



marketing plan

**Introduction and
Fundamentals**



Introduction and Fundamentals

Potential Earnings

The Herbalife Independent Distributor compensation plan, which we refer to as Herbalife Marketing Plan, pays out up to 73% of product revenues to Distributors!

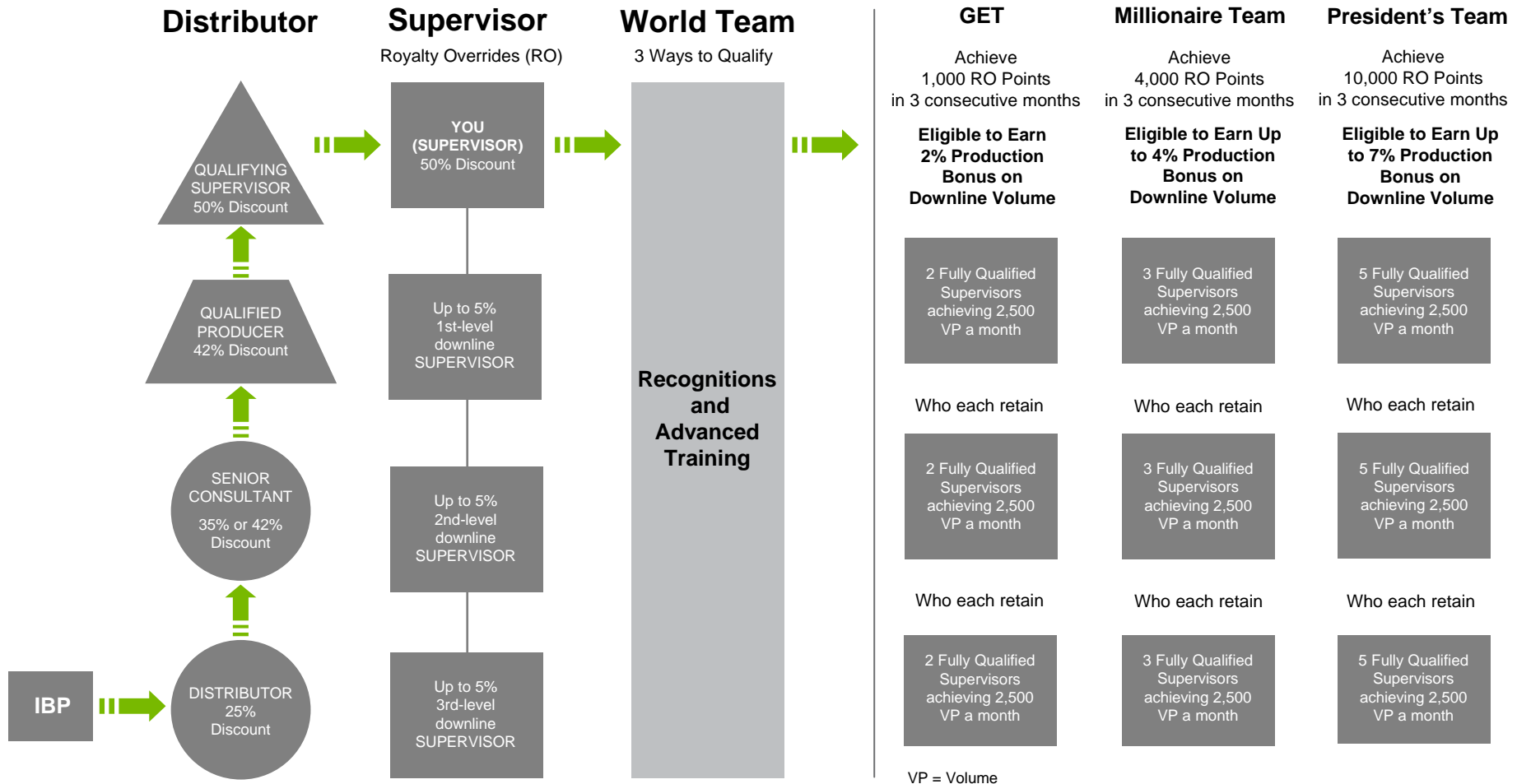
As an Herbalife Independent Distributor, you can become eligible to earn from *six* areas of potential income and incentives

- Retail Profit
- Wholesale Profit
- Royalty Overrides
- Monthly Production Bonus
- Annual Bonus (Mark Hughes Bonus)
- Promotions

Introduction and Fundamentals

Herbalife Marketing Plan

The more volume you and your downline sell, the more opportunities you may have to increase your earning potential.



VP = Volume Point



Introduction and Fundamentals

Achieving Volume

Move up the Marketing Plan by accumulating volume in two ways:

- **PPV = Personally Purchased Volume**
Volume purchased by a Distributor directly from Herbalife

- **DLV = Downline Volume**
Volume placed by your non-Supervisor downline Distributors ordering between 25% to 42% discount

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Tracking Volume

The screenshot shows the MyHerbalife.com homepage. At the top, there's a navigation bar with links like 'HOME', 'MY ACCOUNT & REPORTS', 'MY OFFICE', 'TOOLS & TRAINING', 'RECOGNITION & SUCCESS STORIES', 'EVENTS & PROMOTIONS', 'ORDER PRODUCTS', and 'HERBALIFE NEWS'. Below this, there are several promotional banners and sections: 'End of Month is Thursday, June 30', 'Order Products' with links to 'Recent Catalogs', 'Order by SKU List', 'Order by Price List', and 'Order Apparel'; 'Events & Promotions' featuring a '5+5' promotion; 'Product' section with 'Targeted Nutrition'; 'My Direct Links' with shortcuts to 'My Volume', 'My Orders', 'My Check', 'My Calendar', 'My Sales Centers', 'My Tax Forms', '2011 Holiday Schedule', 'Get I-Track Deposit', and 'Supplemental Rules of Conduct'; and 'Calendar' with events like 'Nutrition Club Training Call' and 'Product Training Call'.

PPV and DLV can be tracked on MyHerbalife.com and BizWorks

The screenshot shows the BizWorks reporting interface. It includes a search bar, a 'Run Report' button, and a table of supervisor data. The table has columns for 'Make Top', 'Select All', 'SP Level', 'First Name', 'Last Name', 'Team Level', 'Has Required?', 'Email', 'Primary Phone', 'Distributor ID', 'Country', and 'Sponsor Name'. A legend explains the symbols used in the table.

Legend

- Make Top
- Y - Supervisor HAS required with the One Month or Two Month method
- N - Supervisor HAS NOT required
- 4K - Supervisor HAS required with the 4K accumulative method
- N/A - Supervisor DOES NOT need to qualify for this fiscal period

Make Top	Select All	SP Level	First Name	Last Name	Team Level	Has Required?	Email	Primary Phone	Distributor ID	Country	Sponsor Name
Y	<input type="checkbox"/>	1	DO NOT	USE	Fully Qualified Supervisor	N	mls@myherbalife.com	N/A	XX12345678	USA	INTERNET TEST

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Introduction and Fundamentals

Retail Profit

DISTRIBUTOR

As a Distributor, you can earn Retail Profit by purchasing products with your Distributor discount and selling them to customers at their full retail value.

- A Distributor can purchase \$100 of product with a 25% discount and pay \$75
- The Distributor can sell that product at \$100 full retail value and earn \$25 from the sale
- 25% discount = potential \$25 Retail Profit

Note: Be sure to consider your additional selling expenses when determining your retail price, including shipping costs and sales taxes!

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Wholesale Profit

- As Distributors move up the Marketing Plan, their discount increases. If they recruit and retain other Distributors, they can potentially earn Wholesale Profit on orders by their downline Distributors.
- Wholesale Profit is based on the difference between your higher level discount and your downline Distributor's lower level discount.
- By moving up the Marketing Plan and sponsoring and training new Distributors, you can earn between 8% and 25% Wholesale Profit on whatever they purchase and sell.

