70% Rule Preferred Customers & Your Business

Today

- A. Active IBOs > selling and sponsoring
- B. Wholesale IBOs
- C. Customers

Changes

- A. Active IBOs > selling and sponsoring
- B. Wholesale IBOs
- C. Customers

September 1, 2021

- A. Active IBOs > selling and sponsoring
- B. Preferred Customers & Verified Customers

Verified Customer Sales (VCS)

What are Verified Customer Sales (VCS)?

VCS are sales to a customer through an Amway channel, such as the Amway app, Amway website, MyShop or a sale from your inventory that is recorded with Create a Receipt. The sale must capture the customer's name and unique phone number, along with the products.

What is a unique cell phone number?

Customer sales reported through receipts will be verified by the cell phone number provided during the transaction. The number must be valid and unique to the customer making the purchase.

Verified Customer Sales (VCS)

11.11% PV/BV Uplift on VCS

You get an 11.11% volume boost

of PV and BV

for every product sold

that qualifies as a VCS.





Seventy Percent Rule: Beginning September 1, 2021
In order to be bonused on full BV for the month, each IBOs personal volume must meet the requirement of at least 70% customer sales.

This will be measured by a minimum of 60% needing to come from Verified Customer Sales (VCS).

70% Rule How does the 70% Rule affect every IBO?

| PV | BV | VCS PV | vcs % | % Compliant | Bonused BV | Bonus Paid |
|-----|-----|-----------|---------|----------------|---------------|---------------|
| 100 | 300 | 0 | 0 VCS | 0% | 0 | \$0.00 |
| 100 | 300 | 10 | 10% VCS | 17% | 51 | \$1.53 |
| 100 | 300 | 30 | 30% VCS | 50% | 150 | \$4.50 |
| 100 | 300 | 60 | 60% VCS | 100% | 300 | \$9.00 |

Numbers are for demonstration purposes only, does not account for the 11.11% VSC uplift.

| | PV | BV | VCS PV | vcs % | % Compliant | Bonused BV | Bonus Paid |
|---|-----|-----|-----------|---------|----------------|---------------|---------------|
| | 100 | 300 | 0 | 0 VCS | 0% | 0 | \$0.00 |
| | 100 | 300 | 10 | 10% VCS | 17% | 51 | \$1.53 |
| 2 | 100 | 300 | 30 | 30% VCS | 50% | 150 | \$4.50 |
| | 100 | 300 | 60 | 60% VCS | 100% | 300 | \$9.00 |

Numbers are for demonstration purposes only, does not account for the 11.11% VSC uplift.

| PV | BV | VCS PV | VCS % | % Compliant | Bonused BV | Bonus Paid | |
|-----|-----|-----------|---------|----------------|---------------|---------------|--|
| 100 | 300 | 0 | 0 VCS | 0% | 0 | \$0.00 | |
| 100 | 300 | 10 | 10% VCS | 17% | 51 | \$1.53 | |
| 100 | 300 | 30 | 30% VCS | 50% | 150 | \$4.50 | |
| 100 | 300 | 60 | 60% VCS | 100% | 300 | \$9.00 | |

Numbers are for demonstration purposes only, does not account for the 11.11% VSC uplift.

| PV | BV | VCS PV | vcs % | % Compliant | Bonused BV | Bonus Paid | |
|-----|-----|-----------|---------|----------------|---------------|---------------|--|
| 100 | 300 | 0 | 0 VCS | 0% | 0 | \$0.00 | |
| 100 | 300 | 10 | 10% VCS | 17% | 51 | \$1.53 | |
| 100 | 300 | 30 | 30% VCS | 50% | 150 | \$4.50 | |
| 100 | 300 | 60 | 60% VCS | 100% | 300 | \$9.00 | |

Numbers are for demonstration purposes only, does not account for the 11.11% VCS uplift.

| | | VCS | | % | Bonused | Bonus |
|----|-----|-----|---------|-----------|----------------|--------|
| PV | BV | PV | VCS % | Compliant | BV | Paid |
| 50 | 150 | 0 | 0 VCS | 0% | 0 | \$0.00 |
| 50 | 150 | 5 | 10% VCS | 17% | 26 | \$0.00 |
| 50 | 150 | 15 | 30% VCS | 50% | 75 | \$0.00 |
| 50 | 150 | 30 | 60% VCS | 100% | 150 | \$0.00 |

Numbers are for demonstration purposes only, does not account for the 11.11% VCS uplift.

70% Rule
How does 70% Rule
affect the
Group/Team
Performance Bonus?

For example: You report your VCS and downline does not.

Now: After 9/1:

| | | | 9% Bonus | | 9% Bonus | | |
|------------|-----|------|-------------|-----|-------------|------|--|
| | PV | BV | Paid | PV | BV | Paid | |
| YOU: | 200 | 600 | | 200 | 600 | | |
| Your Team: | 400 | 1200 | | 400 | 0 | | |
| | 600 | 1800 | \$162 | 600 | 600 | \$54 | |

Numbers are for demonstration purposes only, does not account for the 11.11% VCS uplift.

70% Rule

How much PV
does an IBO need
to reach
60% VCS?

VCS %
PV PV VCS % Compliant

Personal: 100

Client: <u>150</u>

250 150 60% VCS 100%

2.5 times Personal PV to reach 60% VCS

VCS %
PV PV VCS % Compliant

100%

Personal: 300

Client: <u>450</u>

750 450 60% VCS

2.5 times Personal PV to reach 60% VCS

VCS %
PV PV VCS % Compliant

Personal: 600

Client: <u>900</u>

1500 900 60% VCS 100%

2.5 times Personal PV to reach 60% VCS

70% Rule What are the Options?

OPTIONS:

A) Remain an IBO

Learn how to sell/report more VCS with your uplines assistance

B) Become a Preferred Customer

Continue buying at wholesale cost, without renewing and more

70% Rule
What are the
Options?
Remain an IBO

Remain an IBO

With your Uplines assistance learn how to sell/report more VCS:

- a) Get new customers on VCS
- b) Convert non-VCS customers to VCS
- c) Customers that order through you and are not computer literate, you can setup/manage their account
- d) Selling to non-VCS via a VCS account > Self-report sales to a VCS customer as a reward giving them AmPerks points
- e) Use guest report
- f) Get with your Upline for ideas not listed here

70% Rule
What are the
Options?

Become A
Preferred Customer

PREFERRED CUSTOMER OPPORTUNITY JUNE – SEPTEMBER 2021

IBOs on your team who are not actively building their businesses will have the chance to transition out of business ownership and into the role of a Preferred Customer.

June - September 15, 2021





Free to join with no renewal fee, saving \$62/year! Continue to buy at IBO cost forever.**

Earn up to \$75 in exclusive PC rewards to be used toward future purchases.

- > \$25 just for signing up
- \$25 after making a first purchase of \$100+
- > \$25 after making a second purchase of \$100+

AmPerks: Customer Rewards Program.

- Earn 2 points/\$1 (4 points/\$1 on DITTO)
- > 100 promotional points for joining
- Free shipping* on \$99+ orders
- Additional & exclusive promos

Promo may have limited-life. **Valid if they remain a Preferred Customer.

WHO CAN BECOME A PREFERRED CUSTOMER?

Any IBO in the business on or before March 1, 2021, has the option to become a Preferred Customer. The Preferred Customer program should be offered during a Leader/IBO conversation.

- Positive PV, but non-retailing (0 VCS).
- Positive PV, but reporting low customer sales, more than 90 days in the business and 0/1 Frontline (only 1/3 has a frontline).
- ➤ IBOs that have not renewed for 2020-2021 year.

As a leader, you are instrumental in helping downline IBOs determine which is the best path for them.

NOTES:

Explain that a Preferred Customer is just a name change from IBO to Preferred Customer, only better. And if they change their mind and want to become active, no problem!

Remember, you need to show options that will benefit them.

| | PV | BV | Cost | Bonus | Perks | Ship | Net |
|-------------|-----|-----|----------|--------|--------------|--------|---------|
| IBO | 100 | 300 | \$300.00 | \$0.00 | | \$7.00 | -\$7.00 |
| PC | | | \$300.00 | | 600 \$6 | \$0.00 | \$13.00 |
| PC Ditto | | | | | 1200 \$12 | \$0.00 | \$19.00 |

500 points = \$5 DITTO 2X points

| | PV | BV | Cost | Bonus | Perks | Ship | Net |
|-------------|-------|-----|----------|--------|--------------|---------|----------|
| IBO | 300 9 | 900 | \$900.00 | \$0.00 | | \$14.00 | -\$14.00 |
| PC | | | \$900.00 | | 1800 \$18 | \$0.00 | \$32.00 |
| PC Ditto | | | | | 3600 \$36 | \$0.00 | \$50.00 |

500 points = \$5 DITTO 2X points