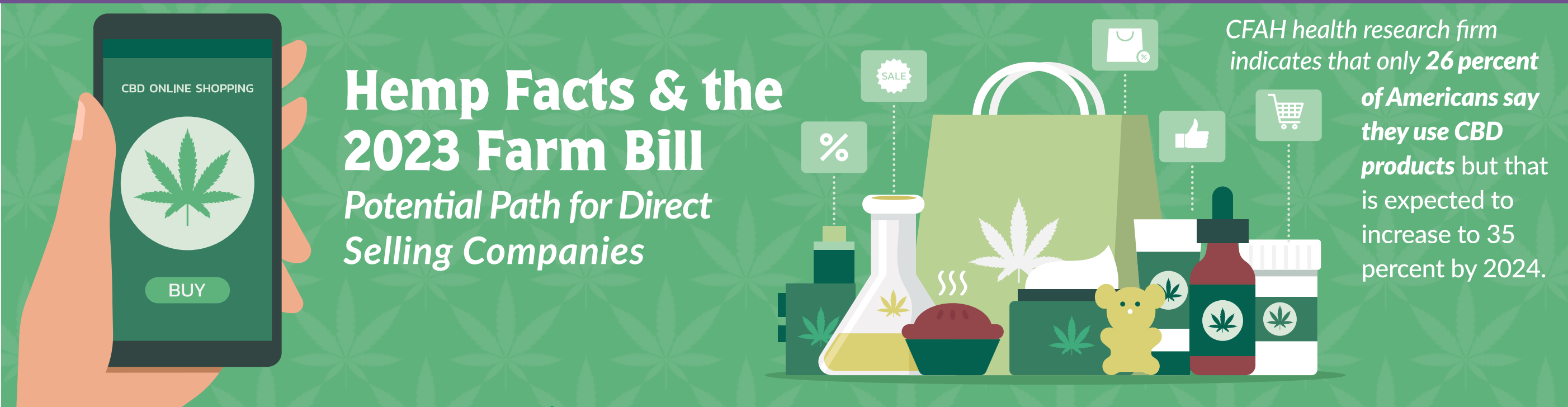
Hemp Product Marketers Optimistic About Farm Bill Impact

Despite the evolving regulatory landscape currently shaping the CBD industry, leaders and stakeholders in the space say there is much to look forward to. The prevailing optimism and determination reflect the potential for a brighter horizon, driven by regulatory clarity and consumer safety.

As deliberations continue and the 2023 Farm Bill’s finalization looms, the collective anticipation underscores the industry’s aspiration to leverage this legislative momentum for a paradigm shift. Amidst the dynamic landscape, the CBD industry stands poised for positive change, invoking the spirit of innovation and adaptability that has become synonymous with its identity.



Stephanie Ramirez is a Social Selling News Contributor.



Farm Bill 2023 is currently in the works, as the existing Farm Bill expires this month. These bills have a life of 5 years, and the last one birthed a spike in CBD product sales, predicted to reach nearly \$16 billion in the United States by 2026, according to an August 2023 report by Statista.

However, the FDA's refusal to regulate the industry is resulting in self regulation. This lack of regulation had an impact on the growth of the industry. Investors hesitate to fund companies that could face negative press, consumer risk and state-level back-lash regulations.

Hemp vs. Marijuana

HEMP

A variety of the Cannabis sativa plant

Classified federally as an agricultural commodity

Cap of 0.3% THC

Legal in all states in U.S. except Idaho, South Dakota, Nebraska

MARIJUANA

Flower from Cannabis sativa plant

Classified federally as a controlled substance

Only Connecticut and Vermont cap THC

Recreational use legal in 23 states. Medicinal use legal in 37 states

GREEN Direct Selling Companies & Hemp Planet Positives

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- Can replace petroleum-based plastics
- Can replace paper
- Can replace cotton fibers

Hemp Product Possibilities

- Infused coffee, tea
- Protein powders
- Energy bars
- Nutraceuticals
- Textiles - cotton alternative
- Cosmetic formulations
- Bio-fuels
- Sleep supplements
- Anti-aging products
- Nootropics
- Supplements
- Micro-dosing supplements

Negative Impacts of Hemp Industry Self-Regulation

Acres in Production

- 2014—1,800 acres
- 2019—87,408 acres
- 2022—3,698 acres

Industry Impact

- 2021— \$824 Million
- 2022— \$238 Million

Social Impact

- Youth oriented products (ice cream infused, pop tarts, gummies)
- Up to 1,000 servings per purchase (vs. keg of beer = 165 servings)

Sustainability

- Captures 8-15 tons of atmospheric carbon dioxide (per hectare)
- Fast growth rate = multiple harvests per year (climate mitigation)
- Doesn't require large amounts of water
- Doesn't require heavy utilization of pesticides
- Can stabilize erosion
- Can absorb/remove heavy metals from soil
- Can boost soil nutrient profile
- Can be used as a cover crop
- Produces double the amount of oil that peanuts do, per acre
- Requires half the water and less land than cotton cultivation
- Produces 4x more fiber pulp for paper than trees, per acre
- Biodegradable

2018 Farm Bill Could Create \$5 Billion Increase in Hemp Industry

2018 Farm Bill

Changed from "controlled Substance" to "agricultural commodity"

Less than 0.3% THC

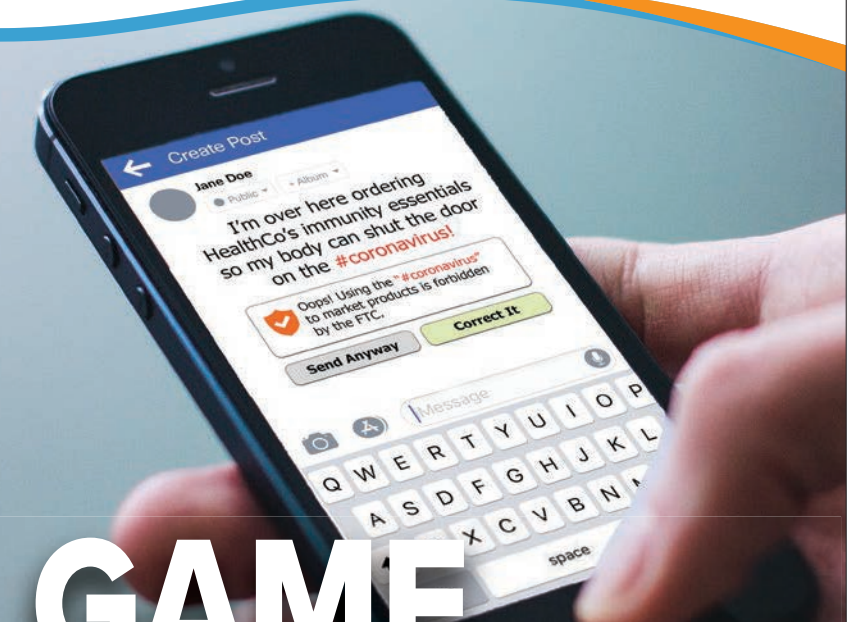
Cap of 0.3% THC

2023 Farm Bill potential changes

Fewer restrictions on hemp farmers, including who is granted approval to farm hemp.

Up to 1% THC

Fewer Banking restrictions



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PRODUCT MANUFACTURING COMPANIES

RANKED BY NUMBER OF DIRECT SELLING CLIENTS INVOICED IN PAST 12 MONTHS

Each month, *The Ranks* spotlights companies, people or trends that are important to the direct selling channel. This month, *The Ranks* lists product manufacturing companies, ranked by number of direct selling clients invoiced over the past 12 months. Where the information was not provided, "Did not provide" is noted, and companies are listed in alphabetical order. *The Ranks* client data is not audited and relies on the good faith responses of participants.

RANK	COMPANY NAME & LOCATION	# DS CLIENTS LAST 12 MONTHS	KEY CONTACT	PRODUCT CATEGORY	WEBSITE	CONTACT INFO
<u>1</u>	Factory6 Inc. American Fork, UT	18	Nate Farnsworth	Nutraceuticals	factory6mfg.com	801-471-6903 Nate@FactoryEmail.com
<u>2</u>	Cosmo International Fragrances Ft. Lauderdale, FL	6	Adam Demu	Fragrances	cosmo- fragrances.com	954-566-1516 adam.demu@cosmo-fragrances.com
<u>3</u>	Intermountain Nutrition Payson, UT	5	Dustin Rykert	Nutrition	intermountain nutrition.com	801-674-7548 drykert@intermountainnutrition.com
*	Concept Laboratories Chicago, IL	Did not provide	Josh Foreman	Skin Care	conceptlabs.us	773-395-7300 josh@conceptlabs.org
*	Gemini Pharmaceuticals Commack, NY	Did not provide	Mike Finamore	Nutritional Supplements	geminipharm.com	844-9-GEMINI x310 mikef@geminipharm.com
*	MANA Products Long Island City, NY	Did not provide	Brenda Gallagher	Skincare and Color Cosmetics	manaproducts.com	917-679-6200 Brenda.Gallagher@manaproducts.com
*	Progressive Laboratories Irving, TX	Did not provide	David Daniel	Nutritional Support Products	progressivelabs.com plcontract.com	972-518-9660 x220 daviddaniel@progressivelabs.com
*	Valentine Enterprises, Inc. Lawrenceville, GA	Did not provide	Alan Smith	Nutritional and Dietary Supplements	veiusa.com	770-995-0661 Contact form on website
*	Wixon Inc. St. Francis, WI	Did not provide	Lorie Tremble	Seasoning Blends	wixon.com	414-769-3000 lorie.tremble@wixon.com

Upcoming **THE RANKS** Categories: **OCTOBER** Logistic Companies / **NOVEMBER** Philanthropy in the Channel

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Nuvei
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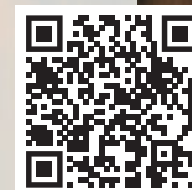
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— WHAT'S NEW ►►

Natura &Co Open to ‘Potential Sale’ of The Body Shop

According to its securities filing in August, **Natura &Co**, the parent company of **Avon**, is considering the sale of **The Body Shop**. The São Paulo, Brazil-based conglomerate shared that it has “recently authorized its management to explore strategic alternatives” for the skincare and cosmetics line. The brand, which was founded in the United Kingdom and has physical locations in a number of countries, had shown a steady decline in recent months, including a 12% sales drop to \$163.7 million during the second quarter, according to the filing. The news further substantiates rumors about a possible sale that began to circulate in late 2022. The company said although these new steps were taken, it would not provide “assurance that this process will result in any transaction.” There would also be no further details revealed, except when “appropriate or required.” Already, Natura &Co had initiated an agreement to sell Aesop to L’Oréal in April as part of its efforts to strengthen its balance sheet and turn its attention to optimizing Avon International’s impact in Latin America.

Kannaway Acquires KZ1, a Japanese direct selling company

Medical Marijuana’s direct selling segment, **Kannaway**, has completed an asset purchase agreement with **eXfuse, LLC**, dba **KZ1**, a Japan-based network marketing company. This acquisition is expected to provide Kannaway with approximately 1,450 more distributors to add to its sales force in Japan. The CBD and hemp producer shared that the addition would benefit its business in the Japanese market as it initiates market activities. The acquisition also means that KZ1’s nootropic products will join Kannaway’s current line of CBD, natural health and beauty products. Through the agreement, Kannaway will own essentially all of KZ1’s operating assets for a purchase price of \$5 million. Cash required at closing was \$150,000 with conditional obligations to KZ1 of \$4.85 million, payable from royalties and sales overrides in the future. According to Kannaway CEO Tim Scott, the work to “increase financial efficiency and increase cash flow” paid off in helping make the acquisition possible. He shared that the company plans to continue to grow through acquisitions.

eXp World Holdings Sees Revenue of \$1.2 Billion in Q2 2023

eXp World Holdings, the parent company for **eXp Realty**, announced its financial results for the second quarter ended June 30, 2023. While the company had a positive net income of \$9.4 million, revenue dropped 13% during the quarter to \$1.2 billion, compared to the same period in 2022. Gross profit decreased 10% to \$96.5 million, and adjusted EBITDA was \$24.7 million. Agent count on the eXp Realty platform grew 7% to 88,248, compared to the previous year period, though transactions decreased by 9% to 137,199 and transaction volume decreased 16% to \$48.6 billion. The company’s cash and cash equivalents for the quarter totaled \$124.7 million, up from \$121.6 million at the end of 2022. The company also repurchased about \$48.8 million of common stock during the second quarter ended June 30, 2023.

Thermomix To Move Corporate Headquarters to Texas

Thermomix, the maker of a distinctive multi-functioning cooking appliance, brought more than 250 distributors from the U.S. and Canada together for its 2023 Annual Thermomix ROAR Conference: Round Up & Roar in Austin, Texas. At the event, the company, owned by Germany-based **Vorwerk**, doubled down on its commitment to U.S. expansion and shared plans to relocate its corporate headquarters from Thousand Oaks, California, to Dallas, Texas, by the end of this year. Texas is already home to many direct selling companies, and according to Fredrik Lundqvist, Thermomix’s CEO for the U.S. and Canada, “we greatly admire the state’s deep history with building connection and culture through food.” The company also announced a rebranded website experience and the brand’s first-ever U.S. and Canadian loyalty program. This news comes as Vorwerk reported \$4.1 billion in 2022 global sales and strong U.S. interest in the Thermomix brand, with U.S. sales reaching more than \$30 million, up 28.7% from the prior year.

Direct Sellers Land on Inc. 5000 List of Fastest-Growing Private Companies

Inc. Magazine has once again released its annual list of the Inc 5000 Fastest-Growing Private Companies in America, a prestigious ranking that represents a unique view into the country’s most successful private businesses. Cumulatively, this year’s ranking of private companies totaled \$358 billion in 2022 revenue and created more than 1 million jobs. According to Inc., “Nowhere else will you find a list of companies with a greater impact on the U.S. economy.” For a second year, **Beauty Society** and **Red Aspen** have made the list. This year, Las Vegas-based Beauty Society, a cosmetics company, landed the No. 561 spot, and Red Aspen, an Idaho-based cosmetics company, ranked No. 1,413. Also joining the list in 2023 is fintech solutions company **Novae**, which ranked No. 903. These direct sellers join a strong list of success stories. The No. 1 company this year is Care-Bridge, a value-based health care management company that started as a collaborative effort by entrepreneur Brad Smith and past Tennessee senator Bill Frist.

— WHAT'S NEW ►►

Scentsy Sponsors New Attraction at Disney’s Magic Kingdom

Idaho-based direct seller **Scentsy** has sponsored new family-friendly experiences at Walt Disney World Resort in Orlando, Florida. The first is called “Smellephants on Parade,” and is an interactive experience within the Magic Kingdom Park that concentrates on visitors’ sense of smell. Described by Disney as a “search and sniff adventure,” it will be located in the Storybook Circus area and fits within the circus theme including scents such as churros, popcorn, cotton candy and more. “Whiff-sistants” in training will be sought out as visitors enter the area so they can help sniff out Smellephant statues, each with a unique fragrance. Scentsy worked with Disney to create these scents and also is the presenting sponsor of the Dumbo the Flying Elephant attraction. The direct seller became the “Official Home Fragrance” of Walt Disney World in 2021 and has a multi-year relationship with the company as well as a Disney collection of Scentsy products. Part of its ongoing commitment includes contributions to the 2023 EPCOT International Flower and Garden Festival.

Sunrider Continues Effort to Empower Women in Africa

Sunrider International will continue its partnership with Engage Now Africa, an international nonprofit focused on providing support services to vulnerable people and communities through strategic programs and projects. For three years, Sunrider’s financial donations to Engage Now Africa have contributed to projects in Africa, including the construction of a maternity center in Ethiopia, which serves more than 30,000 women and children each year, and a 21-day Adult Literacy and Vocational Skills Training in Ghana. This program offered practical education in customer service, digital literacy, financial literacy, and social media, as well as vocational skills, including baking, bead work, and soap making. Thirty people, mostly women, in the Parkoso community of Ghana were able to establish a bakery startup, and through creating and selling goods, they were able to develop self-reliance and a sustainable livelihood, per Engage Now Africa. The organization stated that the courses have “instilled confidence in the participants to explore their creativity as they pursue entrepreneurship opportunities in the vocational skills industry.”

DSA Brings Women’s Entrepreneurship Roundtable Series to Georgia

The **Direct Selling Association (DSA)** continued its Women’s Entrepreneurship Roundtable Series this year with a stop in Augusta, Georgia, to host an educational meeting with Rep. Rick W. Allen (R-Georgia). During the series of meetings in 2023, independent business owners representing DSA member companies throughout the U.S. have been able to tell their entrepreneurial stories and share their challenges with more than 12 Members of the U.S. House of Representatives. In Augusta, two entrepreneurs living in Georgia’s 12th Congressional District met with Rep. Allen to speak in support of the flexibility that direct selling offers them. Operating a business in the channel has also resulted in personal and professional development, they said. Allen stated that he was in support of direct selling companies because the “positive impact they have in our community serves as a model for individuals to start a business and achieve the American Dream.” He added that he planned to share these success stories through his work in Congress.

WFDSA Releases Report on 2022 Global Direct Selling Statistics

The **World Federation of Direct Selling Associations (WFDSA)** released its 2022 Direct Selling Statistical Data Report showing growth, shifting influences, and trends through data collected from regions throughout the world. The United States held the top spot among billion-dollar markets with global retail sales of \$40.5 billion, followed by Korea with \$18.5 billion, and Germany with \$17.9 billion. Analyzing the industry’s total global retail sales as a whole over the past three years, sales curved starting with \$168.1 billion in 2019. Sales numbers topped out in 2021 with \$175.6 billion, and then dropped back down to \$172.9 billion in 2022. Global representative totals mimicked this trend. 2019 had 114.8 million representatives with the total increasing to 119.2 million in 2021, but tapered down to 114.9 million in 2022. In product categories, wellness held the No. 1 spot accounting for 30.3% of global sales. Taking No. 2 was cosmetics and personal care at 22.6%, and household goods and durables came in at No. 3 with 14.9%. According to the WFDSA, its goal is to provide companies with data to better inform their strategy and business plans for future growth, as well as to help the channel understand the scope of its reach across the globe.

— THE SUPPORTERS ►►

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	METRICS GLOBAL	14	JENKON	31
VERB	08	MOMENTUM FACTOR	19,20	INFOTRAX	32
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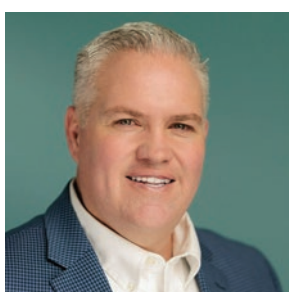
People on the Move



STEPHAN GRATZIANI, HERBALIFE
Herbalife Ltd. has named **Stephan Gratziani** as chief strategy officer. Gratziani spent over 32 years as an independent Herbalife distributor and became a member of the company's Founder's Circle, the highest distributor level, in 2018. Now, Gratziani will work to advance key initiatives, enhance sales training and promote field development.



GORDON HESTER, PM-INTERNATIONAL
PM-International has appointed **Gordon Hester** as chief sales officer, Americas. Most recently, he served as general manager sales, USA. Hester has over 30 years of experience in multiple industries, including serving as CEO of **Roberti Enterprises** for 25 years and as chief innovation officer for **Zurvita**. He has also collaborated with DSA and DSEF.



JAMES D. THOMAS, NU SKIN
James D. Thomas has been appointed as executive vice president and chief financial officer at **Nu Skin**. Working 20 years as a CPA, Thompson has served as interim CFO for the past four months and was also chief accounting officer. Before Nu Skin, he spent time at Icon Health and Fitness and PricewaterhouseCoopers.



SCOTT ALDRED, ASEA
ASEA President and COO **Scott Aldred** has been promoted to CEO, following Chuck Funke's transition to founding executive and vice chairman of the ASEA Board of Managers. Before joining ASEA over 10 years ago, Aldred served as an executive for Innovative Flexpak. He started his direct selling career as a **USANA** distributor.



CARMEN WASSERMAN, PLEXUS
Plexus has named **Carmen Wasserman** as vice president general counsel and chief compliance officer. Wasserman has 28 years of legal experience, including holding chief roles in legal, compliance and data privacy for **Le-Vel** and **Arbonne**. Prior to that, she was in a similar capacity with Compliance Legal and Strategic Solutions.



LUIS ASCENCIO, IMMUNOTEC
Luis Ascencio has assumed the role of **Immunotec Inc.**'s chief financial officer. Ascencio is an experienced leader in the finance sector. He was formerly a vice-president at Nexxus, which owns Immunotec. Before joining Nexxus in 2015, he worked at SAI Consultores, an investment boutique firm focusing on equity and debt transactions.



DAVID WENSINGER, PM-INTERNATIONAL
PM-International has promoted **David Wensinger** to chief operations and finance officer, Americas. For over a year, he has served as general manager of finance and operations in the U.S. Bringing expertise in finance, operations, and business development to his new role, Wensinger previously worked at Boar's Head.



MARK PATTERSON, PARTNER.CO
Partner.Co has hired **Mark Patterson** as chief marketing officer. Patterson has more than two decades of experience in direct selling. Prior to taking on this role at Partner.Co, he was CMO at **Jeunesse Global** for eight years. Before that, he led marketing at **Vemma** and **Arbonne**.

People on the Move



LUCY WEST, PARTNER.CO
Partner.Co has hired **Lucy West** as vice president of field development. West has a direct selling career spanning over 30 years. She has spent the past 16 years leading **Jeunesse Global**'s field development efforts. In her new role, West will focus on market expansion, enhancing onboarding, improving travel incentives and improving customer loyalty.



JEFF HIGGINSON, RAIN INTL.
Jeff Higginson has joined **Rain International** as president. With a direct sales career spanning two decades, Higginson brings extensive experience and leadership to Rain International. He briefly served as chief operations officer at **Valentus**. Before that, he served in the C-suite for **Fuxion Biotech** and was previously CEO of **Agel Enterprises**.



JOVANSKA TAVERAS, INGROUP INTL.
InGroup International has appointed **Jovanska Taveras** as legal director. Taveras has an extensive legal background and has served as an attorney with Rodriguez Bonet Law Office since 2010. She previously worked with the Puerto Rico Department of Family Affairs and before that was a law professor with the Interamerican University School of Law.



SVETLANA RAZINA, APLGO USA
APLGO has hired **Svetlana Razina** as head of business development, U.S. Region. In her new role with APLGO, Razina will bring skills in organizational development and employee cultivation to lead business development and create programs and training for associates. Prior to joining APLGO, she held managing positions with **Amway**, **Jeunesse**, Microsoft, and LVMH.



NANETTE EVANS, INGROUP INTL.
InGroup International has promoted **Nanette Evans** to compliance director. With more than 20 years of experience in legal, compliance and core business functions, she previously served as a compliance specialist with the company's **inCruises** segment. Evans holds an associate degree of applied science in legal office management from Austin Business College.

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