



FDA Issues Warning Letter to Young Living
 Intended use claims result in reclassification of several products
 MORE ON **PAGE 10**

FTC Handed Major Courtroom Setback in Anti-Pyramid Case

Federal judge reverses injunction against credit repair services direct seller, Financial Education Services Inc.



On May 23, the Federal Trade Commission (FTC) took swift action against a Michigan-based direct selling company that offers credit repair services, when it issued a motion to shut it down and freeze all assets. Just over a month after the closure, a judge has reversed this order allowing the company to continue operating under the observation of a monitor.

Financial Education Services Inc. (FES), also doing business as United Wealth Services among others, offers services including: credit restoration, wills, living trusts, smart credit, travel, LifeLock, Debt Zero, credit builder, financial literacy, youth financial literacy, and power of attorney, according to a company LinkedIn page.

CONTINUED ON PAGE 7

INSIDE THIS ISSUE



SOCIAL TECH UPDATE

THE PAYMENTS INDUSTRY INNOVATES FOR THE FUTURE

Businesses are eager to take advantage of digital banking.

12



SPECIAL REPORT

NAVIGATING THE UPS AND DOWNS OF THE POST-PANDEMIC ECONOMY

Direct sellers adjust to record inflation, low unemployment and a looming recession.

16



THE RANKS

EXECUTIVE SEARCH COMPANIES

Recruitment experts help direct sellers build the perfect team.

25





Congratulations to Optavia & Plexus, our 2022 Bravo-Award winning clients!

The DSN Bravo Awards are like the Oscars of Direct Selling—reserved for the best of the best! Congratulations to Optavia, winner of the Bravo Growth Award and Plexus, winner of the Bravo Impact Award.



DIRECT SELLING TECHNOLOGY 214.367.9933 / EXIGO.COM

INSIDE August 2022

COVER STORY

01 FTC HANDED MAJOR COURTROOM SETBACK IN ANTI-PYRAMID CASE

Federal judge reverses injunction against credit repair services direct seller, Financial Education Services Inc.
By Stephanie Ramirez

NEWS FEATURES

10 FDA SENDS WARNING LETTER TO YOUNG LIVING

Company and distributor claims lead to reclassification of some products as drugs
By SSN Staff

SOCIAL TECH UPDATE

12 THE FUTURE OF THE CUSTOMER JOURNEY IN THE PAYMENTS INDUSTRY

The benefits and challenges of digital banking
By Eddie Gonzalez, Guest Contributor



20 THE OPTICS: ECONOMIC AGILITY IN 2022

SPECIAL REPORT

16 NAVIGATING THE UPS AND DOWNS OF THE POST-PANDEMIC ECONOMY

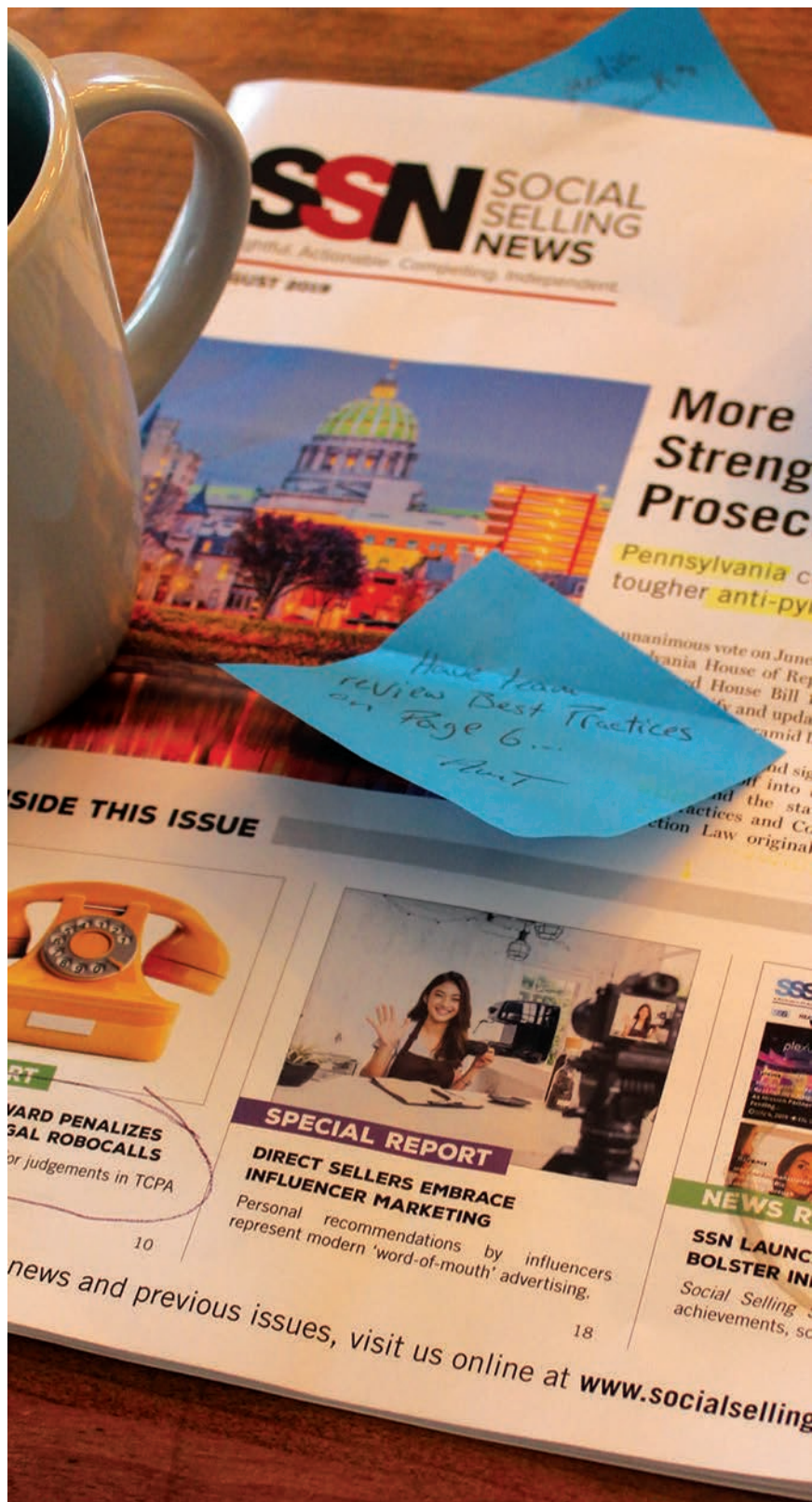
Direct sellers adjust to record inflation, low unemployment and a looming recession
By David Bland

THE RANKS

25 EXECUTIVE SEARCH COMPANIES

INSIDE EACH ISSUE

- 05 PUBLISHER'S NOTE
- 28 WHAT'S NEW
- 29 MEET OUR PARTNERS
- 30 PEOPLE ON THE MOVE
- 32 RESOURCE DIRECTORY



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

AUGUST 2022 | VOLUME 5 ISSUE 7

PUBLISHER
 David Bland
 david@socialsellingnews.com

DIRECTOR OF ADVERTISING SALES
 Joyce Inman
 512-537-9807
 joyce@socialsellingnews.com

CONTRIBUTORS
 Stephanie Ramirez
 Eddie Gonzalez

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 512-537-9807, or email joyce@socialsellingnews.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 June 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 ►►

Direct Sellers Embrace Sustainability and Environmental Impact

A thank you to the companies that are a part of the solution

Like many of you, I was amazed and inspired by last month's release of the first images from the James Webb Telescope. The vivid and colorful snapshots of deep space reveal countless galaxies, each one containing hundreds of billions of stars and planets.

For me, personally, viewing these images is a humbling experience—not only because of the incredible genius of the telescope's designers and engineers, but also because these views of the incomprehensibly vast and inhospitable expanse of space are a stark reminder of the fragility of life on Earth and the environment that sustains us.

As people across the world endure yet another record-breaking heat wave, and as many regions suffer from devastating droughts, water shortages, and wildfires, we simply must redouble our efforts to, as astronomer Carl Sagan put it, "preserve and cherish the pale blue dot, the only home we've ever known."

With these distressing problems around us, it is especially gratifying to read news of businesses and corporations stepping up and taking action to increase sustainability and minimize their impact on our shared environment.

Many direct sellers are leading the way in these efforts, and I would like to recognize and applaud them for their good and important work.

Nu Skin, Natura, Oriflame, and Amore Pacific recently announced their membership in the EcoBeauty Consortium, a group that develops industry-wide environmental impact assessments for cosmetic products. Using a sustainability scoring system, the impact of ingredients and raw materials as well as the life cycle of products will be studied.

Herbalife announced in June that it was entering a two-year partnership with Plastic Bank, a program that is recruiting Ocean Stewards to prevent plastics from entering the ocean. Through this collaboration, Herbalife aims to prevent over 400,000 pounds of plastic from entering the oceans by the end of 2023. This partnership comes in addition to Herbalife's recycling initiatives in over a dozen markets around the world.

Nature's Sunshine, staying true to its name, has announced that its U.S. manufacturing facility has converted to 100% solar power. The company revealed in its first environmental,

social and governance report that it has set a goal to transition its other manufacturing facilities to 100% renewable energy by 2023.

So, three cheers to these companies as well as all of the others that are taking action to preserve and protect our planet and our environment. I know that positive progress such as this will inspire and encourage even more people and corporations to become a part of the solution in the near future.

I wish each of you a safe and rewarding month ahead as we begin to close out the sweltering summer of 2022.

With appreciation,



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

“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

FIELDWATCH
POWERED BY MOMENTUM FACTOR

Protect your Castle

SAFEGUARD EVERYTHING YOU'VE BUILT.

Direct selling is under siege. Companies can no longer ignore the perils at the gate. 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.

CONTACT US TODAY FOR A DEMO!

hi@momofactor.com

512.690.2134

MOMENTUMFACTOR
WE PROTECT - WITH PASSION

— COVER STORY ►► FTC HANDED SETBACK, CONTINUED FROM 1

After hearing oral arguments in the U.S. District Court for the Eastern District of Michigan, U.S. District Judge Bernard A. Friedman issued an order on June 30 denying a motion for preliminary injunction, vacating the temporary restraining order he issued on May 24 to Financial Education Services Inc. and some of its executives. In addition, the order terminated the asset freeze and converted the receivership to a monitorship. According to the company's legal team, it will take some time to bring the company back online so it may conduct business again under the assigned monitor, who will report back regularly to the court and the FTC.

The May 24 order was immediately issued after the FTC filed a complaint on May 23 alleging that FES and its owners, Parimal Naik, Michael Toloff, Christopher Toloff and Gerald Thompson, as well as a number of its related companies, bilked consumers for more than \$213 million. The complaint alleged that, since 2015, FES has operated an unlawful credit repair scam that has deceived consumers across the country, and its investment opportunity is an illegal pyramid scheme. The FTC alleged that the company's practices violate the FTC Act, the Credit Repair Organizations Act and the Telemarketing Sales Rule.

The complaint against FES contained several unfounded accusations, according to the company's legal team, and in their opinion it did not follow ordinary administrative actions prior to filing the complaint.

“They did no investigation here. They did no investigation of the company. They did a background investigation secretly, but they never reached out to the company,” says Richard Epstein, a partner with the litigation practice group at Greenspoon Marder LLP and a member of the FES legal team.

According to Epstein, typically the FTC might have issued a Civil Investigation Demand, or CID—a

legal document that does not require court approval and seeks documents or other information related to an FTC investigation.

“They (the FTC) never sent a CID,” states Epstein. “They never took any depositions in an investigational hearing, which is something they often do, far more frequently before going after a company the size of this one. They did not actually try to find out what the company was doing internally and assumed that none (of the rules) were being followed, and that's what they portrayed to the judge.”

Basis for FTC Original Complaint

“There are two elements of this case that they (the FTC) targeted,” says Epstein. “One is MLM and the other is credit repair. There is an ongoing effort by both the Federal Trade Commission and the Consumer Financial Protection Bureau to target the credit repair marketplace.”

In connection with FES's marketing and sale of credit repair services and investment opportunities:

- The FTC claims that FES violated Section 5(a) of the FTC Act, which prohibits unfair or deceptive acts or practices in or affecting commerce.

- The FTC claims that FES violated Title IV of the Consumer Credit Protection Act, which prohibits untrue or misleading representations and requires certain affirmative disclosures in the offering or sale of “credit repair” services. The Act also bars companies offering credit repair services from demanding advance payment, requires that credit repair contracts be in writing, and gives consumers certain contract cancellation rights.

- The FTC claims that FES violated the Telemarketing Sales Rule, which requires telemarketers to make specific disclosures of material information; prohibits misrepresentations; sets limits on the times telemarketers may

“There is a counter story. There is a narrative on the other side, so [the judge] balanced those sorts of things saying, wait a second, this isn't all bad. There's obviously good out there. And if there's good, then it's got to be worth at least an opportunity to salvage.”

— Richard Epstein, Partner,
Greenspoon Marder LLP

call consumers; prohibits calls to a consumer who has asked not to be called again; and sets payment restrictions for the sale of certain goods and services.

Along with the May 23 filing, the FTC also submitted a declaration from Dr. David Givens, an economist in the Consumer Protection Division of the Bureau of Economics at the FTC, to support its claim that the company was operating as a pyramid scheme.

While Givens emphasizes in the declaration that he had not seen company data on enrollment, purchasing, compensation or tenure, he concluded that based on the materials made available to him by the FTC's Bureau of Consumer Protection that FES is operating in a manner consistent with being a pyramid scheme. He summarized that selling FES services to customers likely results in negligible consumer value, and, in any case, does little to advance FES Agents in the investment opportunity.

Epstein opines that these types of cases are almost always based on stories told by consumers and that a judge weighs heavily on that.

“Unfortunately, the way it works is the judge gives full value to all consumer complaints,” states Epstein. “And it's been that way in litigation with enforcement agencies for decades. I'm not going to criticize the process because it is what has been developed over the years.”

According to Epstein, roughly 500 consumer complaints have been filed against FES in the FTC's consumer complaint portal since 2015, and he states that the company has upwards of 600,000 customers, not including its agents in the business.

He also adds that the company had received a number of Better Business Bureau complaints over the years and that they had resolved all but a few of the most recent ones since they were subject to a receivership.

CONTINUED ON PAGE 9

“If we were going to increase engagement and lifetime value, we needed to level up ... We uncovered so many opportunities to engage different customer segments and train our field.”

Wendy Garrison,
VP of Marketing, Xyngular

In Q2 of 2022, we welcomed 10 new clients to DirectScale. With our new BI application and Revenue Capture Alerts, companies like Xyngular see increased revenue even during tough economic times.



Scan, text or click today to see how we will help you **run, know and grow your business** in 2022 and beyond.

(435) 222-2558 | directscale.com/SSN



“People complain, whether rightly or wrongly, they complain,” says Epstein. “And most consumer-facing businesses generate a number of complaints.”

Basis for Denial of Motion for Preliminary Injunction

Epstein shares that FES offered in their arguments on June 30 approximately 18 consumer testimonials, affidavits, declarations of some real success stories—both FES agents as well as customers who benefited from the use of several of the FES products.

In addition to the customer affidavits and testimonials, the defense also offered a declaration from an expert to provide a rebuttal to the declaration provided by the FTC.

Epstein and FES’s full legal team from Greenspoon Marder LLP asked Branko Jovanovic, Ph.D., principal with The Brattle Group, an international economic consulting firm, to review the FTC’s complaint and opine on the allegations regarding the product offerings of FES. They also asked the firm separately to provide an analysis on the charge that FES was operating as an illegal pyramid scheme.

While Jovanovic’s access to detailed company data was also limited due to the receivership, based on the data provided to him by company officials, he opined that FES has several key features differentiating them from typical MLM companies. He suggested that these features mitigated common sources of potential harm to MLM distributors, according to the FTC’s Business Guidance Concerning Multi-Level Marketing.

Jovanovic’s declaration states:

No incentive for inventory loading and front loading – Two common sources of potential harm to MLM distributors are inventory loading and front loading, whereby the distributor accumulates inventory at their

“Here the judge seems to be demanding actual evidence based on specific facts, and is not willing to simply accept the agency’s unsubstantiated allegations.”
— Larry Steinberg, Chair of MLM Industry Group, Buchalter

own cost, which they may or may not be able to sell at a later date. However, because of the nature of FES’s products, FES agents have no incentive to accumulate an inventory of products.

Visibility into consumers – The majority of companies with an MLM compensation model do not require sale receipts to document sales to ultimate customers, and therefore have little or no visibility into the demand for their product. In contrast, FES has full visibility into the purchases of ultimate customers.

No ongoing consumption – The nature of FES’s products is such that it may not necessitate continuous consumption—while some of the offered products provide lasting benefit, others may be of limited use to customers once they have accomplished their goals.

Jovanovic also pointed out that distinguishing companies with legitimate MLM compensation models from those that operate as pyramid schemes is not a straightforward endeavor. Although the FTC has created a body of literature through which it has communicated features of MLM companies that it views as problematic, the exact criteria for establishing the differences between a legitimate MLM company and one operating as a pyramid scheme remain unfortunately vague.

Epstein believes what the judge ended up seeing was that the receiver who was appointed and spent roughly a month in the business, controlling and evaluating the business processes, found and described a business that actually had a fairly robust compliance infrastructure in place.

“There is a counter story. There is a narrative on the other side, so [the judge] balanced those sorts of things saying, wait a second, this isn’t all bad,” says Epstein. “There’s obviously good out there. And if there’s good, then it’s got to be worth at least an opportunity to salvage.”

What’s Next for FES?

The court’s denial of a preliminary injunction and lifting of the asset freeze is a departure from the usual FTC playbook where courts have traditionally rubber stamped the FTC’s contention that a multilevel marketing company is an illegal pyramid scheme, according to Larry Steinberg, chair of the Buchalter law firm’s MLM industry group.

“Here the judge seems to be demanding actual evidence based on specific facts, and is not willing to simply accept the agency’s unsubstantiated allegations,” Steinberg opines. “But there will undoubtedly be further motions, and possibly an appeal, as the case progresses, and the FTC has access to the company’s books and records.”

From the June 30 hearing transcript, the judge remained fairly neutral and expressed his strong belief that FES will work or move to modify any business operations to be fully compliant and within the law going forward since there will be so many watching the business. His decision ultimately was to appoint the receiver as the monitor who will stay on for an undisclosed amount of time. The monitor is there to make sure the businesses are being conducted according to the law.

“There’s a lot of discussions that have occurred during this week, and management is going back in, but there’s going to be a transition,” states Epstein. “The business is not up and running and selling yet. It’s going to be some days down the road, but soon.”

The appointment of the monitor is indefinite, and Epstein suspects it could be 18 months to two years before the case is settled, which will be either by settlement or some sort of judicial resolution.



Stephanie Ramirez is a Social Selling News Contributor.

FDA Sends Warning Letter to Young Living

Company and distributor claims lead to reclassification of some products as drugs

By SSN Staff

On June 10, the U.S. Food and Drug Administration (FDA) sent **Young Living** a warning letter to advise the direct selling company of essential oils that several product claims and descriptions found on the company's websites as well as on the social media accounts of distributors were in violation of the Federal Food, Drug, and Cosmetic Act (FD&C Act).



it considers product claims made by a company or its representatives as establishing that product's intended use.

The FD&C Act states that, "The intended use of a product may be determined by, among other things, its labeling, advertising, and the circumstances surrounding its distribution."

Social Media Posts Under Scrutiny

The warning letter included several examples of problematic intended use claims made by Young Living representatives on social media dating back to 2019:

"May ease symptoms from a urinary tract infection"

"Can be used to combat acne..."

"May reduce inflammation"

"The Phenolpropanoids (sic) and phenols in essential oils...attack invading microbes and parasites."

Company Websites List Problematic Claims for CBD Products

The FDA also cited product claims made on the Young Living company websites youngliving.com and naturesulta.com for several items containing cannabidiol (CBD).

"...Soothes sore muscles...Soothes occasional tension"

"Some studies suggest [t]he most common illnesses caused by an improperly functioning ECS are depression, Alzheimer[']s, IBS, fibromyalgia, and even migraines ...CBD is a great way to support your ECS" (endocannabinoid system).

"When thinking of emotional wellness . . . [a] lot of people may think about mental health issues, such as depression or PTSD . . . [h]ow [c]an it be [i]mproved? . . . [y]ou can also try to encourage a positive and relaxing atmosphere throughout the day by using your favorite scents or oils! We highly recommend our Cinnamon CBD Oil."

Guidance on CBD Marketing Remains Murky

Contributing to the difficulties surrounding the marketing of products containing CBD, the FDA's sometimes ambiguous guidance on the non-psychoactive cannabinoid has frustrated many company executives, industry observers and health advocates.

While the federal government has legalized CBD, the FDA has made clear the cannabinoid cannot be marketed as a food or dietary supplement because it is the active ingredient in an approved drug for seizure patients. However, the rules governing CBD-containing cosmetic or wellness products depend on how those items are marketed.

According to guidance on FDA.gov, "This principle also holds true for 'essential oils.' For example, a fragrance marketed for promoting attractiveness is a cosmetic.

"But a fragrance marketed with certain 'aromatherapy' claims, such as assertions that the scent

will help the consumer sleep or quit smoking, meets the definition of a drug because of its intended use.

"Similarly, a massage oil that is simply intended to lubricate the skin and impart fragrance is a cosmetic, but if the product is intended for a therapeutic use, such as relieving muscle pain, it's a drug."

Health Claims Lead to Misbranding

The FDA's letter not only identifies several Young Living products as misbranded drugs, but states that, under 503(b)(1) (A) of the FD&C Act, the products are considered to be prescription drugs and therefore lack the authorization and labeling required for such items.

"Based on the above-referenced claims, your "Essential Oil",

"Vitality", "Ningxia", and "Nature's Ultra CBD" products are intended to prevent, treat, or cure conditions that are not amenable to self-diagnosis or treatment by individuals who are not medical practitioners," the letter states.

The letter goes on to say, regarding the company's CBD products, that even if they were to be considered non-prescription drugs, they could still not be legally marketed without the approval of a new drug application.

Deadline for Corrective Measures Set, Injunction Threatened

The FDA has given Young Living 15 working days from receipt of the letter to notify the agency of the specific steps taken to address the violations, including an explanation of measures being taken to prevent the recurrence of these violations.



The FDA warned Young Living Essential Oils that several of its product claims and descriptions violated the FD&C Act.

"This letter notifies you of our concerns and provides you an opportunity to address them. Failure to adequately address this matter may result in legal action including, without limitation, seizure and injunction," the agency warns.

At the time of this publishing, the Young Living products in question remain for sale on the company's website.



The intended use of a product may be determined by, among other things, its labeling, advertising, and the circumstances surrounding its distribution.

— FDA



Prepare your company to take flight
engineered to move you forward



Request a demo at info@xirect.com
www.xirect.com


The Future of the Customer Journey in the Payments Industry

By Eddie Gonzalez, Guest Contributor

Digital banking is not a new concept, nor is it unusual for consumers to conduct their banking digitally, but what is true about digital banking, especially for businesses, is that the industry has not accelerated at the same pace as demand. Trends in the payments industry tend to follow innovation that is happening in the consumer market, but if consumers can make safe and low-cost instant payments, why has it not been available sooner for businesses to do the same?

When the pandemic made its way around the world, digital banking was introduced to millions of new users. Just in the first half of 2020, the volume of digital payments increased by 21% among American consumers, according to Statista. Today, only 1 in 5 Americans prefer going inside a physical bank. For businesses, the pandemic also led to an influx of supply chain shortages, and having the ability to move money quickly was an important value-add to mitigate any further disruptions.

Businesses want, and need, the same banking conveniences they have access to as consumers. This is crucial to stay afloat amid the threat of an unstable global economy and to meet the evolving needs of their customers. Businesses that can't compete with efficient payment solutions will fall behind, and it is up to payment providers to ensure they have the solutions businesses require to meet their customer demands.

Real-time payments are one necessity for businesses, and gone are the days where it was acceptable

to wait days, even weeks, for a payment to reach an account. There is more to digital payments than just that. Low-cost options and highly secure solutions should also be a top priority, in addition to being able to choose a payment provider that can deliver around-the-clock care. These features are pivotal for companies to not fall behind their competition and seamlessly make and receive payments in the digital age.

Securing Touchpoints

Understanding customers' expectations can be one of the greatest challenges for businesses. The customer journey needs to be seamless for the payer and the payee to ensure their needs are met and the process is a positive experience. Customer satisfaction is a high priority, but certain

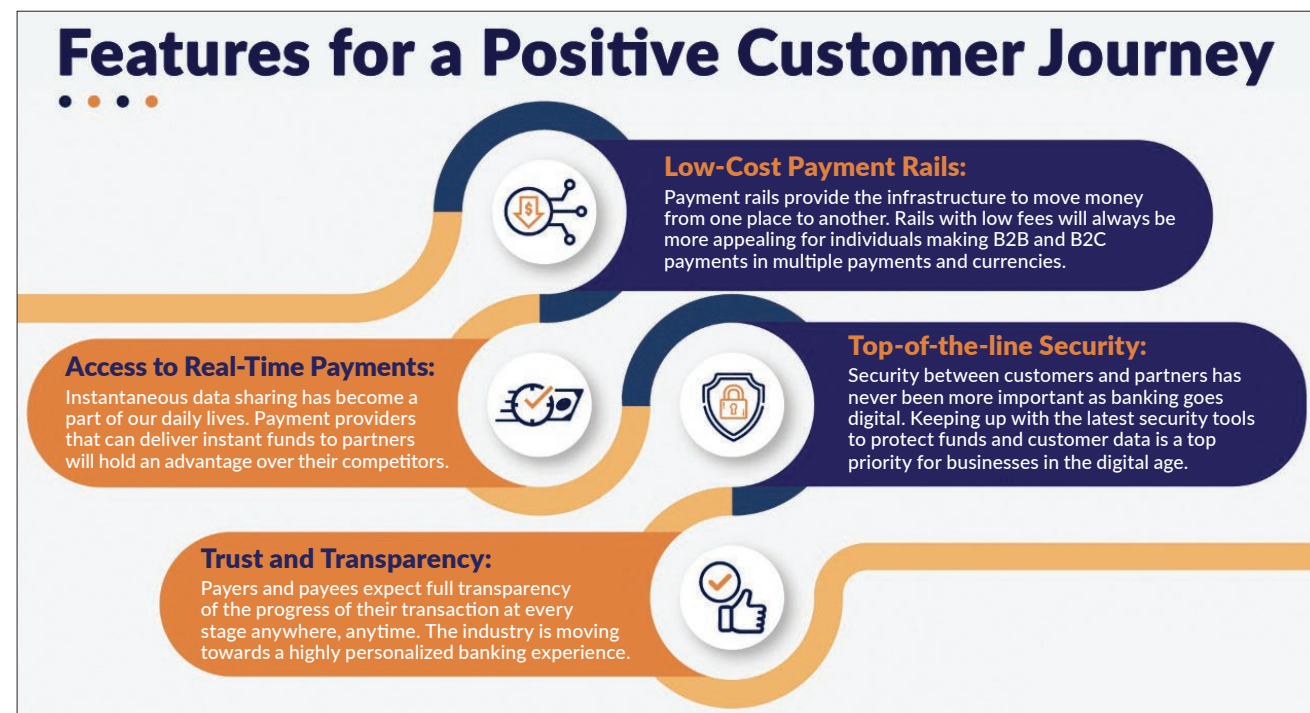
processes can't be overlooked. This includes the safety, security and credibility of the payment transfer.

Payment providers must do what they can to mitigate risk, and with the global payments security market expected to reach \$54.1 billion by 2028, growing at a compound annual growth rate (CAGR) of 16.5% between 2021 and 2028, digital payments open the door to security breaches and fraud. With the payments industry set to invest more time and money ensuring top-of-the-line security solutions are in place, financial criminals match that workload with new malware.

It should come as no surprise that distrust in the payments industry is a factor standing in the way of its exponential growth. Identifying vulnerabilities in payment software

is incredibly important to keep up with the latest payment solutions and its risks to instill trust among customers. Cutting corners in the security of digital payments can only cause more harm, especially if real-time, low-cost payments are already almost too good to be true.

The global real-time payments market was valued at USD \$13.55 billion in 2021 and is expected to grow at a CAGR growth rate of 34.9% from 2022 to 2030. The adoption of real-time payments by businesses surged following pandemic lockdowns in 2020 as they filled in the gap of the payment ecosystem with contactless and timely payment solutions. Prior to real-time payment solutions, businesses—and specifically finance teams—struggled with wasted time due to operational problems, including slow payments and failed



expectations between what was promised and what was ultimately delivered.

One-third of business payments are still made manually, but making the shift to more efficient digital payment solutions can reduce risks and preserve revenue that might otherwise have been lost. Mitigating the risk of payment failures is one benefit that can come from using a reliable payment infrastructure. Not to mention, businesses would have more control over the payment process. Being able to move money quickly and knowing the status of individual transactions is an important feature when payments need to be made in a short amount of time. It also removes any risk associated with credit payments as transactions are cleared and settled in real time.

International payments are cause for a new challenge altogether. Businesses and individuals making international payments in a multitude of currencies often

experience high transaction and regulatory fees. The additional cost of doing international business can certainly add up, and often these charges are passed on to the payee. The combination of high transaction fees, slow speeds and poor transparency have dominated international payments, making them highly inefficient.

National bank transfer solutions, similar to ACH (automated clearing house) transfers, can allow costly transfers to be transacted across lower-value rails using the latest digital technology, ensuring customer convenience, reliability and fast payments. These payment solutions provide a better result for both the payer and the payee as they provide lower transaction fees, and the transfer can be made within a couple of days—as opposed to wire transfers, which are costly and take longer to process.

The global payments industry still has a long way to go to

achieve efficiency demanded by consumers, but the pandemic exponentially accelerated its ease of use and accessibility. The digital transformation led to more efficient digital payment solutions and changed how businesses operate, and this became a foundational pillar to securing a positive customer journey. Customers and business partners in the payments industry value trust above all else, and payment providers are increasingly offering high-security solutions and data that tracks the payments journey, creating reliable end-to-end communication.

Next Steps in the Customer Journey

Every touchpoint of the customer journey has been made more convenient to the consumer by going digital, and no facet of any stage should be overlooked, right down to making the transaction as seamless as possible. The reality is, if consumers have the option to advance

at their own pace and can resolve problems on their own, they are more likely to proceed to the next stage.

Enhanced innovations in technology can ensure customers are given the information they need to keep them progressing forward, but privacy is also a highly important element to factor in. Demand for a fully digital, custom-tailored payment experience will surely be high in the coming years as the payments industry meets ever-evolving consumer demands and payment providers expand capabilities to increase efficiency, optimize security, deliver transparency, and make digital payments even more accessible around the globe.



Eddie Gonzalez is founder and CEO of i-payout.

SSN

BECOME FIELDWATCH CERTIFIED!

Introducing the **FieldWatch™ Certification Program.**

Certify your entire compliance team in the World's #1 Brand Protection & Compliance Monitoring Solution!

For more information and to register, go to our website, email or call us today!

512.690.2134 • hi@momofactor.com • momofactor.com

FIELDWATCH CERTIFICATION

MOMENTUM FACTOR
WE PROTECT WITH PASSION

Avalara
avalara.com

ByDesign Technologies
bydesign.com

CMS Complete Merchant Solutions
cmsonline.com

Dion
eadion.com

DirectScale
directscale.com

DirecTech Labs
directtechlabs.com

DSA
dsa.com

Exigo
exigo.com

Global Growth Consultants
globalgrowthconsultants.com

IDSTC
idstc.com

InfoTrax
infotraxsys.com

i-payout
i-payout.com

Metrics Global
metricsglobal.com

Millar & Krekewetz
taxandtradelaw.com

Momentum Factor
momofactor.com

Nexio
nexiohub.com

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

During this difficult time, we are so thankful for the advertisers who have shown their support for our mission of informing, inspiring, and encouraging our readers, who are looking to us for this content more than ever as we re-invent our world day by day.

We Hope You Feel The Love.

THANK YOU!

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

socialsellingnews.com | f t in

SPONSORED CONTENT

3 Ways to Use the Customer Journey to Drive Repeat Sales

MCKINLEY OSWALD
President of Direct Sales
Verb



The customer journey is all about understanding your customers, their behaviors, and their needs to encourage their loyalty. It's an important undertaking that's well worth your time, because marketing to repeat customers as opposed to prospective customers increases the chance of making a sale by 57%. Below, we've listed three areas to focus on to make sure you're crafting a customer experience that keeps your customers coming back for more.

A well-timed follow-up strategy has been shown to encourage better communication between distributors and their customers, resulting in larger and more frequent orders.

For the same reason, it can be useful to give customers access to educational tools to help them understand a product's use cases. Being more aware of the versatility of a product might prompt them to make another purchase, or to use the products they own more frequently.

Remember: Retention is the golden ticket to boosting revenue when it comes to direct sales. According to the *Harvard Business Review*, increasing customer retention by 5% can increase profits up to 95%. The success rate of selling to a customer you already have is 60-70%, while the success rate of selling to a new customer is 5-20%. By creating a streamlined and enjoyable customer journey, you're taking a huge step in providing the kind of value that will keep your customers returning month after month.

Encouraging a customer's loyalty is an important undertaking that's well worth your time, because marketing to repeat customers as opposed to prospective customers increases the chance of making a sale by 57%.

reporting of customer buying patterns and notifications, so distributors can follow up at the correct time.

#2: Focus on Reactivation

A regular customer stops making orders. Now what? There are several reasons a customer would discontinue their purchases, but ensuring distributors remain aware of customer buying behaviors is the first step in their reactivation efforts. If they're keeping an eye on customer reports, distributors can promptly reach out to customers to remind them they are valued customers and encourage them to take advantage of personalized offers and promotions.

#1: Implement Automation

A well-timed follow-up strategy has been shown to encourage better communication between distributors and their customers, resulting in larger and more frequent orders. Distributors should also be engaging with all customer types, whether active, infrequent, or inactive. But keeping track of all customers and reaching out at the most opportune time can be difficult and time-consuming. The remedy for this is implementing basic automation systems that provide

#3: Encourage Education

A comprehensive education for both distributors and customers is a crucial part of the customer journey. Distributors need to know their products well enough to sell them, and customers need to know them well enough to know why they are necessary. Providing your distributors with additional training on how they can improve their outreach is always worth your efforts, as it allows them to better serve their customers.

According to the Harvard Business Review, increasing customer retention by 5% can increase profits up to 95%. The success rate of selling to a customer you already have is 60-70%, while the success rate of selling to a new customer is 5-20%.

Navigating the Challenges of the Post-Pandemic Economy

Direct sellers adjust to record inflation, low unemployment and a looming recession

By David Bland

As the past several years have demonstrated, the direct selling channel is not only unique in its approach to marketing goods and services to the public, but also in the ways that it responds to and is affected by the various dynamics of today's economic trends, pressures, and realities.

There is no better example of this than the direct selling sales boom of 2020. As the U.S. and world economies faltered in the face of COVID-19-related shutdowns and disruptions, the direct selling industry experienced a 13.9% year-over-year increase in retail sales as well as a 13.2% increase in distributors working part-time or full-time.

Herbalife stock rose more than 100% between March 2020 and February 2021. Even companies that rely more heavily on person-to-person direct sales and party plans, such as **Tupperware**, saw explosive growth. The food storage giant saw its share price increase from \$1 to \$30 per share between March and October of 2020. Nutrition and skincare direct seller **USANA** reported a 7% increase in net sales in 2020, including a 14% jump in the fourth quarter of that year.

However, in 2021, as the U.S. economy rebounded from its pandemic-induced drop off,

including a full recovery of the U.S. stock market and significant improvements in national employment figures, sales and participation growth began to slow for many direct selling companies compared to 2020 numbers. While the channel as a whole reported a record \$42.7 billion in retail sales in 2021, up 6.4% over 2020, the number of direct sellers decreased by 5.2%.

2022 So Far a Mixed Bag of Economic Indicators

The U.S. economy in 2022 has seen record levels of inflation, interest rate increases, stock market losses in the double digits and continued supply chain disruptions. In the first quarter of 2022, the GDP fell for the first time since 2020. However, other indicators are quite positive; unemployment is at near-historic lows, wages are increasing at their fastest pace in decades, and consumers are spending more in many sectors, including travel, lodging, and dining—clearly a rebound from the lockdowns of 2020.

Success Amid Recession

With the direct selling channel's recent history of explosive sales and participation growth in the face of national and global economic downturns, the current outlooks suggesting a possible recession have some direct sellers seeing reasons to stay positive.

Dustin Gardner, chief financial officer at **Tranont**, believes the recession is already here, but that the difficult economic times are resulting in more people needing additional income through gig work.

"We're seeing two sides; June, July and August tend to be slower months for the direct selling industry because people are on summer vacation. But then you add the pending recession—which, I believe, is already here, especially with the inflation we are seeing and the interest rate increases—and we see an uptick in the number of people who want a second business.

"Our Chief Sales Officer comes to meetings and confirms this, and we are hearing this from the field as well," Gardner adds.

John Licari, chief operating officer at **Total Life Changes**, also recognizes the inherent strength of direct selling during economic downturns.

"I would not go as far to say that direct selling is recession-proof, but I believe we are a recession safe haven. People need that extra money, and that will offset the inflationary pressures for the consumer. I know this, my partner Jack knows this, and so many C-levels in our industry know this—we're not afraid of recession."

Licari says that having more brand partners during difficult economic times serves to offset the decreases in discretionary spending affecting product sales.

"Unfortunately, in most people's budget, health and nutrition is close to the bottom. It's their house, their mortgage or rent payment, gas for the car, insurance, etc. And if there is any money left, they're going to buy our vitamins and drink our detox tea. But if we get an influx of distributors, we can offset that. And most of the time, we not only offset it, but we beat it. It has happened so many times before. We took off as a company and really made our mark in 2007 and 2008, when things were falling apart financially in this country."

The Effects of Low Unemployment on Gig Work and Retail Sales

In a continued recovery from the mass shutdowns and layoffs following the start of the COVID-19 pandemic, U.S. unemployment currently stands at 3.6%, just a tenth of a percent lower than before the pandemic.

With fewer unemployed Americans, the number of people seeking out gig work could logically decrease. However, more people working also creates more consumers

with disposable income and more potential distributors with money for starter kits.

"As people work full time, they do have extra cash for our products. And some of these products, quite frankly, are very expensive," says Garner.

"Furthermore, when people have full-time employment, that also gives them extra cash to start a direct selling position. Our demographic here is primarily women who are looking for a job that they can fit into their busy work and home schedules."

TLC's Licari confirms the difficulty in increasing distributor numbers when competing with employers offering increasingly high salaries and hourly wages, along with good benefits.

"From a representative standpoint, there are so many companies offering great pay, great benefits and work from home," he says. "These employers are so desperate to fill positions that they're willing to do anything to make that happen. I mean, the local restaurant near me is paying \$25 an hour for dishwashers because they just can't find any. Let's use that dishwasher as an example. They are making \$25 an hour. If they were making \$15, they might be looking for a side gig, but now they're not."

"We're seeing two sides; June, July and August tend to be slower months for the direct selling industry because people are on summer vacation. But then you add the pending recession—which, I believe, is already here, especially with the inflation we are seeing and the interest rate increases—and we see an uptick in the number of people who want a second business."

— Dustin Gardner, Chief Financial Officer, Tranont

Large vs. Small – Companies React Differently to Economic Stress

While channel-wide trends and behaviors are worth studying, the diverse companies of the direct selling industry by no means respond to economic pressures and changes in the same way.

Company size and exposure to international markets and risks

is certainly one important factor, according to Gardner.

"I would say that there is a direct correlation between the size of a company and their exposure to larger national or global economic trends," he says. "When we're talking about global companies like USANA, Nu Skin and Herbalife, the majority of their revenue is coming from outside of the United States. So, the problems that come along

with international logistics and supply chain issues or problems in China and Russia can be a bigger contributor to sales decline."

Conversely, larger companies will often have the resources and experience to withstand national or global economic downturns, supply chain problems or shutdowns, according to some experts.

CONTINUED ON PAGE 19



"For years the direct selling industry has needed a publication that will give an unbiased look at important issues that impact the future of our industry. That void has been filled by **Social Selling News**. Their content addresses key issues, involves industry thought leaders, and provides unique solutions for direct selling companies and suppliers alike. **I look forward to every issue** and recommend it as the industry-leading publication that everyone should read."



— **McKinley Oswald**
President of Global Sales
Verb Technology

NAVIGATING THE CHALLENGES, CONTINUED FROM 17

Ray Chipman and Marc Andrus, partners at Squire & Company, a tax and audit accounting firm that services many direct selling companies, say that a company's size contributes in both positive and negative ways to economic challenges.

"It seems like a tale of two worlds," says Chipman. "The direct selling space has always been a tale of companies that are taking off or going down. And so the largest, most successful companies obviously have found a way to just maintain and have a good growth model because of their product brand loyalty. But some of the smaller companies have a quick pop and then a drop."

Conversely, Andrus observes that larger companies may not be as quick to adjust to changes in the market or economy that affect the top line.

"The flip side is that larger ships take a lot more time and effort to change course," he says. "When they are moving in one direction and have to pivot, they have to move the whole field as well. Thus, more resources have to be used to figure these things out with the larger companies."

"There are pros and cons to being both big and small, but the pro to being a small company is that you can come out of the gates with a model that is more appealing to the younger generation, as opposed to having to transition to that."

Chipman says that larger companies tend to be more proactive in bracing for economic problems by establishing core processes to manage surges in growth as well as declines.

"Small companies are often less sophisticated," he says. "Larger companies are able to be more proactive getting their expenses

"I would not go as far to say that direct selling is recession-proof, but I believe we are a recession safe haven. People need that extra money, and that will offset the inflationary pressures for the consumer."

— John Licari, Chief Operating Officer, Total Life Changes

in line with where they're really going to be. And that will help the long-term viability of the company, as opposed to some of the startups, which end up being a flash in the pan because they never built the underlying core processes to help them manage growth or decline.

"I see companies that are down 20%, 30% in revenue because they are slow to adjust their G&A, and they don't let people go until it's too late. So we're seeing some of that right now where executives say, 'I had really good margins and net income, and I didn't want to let my people go. So I didn't, and now I'm dealing with a loss,'" says Chipman.

Distributor Behavior Is an X-Factor

As the direct selling business model relies on independent contractors to connect its products to consumers, changes in the behavior and mindset of these distributors during different

economic cycles or global events becomes an important factor for companies to consider.

Herbalife has recognized this phenomenon, as explained by its Chairman and CEO John Agwunobi during the Q1 Earnings conference call in May.

"Despite the adaptability and ingenuity of our distributor base, we've begun to see an emerging shift in behavior," Agwunobi says. "Specifically, we've begun to see that as a group, the behavior of distributors that joined the business during the pandemic has diverged from historic trends. The number of distributors from this cohort that are ordering and recruiting is below last year and below expectations."

Herbalife reported an 11% decrease in net sales in the first quarter of 2022. The company's chief financial officer, Alex Amezcuita, addressed this challenge during the call as well as the decision that was now in front of them.

"We see a change in behavior of the cohorts," Amezcuita says. "We know what that problem is. It's actually a known issue that we have addressed in our 42-year history thousands of times as each market goes through a cycle."

"We're just looking for that data, and we're looking for the strategic initiatives that each market is employing to figure out—is it a better use of time to reengage or is a better use of time to recruit new?"

Squire's Andrus sees this distributor phenomenon as well from a demographic perspective.

"I think that the industry as a whole is needing to figure itself out a little bit," he says. "What we're seeing is that a lot of newer companies are trying to figure out the problem of the millennials not wanting to build a business, not wanting to build a team and instead taking the affiliate route."

"They want to put a link up on Facebook and get people to buy the product and take a commission from it. So, companies are working to figure out what that solution looks like, such as a hybrid between a traditional commission model and a newer type of one-level affiliate model. I don't see the direct selling industry going anywhere. It just needs to migrate at some point or pivot a bit."

SSN



David Bland is the publisher of Social Selling News.



JON PONDER
HOPE FOR PRISONERS

REAL PEOPLE. REAL STORIES.

Jon Ponder credits a cup of convenience store coffee from the man who arrested him as the act that turned his life around. This seemingly simple show of respect forged an unlikely friendship between an FBI agent and a three-time convicted felon, and it was in this life-changing moment that inspired him to embrace a new path – a path toward faith, service, and redemption.

Today, Jon pays this kindness forward by empowering thousands of formerly incarcerated people like himself to build a brighter future. He founded Hope for Prisoners, a foundation that, through donations, helps people reenter the workforce, reengage with their families and communities, and reclaim their lives. In recognition of his widespread impact, he was pardoned by the President of the United States, Donald Trump.

Jon's story reminds us that everyone deserves a helping hand. That's why we're here. We deliver premium payment processing to make it easier for incredible people like Jon to continue their work.

We are proud to partner with Jon and those like him who go above and beyond to make life better for others. After all, people are our greatest strength.

Las Vegas ● Salt Lake City ● Singapore ● Dublin ● Mexico City



SUCCESS DURING A MIXED ECONOMIC BAG

Address Inflation, Rising Interest Rates,
& Continuing Supply Chain Issues



Similar To Q2 Of The Pandemic—Look For Ways To Be Agile

- Pricing—consumers are facing inflation (especially food & fuel prices)
- Corp Employees—look for ways to be appealing to keep established talent (training costs can be 2x-10x salaries); level up for immune-compromised;
- Logistics—have plans in place for ingredient/product shortages, shipping alternatives, etc.

Don't Get Caught Off Guard

- | | |
|---|---|
| Project Potential Concerns to Field <ul style="list-style-type: none"> • Potential recruits • Customers • Potential customers • Employee | Prep Messaging to Address Potential Concerns <ul style="list-style-type: none"> • Existing field • Recruiting • Existing customers • Potential customers |
|---|---|

Attract Those Who Are Looking For Side Gigs

- Back to the Basics: Recruiting Focus**
- Comp plans that reward quickly
 - Fair product commissions
 - Appeal to those who want \$300 – \$500 a month
 - Mindsets of Gen X, Millennials & Gen Z
- Strong Consumer Appeal**
- Lower Unemployment Rate
 - Rising Inflation (Fuel + Food)
 - Competitive pricing
 - Clear product messaging
 - Reasonable shipping times & prices

Corporate Concerns: Keep Your Seasoned Employees

Avoid mixed messaging a' la Musk's to Tesla, wherein he at first expressed "bad feelings" and predicted a 10% decrease in his work force, then tweeted he foresaw an increase in the number of employees, and finally emailed his executives and demanded that employees work from the office or resign.

Harvard Business School Survey Shows:

- New employees take 13 weeks to be at full productivity
- It takes 6 months to "break even" for costs of hiring mid-level managers

Show You Value Employees Who Add Value

A survey of 5,000 U.S. workers conducted in April by Grant Thornton LLP, an audit, tax and advisory firm, found that among the respondents:

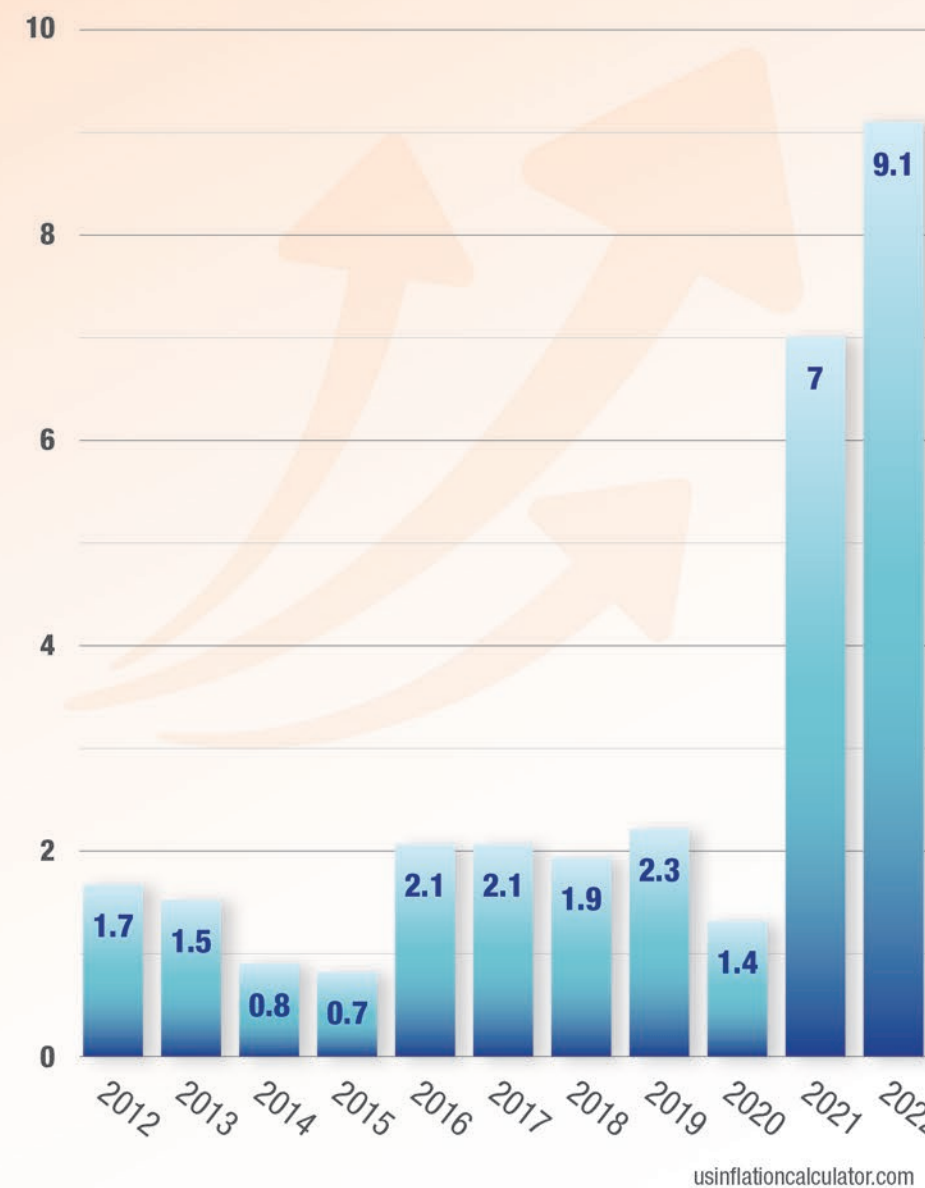
- 40 percent expect pay raises greater than 6 percent this year.
- 31 percent expect increases of more than 8 percent.
- 21 percent anticipate receiving pay bumps of more than 10 percent

It bears noting (again):

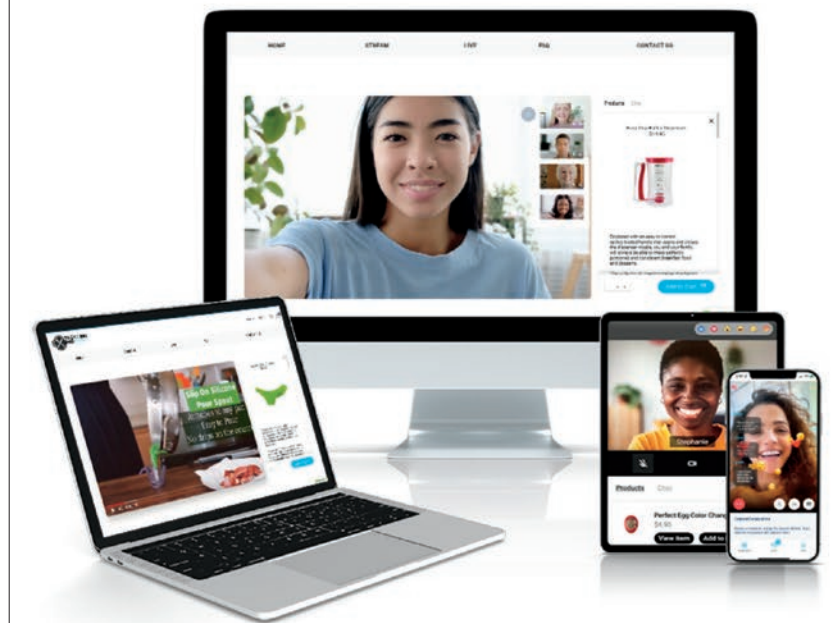
95% of workers want flexible hours*
78% of workers want flexible locations*

*Wall Street Journal

Chart: United States Annual Inflation Rates (2012 to 2022)



DISTRIBUTOR LIVESTREAMING



it's like
facebook
and zoom
on your
distributor sites!

learn more at
blookanoo.com



InfoTrax Systems

We're InfoTrax Systems—the industry-leading provider of commissions software and distributor tools for Direct Sales companies.

We know commissions are the driving force for Direct Selling companies. So, we've spent the last 20 years analyzing trends and observing distributor behaviors to create a powerful, dynamic, multi-level platform of commission solutions.

All of us at InfoTrax are fully invested in our partner's success. We provide both data-based software and a talented team of experts. Our teams adapt to each company's specific needs to bring critical insight and meaningful support. We work hard at providing excellent service and always strive to ensure each partner's continual growth and advancement.



What would people be surprised to learn about your company or culture?

InfoTrax has a rich 20-year history of expertise but is experiencing a new wave of change. We've got the energy and excitement of a start-up along with the stability of a 20-year-old company. This creates an almost magical environment that spurs timely innovation. We have team members who have known each other for decades working side by side with new hires and with no ego on either side. It's a group of incredibly smart, talented people who are also kind, supportive and encouraging. It really doesn't get better than that.

Can you share your "elevator speech" / What sets you apart?

InfoTrax believes direct sales companies have a privilege and responsibility to change people's lives for the better. We exist to provide critical insights, expert service and configurable software for our direct selling partners.

Distributor compensation is at the core of everything a direct seller does. InfoTrax enables these companies to calculate commissions with speed and accuracy—maximizing business performance across the entire organization. Every feature of our software and every service we offer is built to support the complexities of compensation plans and the relationship between our partners and their distributors. Additionally, we help with compensation strategies that give partners the competitive advantage they need.

Our mission is to ensure our partners feel confident their commissions are calculated accurately and paid out timely because we believe that is the best way to maintain engagement and grow a loyal community with their distributors and their customers.

What are the biggest surprises/changes you've seen in the past five years?

The biggest change has been the shift to a more customer-centered com-

pensation plan and sales systems approach. In response, our systems were enhanced to improve the customer experience and engagement features.

Because of regulatory pressures and desire to compete with traditional ecommerce companies, successful direct sellers have pivoted to compensation strategies designed to identify and create opportunities to attract customers/preferred customers, affiliate/influencer types and social referral marketers.

What percentage of your clients are Direct Selling clients? How do their needs differ from other channels?

100% of our clients are direct selling companies; both traditional and party-plan.

What product or service are you most proud of?

Our FlexCloud Platform is our most recent and revolutionary improvement to our system. It is an industry-specific cloud platform that cus-

tom-fits our partner's business with front-end, back-end and commission managing solutions.

FlexCloud is designed to deliver an agile system that grows and flexes with our clients. Our platform of tools allows our each partner to configure functionality into their system with third parties or in-house teams—whatever works best for the business.

This one-stop platform can service companies in any stage of growth. Our commission engine handles payout calculations, then uses that data to fuel the rest of the platform with tools for teams and for sales force. With incorporated REST-based APIs, a commissions-driven SDK, and Webhooks into our FlexCloud platform, our clients can utilize best-in-class software for every part of their operations to deliver critical needs, productive behaviors and healthy culture. FlexCloud makes it easy to connect to third parties and get commission and business information to every part of the organization.

In addition to our FlexCloud Platform, we have been designing, implementing and tracing the success of commission plans for the direct selling industry. Commission plans aren't black magic. With years of experience developing and analyzing compensation strategies, we know what works and what doesn't to drive growth throughout your distributor organization. The InfoTrax team of Commission Consultants helps you determine if your compensation strategy is driving the behaviors you want. And we can see how your strategy is stacking up against your competitors. Whether or not you use our technology solutions, we're available to help you understand the inner workings of your commission, and identify improvements that can affect your bottom line.

Please describe your company culture regarding training and advancement.

Throughout its history, InfoTrax has made a name for itself in creating internal advancement opportunities.

So much of what we do is unique to InfoTrax and virtually all teams require InfoTrax specific training. As a result, we've had incredible success in training and upskilling people from all professional backgrounds – many of whom build entire careers at InfoTrax.

As an example, two members of our Executive team started their own careers years ago on our Tech Support and Commissions team. When someone joins InfoTrax, we make a commitment to supporting them in their career and we love it when that results in a long-term role within the company. However, our overall goal is that each team member's time at InfoTrax contributes to their growth in a meaningful way.

To accomplish this we provide tuition reimbursement, professional development budgets and fully-paid certification programs. We want each person's journey at InfoTrax to be one of growth, support, and progress – wherever the future may take them.

Please describe your company culture in terms of personal growth, flexible scheduling, etc.

Our flexible culture and commitment to supporting team members in their personal endeavors is one of our competitive advantages. Our culture is built on a foundation of ownership, accountability and high performance to support hyper-flexible options.

We have adopted a hybrid model in the workplace where team members have the freedom they need to come into the office or to work from home in ways that best suit them. We also offer a variety of paid leave programs as well as fully paid Flexible Time Off (FTO) that allows team members to take the time they need without worrying about accruals or caps.

Anything else we should know about your company?

We take a lot of pride in the way we've grown as a tech company while also holding onto our roots. At the core of what we do, is our people.

We have focused our efforts to create a workplace culture that holistically supports both the person and the professional. We do not invest our time or our funds in flashy nap pods or cafeterias. Instead, we focus on creating a way of work that allows each member to thrive both in the office and at home.

We ensure our benefit programs help to provide the care our employees and their families need. We invest in our leaders to ensure they have the skills and resources to support their team. And we never miss an opportunity for some good old-fashioned fun during one of our Friday lunches!



Kristina Swift
 Founder & CEO



At **Serendipity Executive Search** I know how important it is to build a high-performance team that not only aligns with company culture but enhances it.

With 25 years of experience as a Sales Executive in the U.S. and Canada, I have built an extensive, wide-reaching network of top talent internationally in sales, marketing/digital/e-commerce, product innovation, operations, finance, and legal from Managers to C-suite Executives. I operate with a high sense of urgency to ensure we fill your positions in a timely manner.

What You Can Expect:

- Customized approach to understanding your company, business stage, and talent/skill needs
- An efficient Interview and selection process to identify candidates that align with your company's mission and vision
- Detailed candidate profile of skills, experience, and results
- Communication and scheduling of internal interview process
- Reference Checks
- Offer and contract negotiation

(315) 222-6623
 kristina.serendipity@gmail.com
 www.serendipityexecutivesearch.com

PEOPLE FOCUSED. BUSINESS DRIVEN.

THE **RANKS**

EXECUTIVE SEARCH 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 executive search companies that work specifically in the direct selling realm, ranked by number of direct selling clients invoiced in the past 12 months. Companies with the same number of clients are listed in alphabetical order. *The Ranks* will vary monthly in type of information and in number of items included.

RANK	COMPANY NAME & LOCATION	NUMBER OF CLIENTS INVOICED IN THE LAST 12 MONTHS	KEY CONTACT	SAMPLE CLIENTS	WEBSITE	CONTACT INFORMATION
<u>1</u>	Direct Sales Experts Inc. Orlando, FL	31	Craig Fleming	In Cruises Tori Belle Cosmetics Merry Vital	DirectSalesExperts.com	407-489-3351 Craig@DirectSalesExperts.com
<u>2</u>	Driggs Search International Salt Lake City, UT and Mesa, AZ	22	Scott Driggs	Kyani LifeVantage Plexus	driggssearch.com	801-253-1818 scott@driggssearch.com
<u>3</u>	Hanna Shea Executive Search Chandler, AZ	21	Sean Eggert	Green Compass Color Street PM International	hannashea.com	844-344-7177 info@hannashea.com
<u>4</u>	Serendipity Executive Search Scottsdale, AZ	21	Kristina Swift	Nature's Sunshine ThermoMix/Vorwerk Bemer	SerendipityExecutiveSearch.com	315-222-6623 Kristina.serendipity@gmail.com
<u>5</u>	C3 Executive Search VA and CA	15	Kate Gardner and Michele McDonough	USANA Norwex PartyLite	c3executivesearch.com	TX 214.908.7570 / CA 949.466.2707 kateandmichele@c3executivesearch.com
<u>6</u>	Pam Anthony Recruitment Rawtenstall, Rossendale, Lancashire, UK	10	Pam Anthony	Synergy Global Younique Oriflame	pamanthony-recruitment.co.uk	00-44-(0)1706 231354 Pam.anthony@pamanthony-recruitment.co.uk
<u>7</u>	IMPACT This Day Clearwater, FL	7	Debbie Squier	Rodan+Fields Monat Global Lifewave	impactthisday.com	727-743-9924 debbie@impactthisday.com
<u>8</u>	Wakefield Talabisco International New York, NY	3	Barbara Talabisco	Saladmaster Oriflame Cosmetics Regal Ware	wtali.com	212-661-8600 barbara@wtali.com

EXECUTIVE SEARCH COMPANIES



Craig A. Fleming

Founder and CEO, Direct Sales Experts Inc.
DirectSalesExperts.com • Craig@DirectSalesExperts.com

“Hiring “Empty Suits” will cost \$250,000 on average.

At Direct Sales Experts we have spent a life-time (46-Years) building relationships with the channel’s strongest leaders. Utilizing our global network of 30,000 contacts, our focus is to identify, interview, qualify and deliver to you high performing proven leaders to help grow your business.”



Scott Driggs

CEO, Driggs Search International
driggssearch.com/

“DSI is your link to top industry and corporate talent. We help good companies become great by attracting and hiring the best talent. Our extensive reach and deep domain expertise coupled with a relentless commitment to quality have been

the trademarks of our success in helping our clients grow. We become thoroughly familiar with your company, people, products, work environment and expectations to bring the right talent to you at the right time.”



EXECUTIVE SEARCH COMPANIES



Sean Eggert

Chief Executive Officer, Hanna Shea Executive Search
hannashea.com

“In business since 2007, Hanna Shea Executive Search is one of the longest-running and most successful placements agencies in our industry. Driven by a passion to help our clients achieve success through our placements, we have developed an incredible network

of highly talented and hard-working candidates, that represent the best in the industry. Whether it be full time, part time, project based, or consulting, we have a human capital solution to tailor-fit your specific needs, and our services are offered worldwide, with top talent in every major Direct Selling Market.”



Kristina Swift

CEO / Owner, Serendipity Executive Search
serendipityexecutivesearch.com

“We are a highly trusted executive search company focused on matching industry leading professionals to organizations globally. With 25 years of experience building high performance teams, we are more than recruiters – we are your partners. We take pride in getting it right with the perfect match professionally and culturally. We are with you every step of the way with white glove concierge service.”



WHAT'S NEW ►►

Herbalife Agrees to \$12.5 Million Settlement in 2017 Lawsuit

Herbalife Nutrition Ltd. has agreed in federal court to pay a \$12.5 million settlement to a potential \$1 billion class-action lawsuit filed in California against the company in September 2017. The class action accused Herbalife and top distributors of using a deceitful seminar scheme, Success Training Seminars, to lure new distributors. While the settlement has been agreed upon, the legal proceedings have been stayed by the judge in California until Aug. 15. This California action is closely related to a case in Miami, Florida, which involves the same claim with the same plaintiffs. Herbalife states in the filing that it is not “admitting fault, liability or wrongdoing” but did agree to five stipulations, which amend its conduct and distributor policies. These stipulations express that “attendance is not mandatory and does not guarantee financial success” at these events, and any representation to the contrary is prohibited. All corporate flyers also are required to state this. Tickets can now be refunded or canceled within a certain timeframe.

More Direct Sellers Close Operations in Russia

Amway and **Young Living** have both announced they are stopping business operations in Russia. Amway stated that it would be thoughtful and considerate when winding down, while “providing support to those impacted by this decision.” Regarding distributors and customers, it plans on “treating all with openness, dignity, and respect while meeting our contractual and statutory obligations.” Amway, which has had an operational presence in Russia for 17 years, stated on its website that this is the first time in its 63-year history to leave a market and cited “economic, technological, organizational and operational circumstances” as contributors to the exit. Young Living announced that it had also ceased its business in Russia. This move follows a previous announcement in March 2022, when the company suspended some promotional and operational activity in Russia and the CIS. The D. Gary Young, Young Living Foundation has committed to continuing its work with relief organizations at the Ukraine borders to support families in need.

Nu Skin Doubles Down on Affiliate Model

Nu Skin Enterprises Inc. shows positive financial results following the first quarter after announcing its shift from a direct selling firm to a “social commerce company.” In the first quarter of 2022, ending March 31, Nu Skin had 1.3 million customers, about 250,000 affiliates, and more than 50,000 sales leaders. Nu Skin first shared news of its intentions to move toward the affiliate model during its Investor Day presentation earlier this year, and called the strategic transformation plan, Nu Vision 2025, later in a letter to shareholders regarding its 2021 results. The company set a goal of growing its “affiliate-powered social commerce” business to comprise half of its global operations by 2025, according to the letter. Ryan Napier-ski, president and CEO, stated Nu Skin started seeing the growing power of social media for its distributors in recent years, and to support this growth is investing in technologies including the recent purchase of Mavely, a platform to help its affiliates build their social businesses.

New Image Acquires Nutrimerics

New Zealand-based **New Image Group** has acquired **Nutrimerics**, a skincare and cosmetics brand, from Tupperware Brands Corp. for an undisclosed amount. The acquisition includes Nutrimerics Australia, Nutrimerics International New Zealand, Nutrimerics Manufacturing and Nutrimerics France. Rod Taylor, CEO of New Image International, said that at the time Tupperware chose to sell its beauty business units, he and others formerly associated with Nutrimerics saw it as an opportunity for New Image Group. New Image Group is a wellness and nutritional product manufacturer and exporter since 1984, with a globally expertise in colostrum and infant formula. It is comprised of two subsidiaries: New Image International, a global direct selling retail sales channel, and NIG Nutritionals, the New Zealand manufacturing and packaging center that services New Image International and additional customers both domestic and international.

Kirby Opens Selling to Customers Online

After 108 years, **The Kirby Co.**, based in Cleveland, Ohio, has taken a step further in line with the digital future by offering products for sale on its website, Kirby.com. The company has sold vacuum cleaners and home cleaning accessories to customers through door-to-door sales as well as at small businesses since its inception. According to the company, that part of the business continues to thrive with distributors buying directly from the company and selling products through in-home demonstrations. Executives still consider demonstration of the vacuum’s performance and quality best shown in person. Yet, following current purchasing patterns, the company also wants to meet consumers where they are and acknowledges that they may want to experience products and purchasing differently. Maintaining its legacy of quality, all products are made in the United States, in Texas and Ohio, and the vacuums are made of die-cast aluminum with the ability to last up to 40 years.

Manufacturing Facility of Nature’s Sunshine Now 100% Solar-Powered

Nature’s Sunshine Products has converted its manufacturing facility in Spanish Fork, Utah, to 100% solar energy to power its operations. Currently, the facility manufactures the majority of the company’s herbal supplements. This transition to renewable energy resources is one of several milestones the company set in its inaugural environmental, social and governance (ESG) report with a commitment to reach this goal by 2023. The switch takes Nature’s Sunshine a substantial step closer to achieving the other goals it outlined in its ESG report, including reducing greenhouse gas emissions by 50% by 2025. This recent conversion of the manufacturing facility now reduces Nature’s Sunshine’s greenhouse gas emissions by 42%. Other sustainability milestones Nature’s Sunshine is working toward include: zero waste to landfill by 2025 at U.S. distribution centers; and 35% waste reduction at the manufacturing facility by 2025.

USANA Explores Research in Traditional Chinese Medicine

USANA recently partnered with the U.S. Center for Chinese Medicine (USCCM) to host a joint research symposium in Maryland as it further explores the efficacy of Traditional Chinese Medicine (TCM). The symposium was a proactive step toward seeing how TCM can be integrated into Western health practices and provide alternative interventions. USANA’s chief scientific officer, Dr. Rob Sinnott, and director of new product research, Dr. Jeremy Tian, joined several USCCM speakers during the event. The joint research symposium is part of USANA’s broader five-year collaboration with the Beijing University of Chinese Medicine (BUCM), which brings together scientists and research around both modern nutritional science and TCM to further develop products and protocols that support global health and wellness. USANA and BUCM are already evaluating the effectiveness of TCM to replenish Qi (an ancient Chinese healing art involving meditation), researching TCM ingredients, and developing targeted nutrition for different body types.

WHAT'S NEW ►►

Mary Kay Teams Up with Professor to Study Skin Microbiome

Mary Kay Inc. has partnered with Dr. Jack Gilbert, a professor of pediatrics at the University of California San Diego School of Medicine and a professor of microbial oceanography at UC San Diego Scripps Institution of Oceanography. The focus of their research and partnership will be the skin microbiome—one of the most important aspects of health that is still not well understood. More specifically, the skin’s aging process and its influence on the skin microbiome will impact how cosmetics are designed in the future, according to Dr. Lucy Gildea, Mary Kay’s chief innovation officer, product and science. Dr. Gilbert became co-director of the Microbiome and Metagenomics Center at UC San Diego this year as part of the National Institutes of Health’s \$175 million Nutrition for Precision Health program. Joining Gilbert, scientists at Mary Kay hope to explore how different skin attributes are associated with microbial shifts in women.

MONAT Brings Pop-Up Shop to London

For the first time ever, **MONAT** brought a two-day “Discovery Pop-Up Shop” to London providing the opportunity for visitors to learn about its vegan, cruelty-free, healthy aging products. Along with its hair care, skincare, and wellness ranges, the pop-up also offered complimentary beauty services, such as MONAT-related nail art, dry hair styling, and hand massages using MONAT’s new hand cream. A celebrity hair stylist provided the dry hair styling using MONAT hair protecting and styling products, and visitors were also able to create wellness drinks with the latest MONAT Wellness launches, including those made with collagen and healthy greens. Along with getting to know and experience MONAT, perhaps for the first time, visitors to the MONAT Pop-Up Shop received a complimentary goody bag with best-selling product samples to try at home, based on availability.

doTERRA Begins Operations in India, Chile

doTERRA has expanded its global footprint by opening new operations in India and Chile. The Indian region will now also serve as a central hub for doTERRA to cover all of South Asia. According to the company, many of its essential oils are sourced from India, Asia, the Pacific, the Middle East, and Africa, so it makes sense to have some operations in India. Manoj Shirodkar, an industry veteran with over 25 years of operations experience, will manage doTERRA’s operations in that market. The company’s increasing presence in South American will also now include a new corporate office and locally registered products in Santiago, Chile. The new operations in Chile will support the expanding needs of South America, providing opportunities to those interested in essential oils throughout the region, which is the fourth-largest economy in South America, with the highest GDP per capita on the continent. Claudia Pino Baquedano, a leader in the industry, will manage doTERRA’s operations in Chile.

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	XIRECT	11	SERENDIPITY	24
MOMENTUM FACTOR	06,13	VERB	15,35	HANNA SHEA	31
DIRECT SCALE	08	METRICS GLOBAL	18	INFOTRAX	36
		BLOO KANOO	21		

People on the Move



HENRY BEDFORD, SOUTHWESTERN
Board chair **Henry Bedford** has assumed the role of CEO at **Southwestern Family of Companies**, following the departure of Dustin Hillis. Hillis had served as CEO since July 2018 and had joined the company in 2006. Bedford has spent more than 45 years with Southwestern, having started as a student sales rep.



VINCENT MCMAHON, SOUTHWESTERN
Southwestern Family of Companies has appointed **Vincent “Vince” McMahon** to general manager of the Southwestern Distribution Center. McMahon has more than 20 years of operational leadership experience, including with CEVA Logistics, Advanced Innovative Technology Corp., and Beck/Arnley Worldparts Inc.



DAVID MACLEAN, PPLSI
PPLSI, the parent company of **LegalShield** and **IDShield**, has promoted **David MacLean** to vice president of strategic growth within its Business Solutions division. MacLean will oversee strategies for membership growth, marketing and communications. Most recently, he was vice president of sales in that division. Before PPLSI, he was at MetLife.



SHOEB ANSARI, EXP WORLD HOLDINGS
eXp World Holdings has hired **Shoeb Ansari** as chief information officer of eXp World Holdings. In this new role, Ansari will lead software engineering, product management, IT, product launch, project management, and data services. Prior to this role, he was the chief technology officer for RealPages and PR Newswire.



LEO PAREJA, EXP WORLD HOLDINGS
eXp World Holdings, the holding company for **eXp Realty**, has hired **Leo Pareja** as president of affiliated services for eXp Realty. He will oversee products and services such as mortgage, title, escrow, and lead-generation platforms. Pareja has more than 20 years of real estate experience and co-founded Washington Capital Partners.



MARÍA ANDREA VARGAS, NATURA
María Andrea Vargas has been named general manager of **Natura** in Colombia. Vargas has spent 10 years with Natura and worked as a product marketing manager and makeup grouper as well as commercial operations manager. Specializing in industrial engineering and cosmetics, Vargas will also prioritize continuing initiatives to protect the Amazon rainforest.



LAWRENCE PERKINS, NEWAGE
Lawrence Perkins will serve as interim principal financial officer for **NewAge Inc.** Perkins and the firm he founded, **SierraConstellation Partners LLC**, already provide chief restructuring officer and other services to the company. He has over 20 years of management consulting and advisory experience with companies in transition.



DAN GUBLER, VASAYO
Vasayo has named **Dr. Dan Gubler, Ph.D.**, as chief scientific officer and head of the Vasayo Scientific Advisory Board. Gubler is a chemist and former Brigham Young professor researching phytonutrients in plants to help improve people’s health. He is the founder and host of “Discover with Dr. Dan: The Proactive Health Podcast.”



ROBERTO VICINANZA, KYÄNI
Kyäni has appointed **Roberto Vicinanza, M.D., Ph.D.**, to the company’s Scientific Advisory Board. Dr. Vicinanza is a physician, geriatrician, researcher and associate professor at USC Leonard Davis School of Gerontology. He specializes in nutrition, cardiovascular health, nitric oxide, diet, and metabolic disorders.



PAUL JARVIS, TOCARA
Canadian jewelry company **Tocara** has appointed **Paul Jarvis** as global president and chief operating officer (COO). Jarvis most recently served as global chief operating officer of **Juice Plus+**. In his 25-year career, Jarvis led global direct sales including **Organo Gold** and **Vision International People Group**. He will lead daily operations at Tocara.



LAURA BRANDT, IDLIFE
Laura Brandt has been promoted to president of **IDLife**. She will now establish the company’s short- and long-term goals, oversee resource allocation, and help cast the company’s vision. Brandt joined IDLife in 2013 as director of project management. She previously worked at **Enhance International** and **Max International**, in corporate and the field.



MARK BENNETT, IDLIFE
IDLife has appointed **Mark Bennett** to chief business and legal officer. Previously, Bennett served as chief operating officer and general counsel. He will now work with leadership to execute key growth strategies, develop new business opportunities, and oversee legal and regulatory affairs. Before IDLife, Bennett spent almost 20 years practicing law.



JUSTIN SPARKS, IDLIFE
Justin Sparks has joined **IDLife** as chief financial officer. He will oversee the company’s financial strategy to increase profitability and improve overall financial health as well as use data and analytics to drive business. With a 24-year career in business intelligence and finance, Sparks previously worked at **WorldVentures** as well as startup ventures.



KIM DRABIK, DSEF
Kim Drabik, senior director of corporate affairs for **Plexus**, has joined the **Direct Selling Education Foundation (DSEF)** Board. Drabik, who served as chairman of the **World Federation of Direct Selling Associations** Advocacy committee, will serve three years on DSEF’s board. Previously, she spent 28 years with **Amway**.



DSA, NEW BOARD OFFICERS
The **Direct Selling Association (DSA)** elected new officers to its board of directors: Chairman – **Kevin Guest, USANA Health Sciences Inc.**, CEO and Chairman of the Board; Vice Chairman – **Danny Lee, 4Life Research**, President and CEO; Vice Chairman – **Cindy Monroe, Thirty-One Gifts**, Founder; and Treasurer – **David Merriman, ACN Inc.**, Executive Vice President.

Sponsored by:



GET IT RIGHT
THE FIRST TIME



Your most valued executive search partner for the direct sale industry

info@hannashea.com • www.hannashea.com



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.



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.



NEXIO

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

Nexio is a payment management platform that provides a way for direct sales companies to integrate payment solutions, both domestic and international, into one platform within their back-office.



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.

IDSTC

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



Flight Commerce Inc. helps enterprises and entrepreneurs who are fixated about their sales goals catch a relaxing direct Flight to their unlimited revenue potential and freedom. Flight is the All-In-One Software You Need to Master Direct Sales - Social Selling - Ecommerce - & More



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.

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.



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.



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.



PROMOREPUBLIC

c/o Vendep Oy,
Tammasaarenkatu 1, 00180
Helsinki, Finland
+1-929-376-0126
www.promorepublic.com

PromoRepublic for Direct Sales is a social selling app helping distributors stay compliant on social. A mobile app empowers distributors to be more active on social, increasing the number of people talking about the brand.



COMPLETE MERCHANT SOLUTIONS

1-877-267-4324
sales@cmsonline.com
727 North 1550 East 3rd Floor,
Orem, UT 84097
www.cmsonline.com

Complete Merchant Solutions (CMS) is a full-service US merchant account provider representing multiple banks. CMS safely and securely supports many types of payment processing for direct selling companies.



JENKON

Jenkon: 915 Broadway Street,
Ste. 400
Vancouver WA 98660
jenkon.com

From Startup to Enterprise, Jenkon provides Direct Selling companies an award-winning, scalable platform unifying the future of direct selling: Openness, connectivity, omni-channel and salesforce empowerment.



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.



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.



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.



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.

COMING SOON!

**DON'T MISS OUT
ON OUR UPCOMING
FALL EVENTS**

DIRECT SELLING HILL DAY
SEPTEMBER 13-14
WASHINGTON, DC

Be a part of protecting the sales channel and preserving the freedom and flexibility of the direct sellers who are America's original entrepreneurs.

DSA LEGAL &
REGULATORY SEMINAR
SEPTEMBER 14-16
WASHINGTON, DC

Where DSA's policy insights lead to practical business applications for a range of executives.

VISION 2023: SALES &
MARKETING CONFERENCE
NOVEMBER

Don't miss out on this program's action-packed schedule. We'll give you the edge you need in today's fast-paced world where markets shift and reshape at a unrelenting pace.

LEARN MORE AT DSA.ORG

1667 K Street, NW, Suite 1100 | Washington, DC 20006-1660
202.452.8866 | Fax 202.452.9010 | www.dsa.org



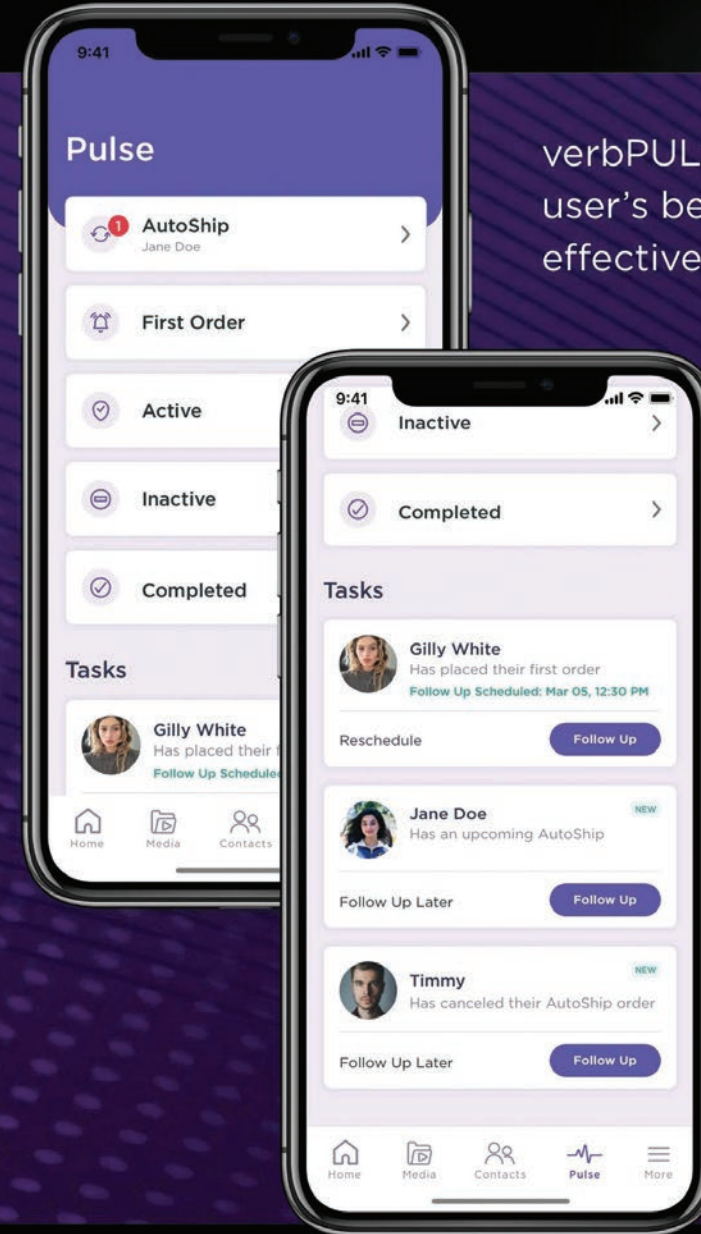
DIRECT SELLING ASSOCIATION

verbPULSE

Drive Success with Automated Intelligence

Empower your field to keep tabs on the heartbeat of their business and inspire action with verbPULSE!

verbPULSE's automated reports and coaching drive user's behavior by giving them tasks to help them effectively communicate with their customers.



- ✓ View customer buying patterns
- ✓ Bring back inactive customers
- ✓ Increase average order size
- ✓ Onboard new customers

verb
inspire · action

Request a Demo of the Most Complete Direct Sales Platform — **Today!**

sales@verb.tech
1-800-506-6677

FLEXCLOUD

DATA IS FUEL.



With our FlexCloud software and expert insight, your comp plan data can go from a necessary headache to an empowering resource for efficiently scaling up. Then, it's full steam ahead. Contact us today to get your commissions engine moving.

Let better data power your company forward with FlexCloud.



801.431.4900 | infotraxsys.com