

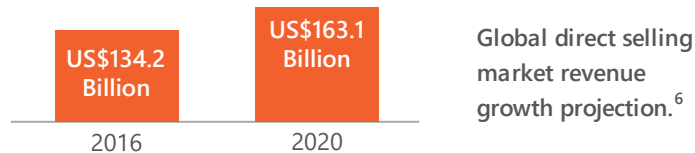


FOUR WAYS TO PREPARE YOUR DIRECT SELLING BUSINESS FOR GROWTH

Never have there been more opportunities—and challenges—in the direct selling world. According to the Direct Selling Association, there's plenty of good news:

- About one in seven U.S. households is involved in direct selling.¹
- Over 50% of consumers are likely to buy something from a direct selling representative within the next year.²
- Between 2008 and 2016, the percentage of Americans giving the direct selling industry “high favorability” ratings rose from 23% to 31%.³
- Of those who are involved in direct selling, 78% believe it met or exceeded their expectations, 82% assessed it as “excellent” or “good,” and 78% recommended it to others.⁴

We can expect the direct selling industry to keep growing worldwide. The market will record **11.5% growth by 2021**, thanks in large part to expansion in developing regions.⁵



But an uptick in sales also means an uptick in complexity. As new markets become ever more accessible, your direct selling company will need to be ready for just about anything. You will be challenged in ways you never have before. Here are four ways to prepare for those challenges.

1. Maximize Your Flexibility

It has become cliché to say that change is the only constant—but in direct selling, it's true. With every new market your business enters, you'll need to meet the needs of a different kind of consumer. In addition, regulations will continue to change as governments seek to keep consumers safe from the small percentage of direct selling companies that seek to make profits through unscrupulous business practices. And as new technologies continue to emerge, you'll want to deploy them in ways that make it easier to run a profitable business.

But that's just the beginning of the changes. More and more direct selling companies are learning that today's distributors aren't necessarily looking for a six-figure income from direct selling—in fact, most see it as a satisfying and profitable side gig. Meanwhile, you'll still have some distributors who are trying to generate a full-time income from direct selling.

¹ Direct Selling Association. “Direct Selling: An Accessible Path to Entrepreneurship.”

² Direct Selling Association. “2017 Direct Selling Consumer Attitudes Survey.”

³ Direct Selling Association. “2017 Direct Selling Consumer Attitudes Survey.”

⁴ Direct Selling Association. “Direct Selling: An Accessible Path to Entrepreneurship.”

⁵ Euromonitor International. “Direct Selling and Communities in the Internet Age.” Strategy briefing. 2017.

⁶ Euromonitor International. “Direct Selling in the US.” 2018.

As a result, you must cater to both the new distributor who's focusing on a part-time opportunity and the 10-year veteran sales leader who has 500 people in her downline.

All of this means that flexibility has become a matter of survival for direct selling businesses. Strive for flexibility on two levels: in how you run your corporate back office, and in the tools you offer your distributors. This means supporting your business with technology that's as configurable as possible.

- Your distributors should be able to configure their working environment based on the tasks they perform most frequently. They should also be able to customize their personal e-commerce website based on the products they choose to sell—rather than being forced to market your entire product line.
- Your corporate office should be able to offer different functionality to distributors depending on their role in your company. You may have certain sales reps who are only trained to sell one particular product line, or experienced distributors who have earned the right to sell premium products. Your solution must provide this level of configurability without any additional programming on the back end. This entails choosing a solution that's highly configurable right out of the box.
- All of your distributors—especially those who are working for you as a “side gig”—continue to look for ways to run their business from their mobile devices. They want to be able to check in any time they have a few spare minutes. Any platform you choose should make it easy to run a direct selling business from a phone, tablet, or laptop.

2. Get More from Your Data

Ever heard the term “big data”? It's just what it sounds like: today's companies are collecting vast amounts of data—so much, in fact, that they can't even process it all, much less extract the kinds of insights that will enable strategic business decisions.

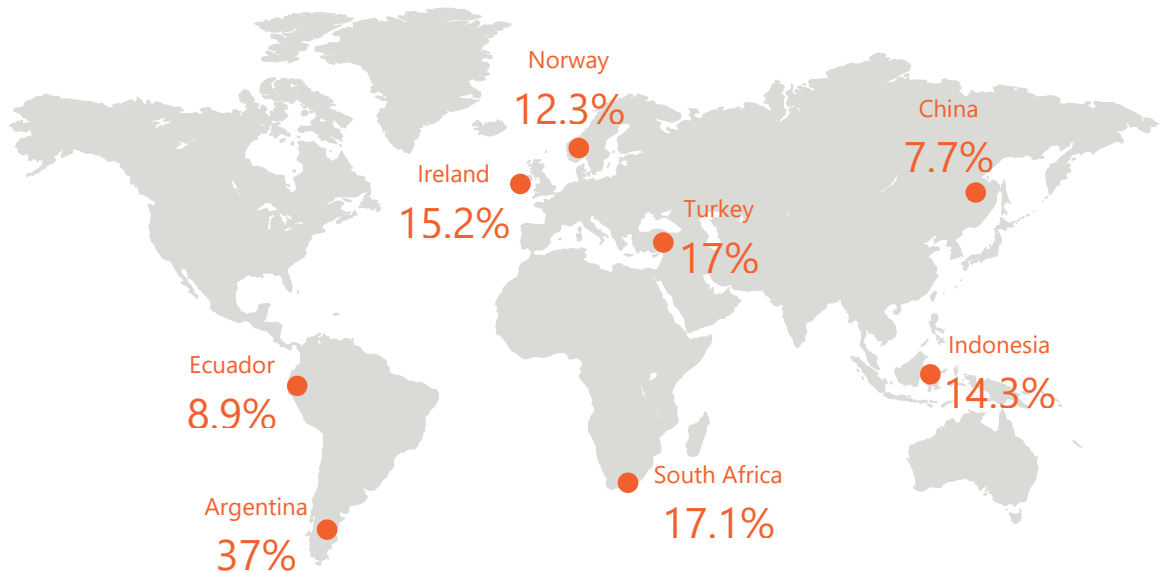
Companies in many industries are catching on to the need to make better use of their data, but direct selling firms generally still lag behind in their ability to derive competitive advantage from the data they've collected. Storage space is becoming cheaper and cheaper—but collecting data and not analyzing it is no better than not collecting it at all.

Don't just seek to gather and store more data on your transactions. Strive to analyze it to determine why people buy, why they stay on board as distributors, and what makes them successful. In doing so, you can gain a competitive advantage over your rivals that are relying on outdated “best practices” to guide them.

Analyzing your data can help you do more than just encourage first-time customers to buy again or keep your distributors from quitting. It can also enable you to understand what stage each customer and distributor is at in their lifecycle and what they need from you to stay motivated and feel appreciated. That's why your system should make it easy for you to find and use the insights buried in your massive volumes of data.

3. Tap into the Fastest-Growing Global Markets

Some of the greatest opportunities in direct selling lie overseas. American-based companies can dramatically expand their markets by recruiting distributors and customers around the world. According to the World Federation of Direct Selling Associations (WFDSA), although North America showed just a 1.6% compound annual growth rate in direct selling from 2014-17, several other countries showed much faster growth:



To do business in other countries, you'll need to be ready to handle different languages, currencies and tax structures. In some countries, you may need to work in multiple languages even while dealing with one currency. You will face the challenge of processing currencies and observing legal delivery requirements for members of the same downline living in different countries. Look for a direct selling platform that supports the unique financial requirements of every country in the global marketplace without requiring you to implement a separate instance of their software.

4. Find Ways to Inspire Your Customers and Distributors

There's an aspect of direct selling success that's harder to measure nowadays, but it's becoming increasingly important in winning the loyalty of customers and distributors—especially those from the millennial generation.

More and more young consumers want to do business with companies they can feel good about. Companies with a conscience. Companies that strive to change the world—not just please their shareholders.

Your software must support you here, too. Look for a solution that can help you support organizations whose causes you want to assist. This can include:

- Recognizing nonprofit status.
- Allowing customers and distributors to make their own donations.
- Adding a few pennies on a customer purchase by rounding it up to the nearest dollar amount and donating that portion to your charity of choice.

Your solution should even be able to earmark a certain percentage of your corporate sales to be donated to that same charity down to the product level.

Seize the Opportunity: Call Us Today

The opportunities are out there for direct selling companies that are ready to seize them. But unless you've put the right direct selling system in place, you'll lag behind the competition. By embracing the latest technology, you can let your distributors work the way they want to work, find insights within their data, tap into emerging markets around the globe, and work with their customers and distributors to change the world.

Thatcher Technology Group has been delivering this kind of technology since 1999. We help businesses in the direct selling industry maximize salesforce productivity, optimize organizational efficiency, and empower sustainable growth—and we'd love to help you next.

For a free phone consultation, call us toll free at (866) 698-3848.

Thatcher Technology Group

55 Shuman Blvd.
Suite 350
Naperville, IL 60563

Toll free: (866) 698-3848

(630) 696-4545

info@thatchertech.com

www.thatchertech.com

