



MARKETING PLAN ENHANCEMENTS

Distributor to Supervisor

Training Presentation

October 2009

Our Marketing Plan Through the Years

- The incredible Herbalife Marketing Plan, created by Mark Hughes almost 30 years ago, is still the best opportunity for the average person to be a success!
- Along the way several very exciting enhancements have been implemented to keep our plan the best.



These enhancements have included:

- Establishment of TAB Team (GET, Millionaire and President's Teams, Chairman's Club and Founder's Circle)
- Creation of the Production Bonus (2%, 4%, 6%)
- Establishment of the 20K, 30K, 50K Production Bonus to 7% (6^{1/2}%, 6^{3/4}%, 7%)
- Royalty roll-ups to payout full 15% R/O
- 4K Supervisor Requalification
- Additional method to qualify World Team: 2500 VP in 4 months

Enhancements

Now we have the opportunity to add three new enhancements to our Marketing Plan:

1. Qualified Producer

- A level between Distributor and Supervisor

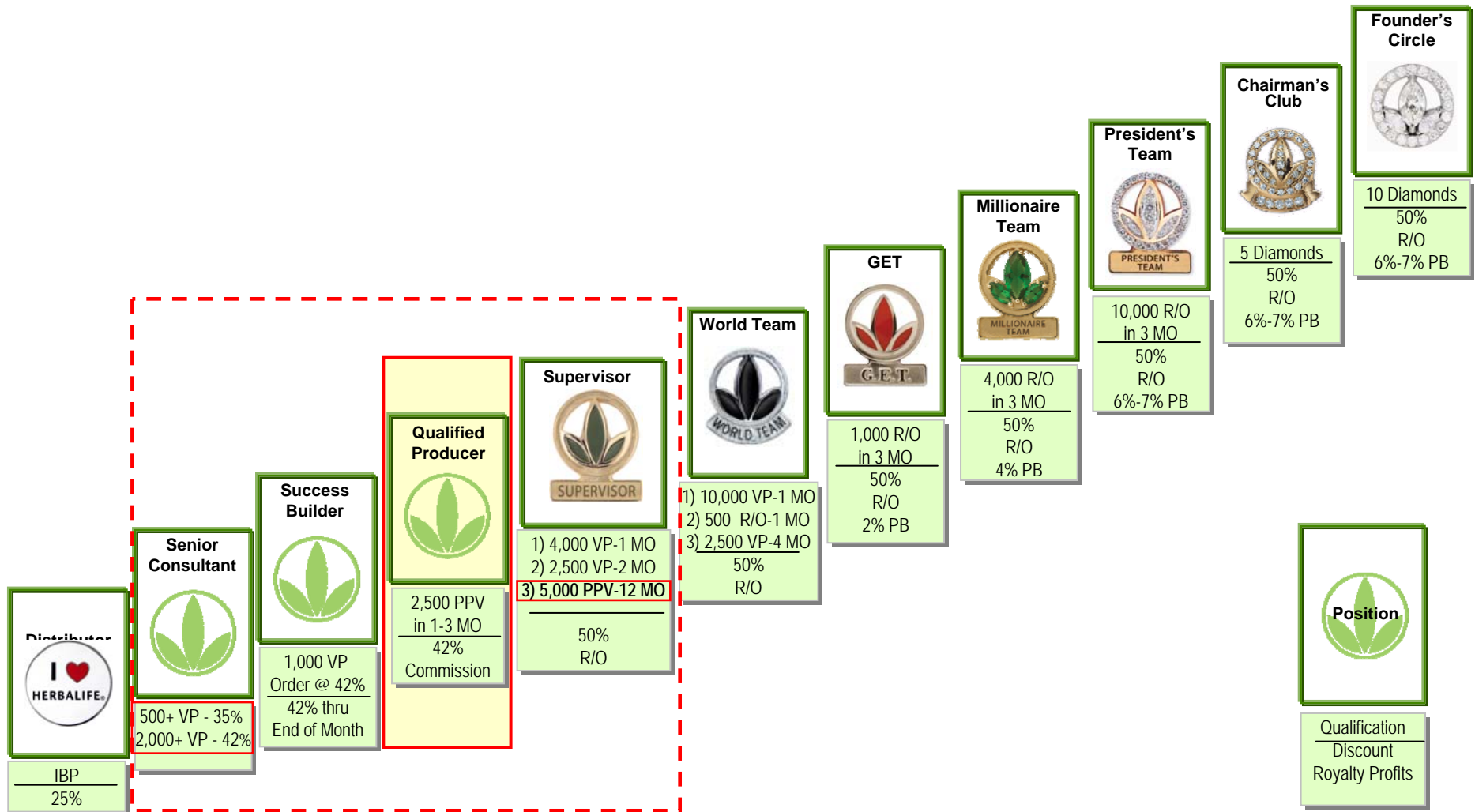
2. 5K Accumulated Volume Supervisor Qualification

- This is an additional qualification method for part-time Distributors to become Supervisor.

3. Simplified Distributor Discount Scale

Let's look at these enhancements more closely...

Steps in the Marketing Plan with Current Enhancements



Note: October 2009 is the first Volume Month that counts toward QP and 5K SP Qualification. The DS Discount Scale (25%, 35%, 42%, 50%) is effective on orders placed as of November 1. QP level does not apply in Korea or China.

Volume Points

To understand the Marketing Plan, we need to understand the importance of Volume Points...

- Volume Points (VP) are universal “currency” adopted by our company to indicate a consistent value of the products in different countries around the world.
- The more VPs you accumulate during a month, the higher your discount, resulting in higher retail profits when selling products to the customer.

Distributor

- Purchases an International Business Pack (IBP) from Sponsor
- Purchases product at **25% discount**
- **25% retail profit** when selling products to the customer
- Volume purchased by a Distributor from Herbalife is referred to as Personally Purchased Volume (PPV)
- PPV can be tracked for Distributors and their upline Supervisors on MyHerbalife.com, HerbalifeCentral.com and/or Bizworks

Senior Consultant

- Senior Consultants can achieve a **35% retail profit** in 2 ways:
 1. Accumulate 500 Volume Points in 1 month, then your next order is at 35% discount, OR
 2. Purchase a 500 Volume Point order at 35% discount
- Once you have qualified to become a Senior Consultant, all orders will be placed at 35% discount until you become eligible for a higher discount
- Senior Consultants can achieve a **42% retail profit** until end of month by accumulating 2,000 Volume Points or more in 1 month

Note: Supervisor must have at least 2,000 VP for Senior Consultant to purchase at 42%.

Success Builder

- All Distributors and Senior Consultants have an opportunity to place a single order of 1,000 Volume Points purchased at 42% discount
 - This qualifies them to become a Success Builder
- Benefits:
 - Receive **42% discount** on your Success Builder order
 - Receive 42% discount on additional orders purchased during the same Volume Month

Qualified Producer

- All Distributors or Senior Consultants have the choice to qualify as a **Qualified Producer** (QP) by **personally purchasing** 2,500 Volume Points in sales within 1 to 3 Volume Months
- Benefits:
 - Achieve Qualified Producer level and **42%** discount beginning 1st of the month following qualification and for all months as long as you requalify annually
 - Opportunity to receive split **commissions from Herbalife** (shared with Supervisor) from orders placed by downline Distributors and Senior Consultants at 25% and 35%)
 - Split commissions range from **7% to 17%** on downline purchases
 - PPV is also counted towards accumulated 5K Supervisor qualification
 - Only orders placed directly with Herbalife count for this qualification
 - QP is an optional step in the Marketing Plan between SC and SP

Example of Qualified Producer Qualification

Oct	500 PPV @ 35%
Nov	950 PPV @ 35%
Dec	1050 PPV @ 42% (Success Builder order)
JAN	Total = 2,500 QP @ 42%

PPV = Personally Purchased Volume

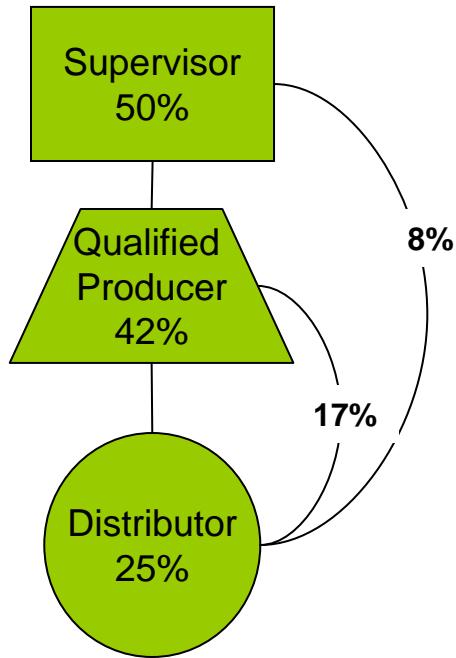
Qualified Producer Commission

- Qualified Producers are eligible to earn split commissions on orders placed by their downline directly from Herbalife
 - Paid on orders placed by downline Distributors and Senior Consultants
 - Paid the month following, once the qualification is met (Achieve a minimum payment of \$25 before payments are issued)
 - First commission earnings will be issued in December 2009 to Qualified Producers who qualify as of November 1, 2009
 - Commission activity for Qualified Producer will appear on monthly commission statements beginning December 2009

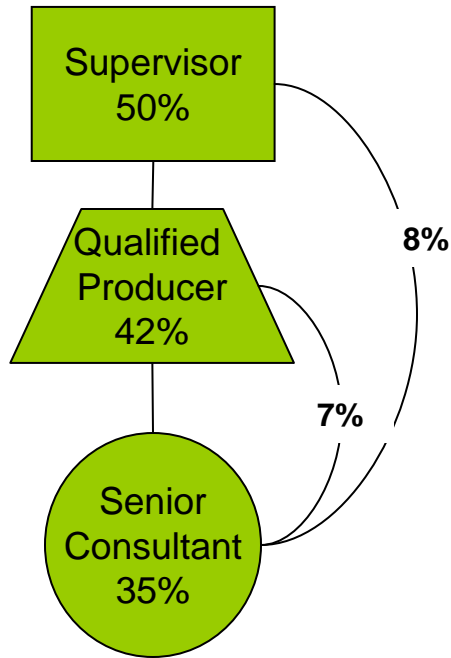
Note: October 2009 is the first Volume Month that counts toward QP. This level does not apply in Korea or China.

Qualified Producer Commission

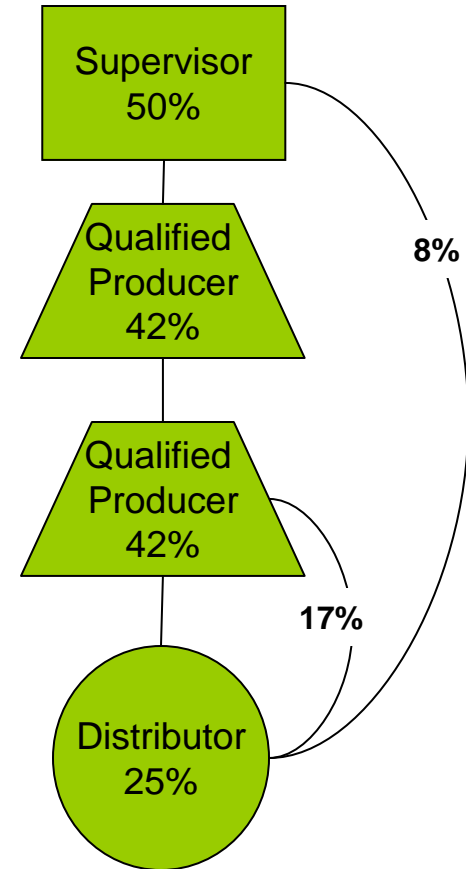
Example 1



Example 2



Example 3



Qualified Producer Requalification

- A Qualified Producer (QP) retains 42% discount and the opportunity to earn split commissions as long as:
 - Annual Processing Fee is paid
 - Requalification is completed annually between February 1 and January 31 (same period as Supervisor requalification)
- The requalification requirements are the same as initial qualification (2,500 Personally Purchased Volume Points in 1 to 3 consecutive Volume Months)

Note: October 2009 is the first Volume Month that counts toward QP. This level does not apply in Korea or China.

Simplified Distributor Discount Scale

DISTRIBUTOR LEVEL	MONTHLY VOLUME POINTS (VP)	DISCOUNT	ELIGIBILITY
DISTRIBUTOR	0 – 499 VP	25%	Until you become eligible for a higher discount.
SENIOR CONSULTANT	Achieve 500 VP or more	35%	Accumulate 500 VP during the month and then your next order is at 35%, OR Purchase a 500 VP order at 35%. All orders will be placed at 35% discount until you become eligible for a higher discount.
	Accumulate 2000 VP or more	42%	Once you have accumulated 2000 VP, you are eligible to place this order and all orders for the remainder of the Volume Month at a 42% discount.
SUCCESS BUILDER	Minimum 1000 VP in one order	42%	This order entitles you to a 42% discount on this order and all orders for the remainder of the Volume Month.
QUALIFIED PRODUCER	Accumulate 2500 Personally Purchased VP in 1 to 3 months	42%	As a Qualified Producer you are entitled to a 42% discount on every order. Must requalify annually.
QUALIFYING SUPERVISOR	Accumulate 4000 VP or more	Temporary 50%	Once 4000 VP are achieved in one Volume Month, additional orders are purchased at a Temporary 50% discount.
SUPERVISOR	1. 4000 VP in 1 month, OR 2. 2500 VP in each of 2 consecutive months, OR 3. Accumulate 5000 Personally Purchased VP within 12 months (3 month minimum required)	50%	As a Supervisor you are entitled to a 50% discount on every order. Must requalify annually.

Note: The simplified Distributor Discount Scale (25%, 35%, 42%, 50%) is effective on orders placed as of November 1, 2009.

The Next Step, Supervisor!



Supervisor

To qualify to Supervisor, there are 3 ways:

1. **One-month qualification:** achieve 4,000 Volume Points in one Volume Month
(1,000 of those 4,000 Volume Points are Unencumbered*)
2. **Two-month qualification:** achieve 2,500 Volume Points in each of two consecutive months
(1,000 of those 2,500 Volume Points each month are Unencumbered* for each month)

* Unencumbered Volume is Volume that is not being used by anyone in your downline for qualification or requalification purposes.

Note: All of your Distributor Sales Volume plus your own Personally Purchased Volume counts toward your Total Volume for these two methods.

Supervisor

3rd way to qualify to Supervisor...

3. **5K Accumulated Qualification:**

Accumulate 5,000 Personally Purchased Volume (PPV) within 12 Volume Months.

- All Personally Purchased Volume (PPV) must be Unencumbered* for the upline Supervisor
- Minimum of 3 months is required for this qualification
- January 2010 is the first month to begin recognizing new Supervisors who qualify with this accumulated method (for those who begin accumulating PPV in October 2009)

* Unencumbered Volume is Volume that is not being used by another Distributor for qualification or requalification purposes.

NOTE: October 2009 is the first Volume Month that counts toward 5K Accumulated Supervisor Qualification. This method has been tested in Russia, CIS countries, Israel, South Africa and Chile.

5K Accumulated Supervisor Qualification

Examples:

Example	Feb	Mar	Apr	May	Jun	Jul	Aug
#1	500	500	900	1,200	1,900	SP	→
#2	3,000	2,000	0	SP			→
#3	1,500	500	0	1,000	2,000	SP	→
#4	1,500	500	1,500	1,500	SP		→

Supervisor (SP) qualification is awarded the 1st of month following completion of qualification

NOTE: October 2009 is the first Volume Month that counts toward 5K Accumulated Supervisor Qualification.

Supervisor Requalification

Three ways to requalify between February 1 and January 31:

1. Achieve 4,000 Volume Points in one month, with 1,000 Volume Points Unencumbered*.
2. Achieve 2,500 Volume Points in two consecutive months, with 1,000 Volume Points Unencumbered* each month.
3. Accumulate 4,000 Unencumbered* Volume Points at any time during the requalification period. Using this method, your downline Supervisor lineages will be moved to the next upline Supervisor – but you will retain your non-Supervisor downline and your 50% buying privileges.

* Unencumbered Volume is Volume that is not being used by another Distributor for qualification or requalification purposes.

Enhancement Opportunities

- Understanding the mechanics of these enhancements will help grow your business
- Understanding how to incorporate these into your business is key to achieving the benefits
- Every organization, no matter how they do the business, encounters several prospective customers and Distributors who like the product but are unsure or reluctant to progress in Herbalife because of the time or effort required
- The Marketing Plan enhancements open the door for thousands of these people
- From the day you become a Distributor, you can easily track your Volume
- Your commitment in time and inventory for sale can be at your own pace
- Provides the opportunity to increase the number and retention of Distributors and Supervisors in your organizations

Enhancement Opportunities

- **Don't stop doing what you're doing**
- Add practices that help people in both the business building and part-time plans
- This is another way to share the Herbalife opportunity with everyone
- This will work with all methods of doing the business: Nutrition Club, Weight Loss Challenge, Total Plan, Wellness Evaluation, Internet, and more
- The Marketing Plan enhancements should help you:
 - Encourage daily consumption of Herbalife® Products
 - Enhance the number and productivity of Distributors in your organization
 - Accelerate the accumulation of Supervisor Personal Volume
 - Enhance the number of Supervisors in your organization
 - Accelerate the growth of Royalty Overrides

Tools on MyHerbalife.com

Go to MyHerbalife.com for downloadable tools to share with your team:

- “Marketing Plan Enhancements: Introduction 2009” video with Chairman and CEO, Michael O. Johnson, and Founder’s Circle and Chairman’s Club Members
- “Marketing Plan Training: Distributor to Supervisor” video hosted by Leslie Stanford and John Tartol
- Pocket-size pamphlet
- Flyer (8.5” x 10”) • Poster (24” x 36”)
- eCard in BizWorks
- Steps to Success chart
- Frequently Asked Questions document

PLUS, starting in November 2009:

- Track your progress toward qualifying in the “My Account” section of MyHerbalife.com
- Track your downline progress in BizWorks (available in 8 languages)

MyHerbalife.com Tracking (as of November 2009)

- Distributors can easily track their progress towards Qualified Producer and 5K Accumulated Supervisor qualifications
- Once a Distributor qualifies to Qualified Producer level, only the tracking towards 5K Accumulated Supervisor status will be visible

My Account
[Print this page](#)

Overview

Volume

Orders

Payments

Statements

Submit Ten Customer Form

Lineage Reports

Account Maintenance

My Account Overview

My Volume for this Month

Below is your current unaudited volume for June 2009 .

You have achieved 2,000 PPV towards your 5,000 Volume Point Accumulated Supervisor status. [info](#)

You have achieved 2,000 PPV towards your Qualified Producer status. [info](#)

Personally Purchased Volume: 2000.02

Personal Volume: 0.00
Group Volume: 0.00
Total Volume: 0.00

[View Volume History](#)

My Most Recent Orders

Order Date	Order No.	Volume Pts.	Status
06/21/2009	1056455428	102.10	ORDER COMPLETE (03)
06/20/2009	1056455218	778.10	ORDER COMPLETE (03)
06/15/2009	J156398299	698.57	ORDER COMPLETE (03)
06/15/2009	J156397527	421.25	ORDER COMPLETE (03)
05/22/2009	1056969389	32.05	ORDER COMPLETE (03)
05/15/2009	1056916949	66.00	ORDER COMPLETE (03)
05/12/2009	0440277623	1.04	ORDER COMPLETE (03)
05/11/2009	0421072163	10.26	ORDER COMPLETE (03)
05/05/2009	1056856737	101.78	ORDER COMPLETE (03)
04/28/2009	1056789749	98.17	ORDER COMPLETE (03)

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My Contact Information

Below is your contact information.

To update this information, [Click Here](#)

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Mailing Address: 990 W 190TH STREET
TORRANCE CA 90502


Daytime Phone: 1 310 4109600
Evening Phone:
Fax Number:

Primary Email Address : bobloblaw@hotmail.com (primary)

My Most Recent Payments

No checks were found for the last 2 months. Please click on "View More" below to search for checks from prior months .

[View More](#)


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