

How Are We Different Than Amway?

Multi-level marketing as in Amway is completely different than that of Consumer Direct Marketing. I'll start by simply explaining some of the basics within the Amway opportunity.

In Amway, all the products move through the people. Your entire downline orders through you. You combine all their orders with yours and order through your up line who in turn does the same. The buck stops at a Direct Distributor who then orders directly from Amway.

The products are delivered to the Direct Distributors who then distribute those orders to their downline who again distribute them to their downline until it gets to the bottom. A common thing you hear in Amway is "product pickup day". Although Amway now has a service that allows some distributors to get their products directly from the company, but unless they order in bulk lots, those people have to pay "eaches" prices which are much higher.

Amway also has a program for customers (not distributors) that is set up somewhat like our Company except the customers have to sign up to receive what we would call our back-up order each month. As you might imagine, through the normal mechanism for moving the products, it can take some time to get them out to the bottom line of people. Also, all the payments for the products moves through each distributorship. When you either deliver the products or have your downline come pick them up, they pay you. This is after you've already paid your upline for the entire order.

Unfortunately, sometimes your downlines checks bounce and you have to deal with that - "a part of doing business" they say. After your organization grows, the paperwork becomes a real nightmare. Everyone of your people gives you their orders on order forms. You then need to combine everything and put it on your order form that you pass upline.

The bonus checks also move through all the people. The Direct Distributors get a check from Amway & make out bonus checks to all their people. Those write checks to their people until the bottom line of people is paid. You get nothing unless a minimum of about \$300 worth of product per month is moving through your organization and then you only receive a bonus of three percent. Again, there is a ton of paperwork with paying bonuses to your people. At the end of the year, you have to make out 1099s for each person to which you've paid bonuses. In my experience, my numbers never seemed to match my upline's numbers, so I had to spend hours figuring out everything.

Outside of the above process is Amway's catalog division. In the catalog are thousands of name-brand products from a wide spectrum of companies. This program works differently than the base business and the bonus schedule is much lower than their base products. Customers can order directly from the catalog but it was my experience that the name-brand products were much more expensive than the exact same items at your local department store.

Now for the money. I can only explain how it worked when I was involved with Amway a few years ago. Although they may have changed it a bit, I'm sure the basics haven't changed much. Like our products, everything is assigned a point value. They have a graduating bonus schedule based on the volume moving through you (and your organization) from 300 points (3%) to 15,000 points (27%).

To be a direct distributor, you must be moving a minimum of 7,500 points worth of volume (PV) each month. You are paid a 25% bonus on a second point value called business volume (BV) which is closer to the dollar value of the products. So, PV determines the bonus level and BV determines the amount of the bonus. If you are a direct distributor, out of your 25%, you pay your people who have earned a bonus.

This means you truly aren't earning 25%. For instance, if you have a single leg earning say 18%, your profit on that leg is truly only 7% (25% minus 18%). Once that leg reaches the 7500 point level, they get the full 25% and you get nothing unless you've become a Ruby Direct Distributor which means you maintain at least 15,000 points per month. Ruby Direct Distributors get an additional 2% over the 25%. If that same leg maintains the 7500 point level or higher for three consecutive months, they break away from you and start dealing directly with Amway (Direct Distributors).

That break-away legs volume is no longer your volume. From that time on, as long as you maintain a side volume of at least 2,500 points, you will earn a 4% bonus on the legs that break away. If your volume drops below 2,500, you lose the bonus on that other leg completely. This is one of the reasons why so many people in Amway will end up with a garage or basement full of products. From month to month, they buy their way into the next level or purchase enough to maintain the 2,500 side volume when sales don't quite make it.

As you might guess if you're a direct distributor, it is much more attractive to keep people at the 3% or 6% levels so you can receive the maximum levels of profit from your organization. Just enough to keep them going (for a while) while you reap the majority of the profits.

Now, compare this with our system! We have virtually no paperwork, no taking orders, and no deliveries. We don't take payments or handle bounced checks. Our volume is always our volume - no break-aways. We can't buy our way into the next level. Incentive is to help people below us grow instead of intentionally keeping them down! We don't get stuck with a garage full of product! Our Company calculates and sends out ALL bonus checks, AND sends out 1099s.

I'm sure you can draw a few more conclusions as to why so many Amway distributors have joined us. We have a much better program and opportunity to offer people. I love it!!! That's why when Steve & Julie Peters asked me to look at Consumer Director Marketing, I jumped at the chance to join a wonderful opportunity!

The Difference Between Melaleuca and Amway

(Written by another former rep!)

First, the start up cost for Melaleuca is \$29, which can be fully refundable. Amway's is almost \$200 and not refundable.

Second, to get a paycheck each month, one must purchase \$300 worth of Amway's products just to get paid. With Melaleuca you are just spending what you would normally spend, and many times LESS than that. (\$50-\$80 a month depending on what you buy)

Third, there are meetings that Amway wants you to attend, that often cost over \$100. Melaleuca does sometimes have training launches in various areas a few times a year, but they are always FREE to attend and not mandatory.

Fourth, and a big one... Amway has breakaways! That means that when someone in your group starts doing better than you, they "break away" from you. Therefore, you won't be paid on them! Melaleuca does NOT have breakaways. If someone does better than you, you will still get paid on their business and downline.

Fifth...Amways prices are enormous...the customers get robbed! In Melaleuca, customers save money!

It has been about 5 years since I was in Amway but I thought I would let you know what I remember.

1. The products are not really all natural at least not in the same way ours are they still have caustic ingredients in them just read the bottles and look up the ingredients
2. The money- Amway is a perfect example of fake it until you make it they have all of these seminars and tapes and lit that you have to purchase after being in it for about 6 months it almost bankrupted my husband and I and we never saw a dime!
3. Also we were required to purchase over \$200 in product every month just to get paid if we did sign up anyone (which was hard because they would here the name and run the other way) And then we would have to sell these products to others so there is the stock, inventory and deliver thing. Also the Products were inferior I had no desire to stick with any of them other than I had to if I wanted to get paid (I threw a lot of them out when I started Mela and they had been sitting in my pantry for 5 years!)
4. The compensation plan as I said in #3 we had to purchase a large amount of products and then we wouldn't get paid if we didn't or couldn't afford the way to large orders and then only the top people really got paid because it went so far up that there wasn't anything left for the little people!

There was a story the NBC ran on 60 in or something that really detailed Amway you might be able to look it up in their show archives. I am also including a link to an article on the companies (Melaleuca's) integrity at the end of this because we do not believe in faking it until you make it or going into large amounts of debt just to make money and that is the real beauty of our company! Not to mention that our products really are Environmentally sensitive and not to mention People sensitive and they really do work better than store brands and yes, even Amway!

Tammy

Quixtar

Dateline did a story on Quixtar 5/7/04
<http://msnbc.msn.com/id/4375477/>

So devoted are the followers, many in the crowd with us become sleep deprived, afraid to miss out on advice that will make them millionaires. Such devotion is hard to fathom, but we see just how far it goes on the last night of the weekend, when a single candle is lit. Soon the dark arena becomes a tabernacle, a shrine to the Quixtar dream.

For some, there is a solemn and tearful promise to their leaders. But are the leaders keeping their promises to the faithful? What the thousands lighting candles in this arena don't realize is that 99.9 percent of them will not only never get rich from Quixtar, but they won't even come close.

The freedom to flush that stinking job--that's the promise. And that's exactly what Eric Scheibeler did. But instead of a life of leisure and more time with his family, he says he worked day and night, buying the tapes, attending the rallies. Still, he made nowhere near the six-figure salary he thought he would. In fact, in his best year he made \$34,000 and even that didn't last. "We're destitute, financially. We'll change that. But financially we have nothing as a specific result of this."

Vicki and Lindy Mack say they not only didn't make money, they lost more than \$35,000 over a five-year period. Much of it on books, tapes, and traveling to rallies.

So why, despite the promises, did the Macks and thousands of others end up on the losing end of the Quixtar dream? One man says it's because it's based on a lie. And he should know. His name is Bo Short, and for a time, he was selling the dream himself as one of Quixtar's brightest stars. But he says, he began to realize he was part of a mass deception. "There is another business." And it's a business that is completely separate from Quixtar; a hidden business that most recruits don't realize exists. Short says many of those high-level distributors singing the praises of Quixtar on stage are

actually making most of their money by selling motivational books, tapes and seminars -- not Quixtar's cosmetics, soaps and electronics.

In fact, about 20 high level distributors are part of an exclusive club, one that those hundreds of thousands of other distributors don't get to join. For years only a privileged few, including Bill Britt, have run hugely profitable businesses, selling all those books, tapes and seminars -- things the rank and file distributors can't sell themselves, but are told over and over again they need to buy in order to succeed.

Short says the company acknowledged it had been aware of the problem for decades. How could that be? Remember when we said Quixtar sounded a little like Amway--a company which drew the ire of the federal government several years back for making false promises to recruits? Well it turns out Quixtar isn't just like Amway -- it was Amway. Quixtar is just its new incarnation with many of the same players.

So how much does an average Quixtar distributor really make? Well, only about \$1,400 per year. What's the source for that figure? It's Quixtar itself. You can find it in the fine print of the company's own registration materials. That's \$248,600 less than what our recruiter, Greg Fredericks, said we could make.

Support people to contact for more questions

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I would be happy to talk to anyone who has questions about Quixtar. My husband and I were in Amway for 10 years. I cannot tell you how much money we spent over the years trying to build the business because I refuse to add it up. Suffice it to say it was ALOT of money. While I have not been too aggressive in building my Melaleuca business I definitely see the potential and know that with the right coaching I will make it happen.

While we were on the phone I jotted down a few things that may help your team when fielding questions on Quixtar. Hope this helps.

Anne Scott

QUIXTAR

Products

Not environmentally friendly

To purchase the 50 points needed to make any \$\$ costs approximately \$100 a month

Business Building materials /Meetings

Monthly books and tapes \$50.00

Bi monthly meetings \$5.00 per person (IBO)

Weekend Meetings \$135.00 to register at least 3x a year

Compensation Plan

Each product is assigned a point value (PV) and a business volume (BV). You must achieve 50 PV a month to earn any money from your 'down-line business'. Once you've achieved your 50 PV your bonus is paid on the BV roughly twice the PV.

Most of the higher pin levels in the business have achieved their status from the selling of the support materials not the selling of the product. The weekend seminars do not discuss products rather the "business" opportunity. You are told to not discuss how much money you have spent since joining with anyone.