

Some Industry PAY PLANS

There are many different kinds of COMPENSATION PLANS within the Direct Sales & Marketing Industry (including "MLM" / Network Marketing) ... with (3) being the most popular - shown as follows:

1)- BINARY (often called the 'two-legged' plan, it is one of the most popular compensation plans. It limits the number of downlines to two [only 2] - i.e. one can only add two people under them as Distributors.

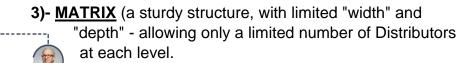
These two are placed on the <u>left</u> and <u>right</u> sides, called the right and left LEG, consecutively. The "payout" in a Binary Plan is mostly based on the group sales "volume", rather

than on sales "levels" - and it is calculated based on the "weaker" leg's sales [it is also called the 'Pay Leg']. The simple structure of a Binary is easy to understand). "MLM" companies that use this - TLC (Total Life Changes) / Jeunesse / USANA / Isagenix / etc

2)- <u>UNILEVEL</u> (with only one [1] single level of frontline under each sponsor, there's no position advancement in the Unilevel, regardless of their performance ... all the Reps of a single sponsor stay right under them.



The "payout" in a Unilevel Plan rests on factors such as "level", and the "hierarchy of each Rep" - and also depends on the "profit percentage". Companies decide on the "number of levels" in which commissions are paid, and the commission "percentage" varies, for different levels). "MLM" Companies that use this - doTerra / Young Living / Nikken / Modere / LifeVantage / etc ...



Example: a 3x3 Matrix would allow 3 Reps in width, up to 3 levels down. This "width limitation" means that not all Downlines can be directly under the

sponsor ... who therefore, is "forced" to place their downlines under "other, previously placed, Downlines ... earning the plan its name - 'Forced Matrix Plan'.

Matrix Plans also allow Reps to join in a "new position" in the tree - once they fulfill certain set criteria - increasing their chance for earning more commissions. In a 5x7 Matrix plan, you'd ("potentially") have ... 5 on your 1st level ... 25 on your 2nd level ... 125 on your 3rd level ... 625 on your 4th level ... 3,125 on your 5th level ... 15, 625 on your 6th level ... 78,125 on your 7th level = 97,780 TOTAL). "MLM" companies that use this - GDI (Global Domains International) / Trevo / etc ...

STAIRSTEP BREAKAWAY (is primarily "rank-based" - where the Rep, on achieving a specific rank - "breaks away" from his/her Downline Team - and gets a "new, top position" below the Admin. This Rep then forms a "new" group of Reps under the Admin.

The "payout" is driven by both "sales volume" and "performance" - making Distributors adept in the business. One "disadvantage" with a Stairstep Breakaway is ... with an increased focus on "achieving specific ranks" - the focus on the Downlines could be lost). "MLM" companies that use this - Amway / NuSkin / Herbalife / etc

OTHER Pay Plans - BOARD Plan // GENERATION Plan // MONOLINE Plan // HYBRID Plan // PARTY Plan // AUSTRALIAN (Binary) Plan // AUSTRALIAN (X-UP) Plan // SPILL-OVER Plan ...