

April 24, 2024

Re: DSA Partnership Award Submission

Jenetek LLC dba Dan Jensen Consulting

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Dan Jensen Consulting (DJC) has served the Direct Selling Industry for over 25 years and helped over 500 companies around the world to design and implement world-class compensation plans that are not only 100% legally compliant but that also drive sustainable growth over many years. According to Deborah Heisz, Neora CEO, our extensive work with her team to design their new comp plan which drove significant customer sales was one of the most important compliance factors leading to their success battling with the FTC. We are proud to have 100% client satisfaction with hundreds of startup clients as well as more than 100 clients who have engaged us to improve or replace their current compensation plans. Some of the fastest growing companies in the industry have been our clients including Monat Global, Omnilife, Lifewave, and Young Living Essential Oils. We look forward to continuing to make a significant contribution toward the success of our industry helping our clients optimize their fully compliant compensation strategies to reward countless millions of distributors around the world for doing the right things.

We have seen too many Direct Selling Companies fail due to problems with their compensation plans including challenges with regulatory compliance, the overall cost of their plan (unaffordable), poor distributor retention, weak leader development results, poor recruitment, and comp plans that are too top heavy. We help our clients avoid these traps. The primary measure of our success is to see our clients succeed and grow in a sustainable way with a world-class compensation plan that rewards the right behaviors for their salesforce. As a result of our many growing and successful clients, the industry benefits enormously including a better reputation through strong regulatory compliance.

Dan Jensen is the founder of DJC in 1998. Andi Sherwood and Brian Jensen are partners who later joined with Dan. Years earlier, he also founded Jenkon in 1978 which became the first software company serving the Direct Selling industry and one of the largest. In 1997 Dan was awarded the Partnership Award for the significant contribution Jenkon had made to the growth and success of many clients. Dan retired from Jenkon in 2001 after helping it go public on the NASDAQ stock exchange though it is now a privately held company.

Dan Jensen Consulting focuses exclusively on compensation plan strategies for the Direct Selling industry with clients on every continent. We offer three services:

- 1) New Startup Companies: We have designed about 400 compensation plans for new startup companies around the world. One of our most noteworthy startup clients includes Monat Global who achieved over one billion in sales a few years ago with the comp plan we designed for them. Startup clients receive training in legal requirements and guidelines, industry best practices, traps to avoid, and strategies used for sustainable growth. Every comp plan is custom designed from scratch to fit their unique business and their future goals. We provide detailed financial analysis of every compensation plan we design projecting accurately its future payout at large scale. No other comp plan design team does this. This analysis has helped our clients avoid future financial disaster from excessive comp plan payouts. We also prepare a highly detailed software specification document of

the comp plan so the client's software provider can more accurately implement the comp plan avoiding expensive and embarrassing commission errors. This unique technical documentation has helped our clients avoid significant losses from calculation errors. We also teach our startup clients how to audit and verify their commission calculation accuracy, teach the plan to their new sales force, and review their comp plan guides before they are published. In short, our services help our clients prosper in a sustainable way and our client success rate demonstrates this.

- 2) Compensation Plan Review: established companies hire us to do a deep analysis of their existing compensation plan. We document the plan's strengths and weaknesses and potential future problems (ticking time bombs). Most importantly, our plan review identifies regulatory compliance problems that need to be resolved to assure 100% compliance. This was a service Nerium (now Neora) used that resulted in their engaging us to design their new compensation plan. Their new comp plan we designed would later be a major factor in their winning the fight with the FTC.
- 3) Comp plan changes: Established companies that need to replace or enhance their compensation plans engage us to make the necessary changes. Comp plan changes introduce significant risk to established companies if their leaders refuse to embrace the changes. Fortunately, our track record is exceptional in this regard. We do extensive training with the client's senior management team on industry best practices, proven principles of comp plan design and compliance requirements. We provide extensive computer modeling of the new comp plan design compared to the old plan and its affect on each individual distributor. No other comp plan design team nor software provider has the level of modeling capabilities we offer. Our technology is proprietary and has taken many years to perfect. It helps us to make significantly more accurate plan design decisions with each client. We see the impact of each decision on every distributor and the overall cost to the company. Companies whose plans currently pay out more than they can afford often engage us to help them reduce the cost of their plans so they can become more financially sustainable. Clients that have used our comp plan modeling and design services include Lifewave, Young Living Essential Oils, LifeVantage, Avon, Neora, Color Street, Rodan & Fields, Omnilife, LR Health & Beauty, Oriflame, New Image, Mannatech, Amare, and many others. All of these clients would gladly recommend us.

Neora vs FTC

Most noteworthy in recent times is the FTC v Neora case. Dan Jensen Consulting had a significant influence on the successful outcome of this case. After our comprehensive comp plan review, Nerium (now Neora) engaged us to start a project to replace their compensation plan with a considerably better one. We started by doing an onsite training workshop with their senior management team and a few top field leaders. The workshop identified strengths and weaknesses in their comp plan and business strategies which needed to be upgraded to current and future industry trends and best practices. Compliance improvements were also emphasized. DJC led the plan design work collaborating closely with the Neora team. An effective plan design was developed and agreed upon which then used our advanced compensation plan modeling software to analyze the cost and impact of every detail of the new comp plan down to the individual distributors. Many iterations of modeling were done to refine and polish the result. A transition plan for the sales force was then designed and modeled by DJC and the Neora team. DJC worked closely with the Neora team meeting with their top leaders to win their support and approval of the new plan. The plan was launched with great success prior to the FTC case.

Results showed significant improvement in the ratio of customer sales to internal sales force self-consumption sales which needed to improve to gain stronger compliance in the future. Eventually achieving better than 80% of revenue from known customers became a cornerstone for winning the case with the FTC a few years later.

Despite the significant adverse effect of the FTC action, Neora has not only survived but prospered with their new comp plan. One might argue that many companies would not have survived such an FTC attack. Neora did well during and after the COVID epidemic for many reasons including their new comp plan driving strong customer sales. They have attracted Affiliates who prefer not to build teams which Neora's older plan did not do. Dan Jensen was deposed by the FTC for about 6 hours during the trial. Deborah has expressed that Dan's expert testimony was another key influence in a successful outcome. We are proud to have played a significant role in the successful outcomes Neora has realized.

Monat Global

Monat Global was a new startup company when they engaged us in 2013 to design a compensation plan for their launch. Stuart MacMillan was hired as their VP of Sales who later became their CEO and is one of our clients that has repeatedly expressed his gratitude for our help and influence with their success. Breaking the billion-dollar sales threshold a few years ago using the compensation plan we designed (with some minor tweaks) was highly rewarding to see. They continue to be one of the top performing companies in the world.

Yanbal

We did a comp plan change for Yanbal in 2004 after many years of stagnant sales which helped drive their revenues many times larger eventually breaking the billion-dollar sales level in Latin America. We continue to be personal friends the Belmont family (Fernando, the founder, and his daughter, Jenine who is CEO). They continue to use the plan we designed for them with minor tweaks.

Young Living Essential Oils

We did a comp plan change for them in 2005 after many years of flat sales. They had done 8 significant plan changes in 16 years without good results and their leaders were frustrated from the many failed plan changes. In 2004, we followed a similar process that we did for Neora and helped them successfully sell it to their leaders. The result was a gradual climb to over \$1 billion in sales which they appear to have sustained for some time. It's worthy of note that David Sterling, their CEO at the time, later left YLEO to found doTerra with some of the senior team we had trained while at YLEO. David continues to be a staunch supporter and friend to us.

Conclusion

We are honored to apply for the 2024 DSA Partnership Award and hope to be recognized for the substantial contribution we have made to the industry and to hundreds of successful large and small direct selling companies. We love our work because we can, through our many clients, affect the lives of millions of others who choose to embrace the direct selling business as distributors.

Daniel O. Jensen
President, Dan Jensen Consulting

Neora Nomination by Deborah Heisz, DEO

Dear Nominating Committee

I would like to nominate Dan Jensen Consulting (Jenetek) for the DSA Partnership award. Dan and his team played a significant role in helping Neora (Nerium at the time) develop and introduce a new compensation plan in 2019. As you know, our business model is a significant reason why we were able to defeat the FTC and Dan's team played a critical role in helping us develop it.

In helping us develop the plan, Dan and his team demonstrated a deep knowledge of the regulatory landscape, understanding of what motivates potential distributors and the economic dynamics of direct selling companies. Their involvement and knowledge of how to develop, implement and transition a compensation plan enabled us to smoothly transition and retain our existing brand partners. They provided us data and support throughout the process that would have been difficult without their support. They also helped educate many of our staff on compensation principles as part of the process. In short, they saved us countless hours and helped us through an extremely delicate transition. The entire process would have been difficult without their experience, guidance and support.

We have continued to consult with Dan and his team on further enhancement of our plan. In addition, Dan's expertise was valuable to us in our case with the FTC. He was deposed as part of the case and was able to both defend Direct Selling as a business model and the specifics of our plan.

The people at Dan Jensen Consulting are champions of the direct selling channel and provide knowledge and support specific to the channel that can only be acquired through years of experience. I still rely on them for ideas and notice of new developments around compensation. In short – I believe Dan and his team to be deserving of both this award and also recognition for the decades of support they have provided to many Direct Selling companies.

Deborah Heisz
CEO, Neora, LLC
April 26, 2024

Somnvie Nomination by Jeff Stroud, President

Somnvie is honored to nominate Dan Jensen Consulting (DJC) for the DSA Partnership Award. Our collaboration began in spring 2019 with a crucial objective: crafting a compensation plan to fuel Somnvie's successful launch and long-term growth.

DJC's expertise proved invaluable. They brought a proven methodology and a collaborative spirit to the table. We worked together to design a customized plan that incorporated behavior-based incentives, aligning perfectly with Somnvie's business goals and driving field force motivation.

The initial bridge plan implemented during our test and development phase provided a solid foundation for early success.

Measurable Outcomes:

The results speak for themselves. Launched in 2020 with DJC's comprehensive plan, Somnvie has achieved a remarkable 400% growth. Even more impressive, we've maintained control over commission costs, a key performance metric for any direct selling company.

Partnership Beyond Implementation:

The true strength of our partnership lies in DJC's commitment to ongoing support. As Somnvie entered its second year, adjustments were needed to accommodate the company's rapid growth. DJC readily assisted with a "tune-up" that further optimized the plan. This refinement not only maintained cost control but also simplified the plan's structure, fostering even greater understanding and motivation within the field force.

Conclusion:

Somnvie's success story is a testament to DJC's exceptional expertise and dedication. Their collaborative approach, proven methodology, and genuine care for client success make them a true partner in the direct selling industry. We are confident DJC embodies the values and contributions this award recognizes, and we strongly recommend them for the DSA Partnership Award.

Jeff Stroud, President Somnvie

LifeVantage Nomination by Steve Fife, CEO

Steven R. Fife
Nominating DSA Member
LifeVantage Corporation

April 18, 2024

Subject: Nomination of Dan Jensen Consulting for the 2024 Partnership Award

Dear DSA Panel,

I am thrilled to nominate Dan Jensen Consulting (DJC) for the esteemed 2024 Partnership Award. As a Nominating DSA Member, I am happy to share the exceptional contributions DJC has made to our organization and the direct selling industry as a whole.

We engaged with the Dan Jensen Consulting group to assist with the recent enhancements to our compensation plan, and their exemplary performance throughout this process warrants recognition. DJC's expertise allowed our organization to adopt a holistic approach to the project. We started with a thorough analysis of our current plan to find areas of improvement, ranks where growth was stalling out, and behaviors we wanted to encourage. The internal team then attended a compensation plan workshop that allowed us as a team to align around priorities, the goals of the project, and set some guardrails for our concept design efforts. The core team met with the DJC team to work through the concepts and how different bonus mechanisms would encourage or discourage the behaviors we were trying to reward. When we had a concept that we thought was directionally sound, we moved to the modeling and iteration phase. This is where the support of the DJC team was crucial.

Being able to build our concept into a 3rd party modeling engine enabled us to adopt a data-driven approach to compensation plan enhancements. Utilizing a sophisticated modeling engine to expedite decision-making and streamline communication with our field leaders. DJC's responsiveness to deadlines and adept handling of complex iterations empowered us to make informed decisions efficiently. We engaged with the DJC team to help with a tiered approach to leader communication, training and roll out. Having members of the DJC team available to support the training on the concept and the personal impact to key leaders was crucial. This tiered approach of talking to key leaders, showing them personal impact, helping them see how to build toward the new plan, and follow up with 8 weeks of coaching led to great leader adoption of the new plan.

Through the compensation enhancement process, we wanted to improve our risk profile with the FTC and other regulatory agencies. The DJC team was very knowledgeable about different trends happening in the direct selling industry, what was on trend with other companies in our competitive space, and how we could work the recommendations from our internal compliance and legal team into our plans. We are very confident in our higher level of regulatory compliance with the new compensation plan and are most grateful for the contribution DJC has provided for this vital objective of the project.

Without the support of the DJC team, we would not have had the same confidence in our plan enhancements. The amount of data we received on each of our iterations was often times overwhelming. The DJC team walked our teams through each potential change, the impact to the

leaders, the impact to our goals of the project, and possible options to make other small tweaks. The DJC team added instant credibility to our field leaders who were engaged with the project as well as through our tiered rollout to the field as a whole. It was helpful to have a 3rd party as our teams worked through differences of opinion on plan concepts, rules, and nuances in the plan. The DJC team would offer separate ideas or help the team see alternate viewpoints in the discussion. This was helpful in pushing the team to look at things differently and challenge preexisting ideas.

In conclusion, the partnership with Dan Jensen Consulting (DJC) has been instrumental in the successful enhancement of our compensation plan. Without DJC's partnership, our organization would not have achieved the same level of confidence in our decisions, nor would we have navigated the complexities of the project with such success. DJC's partnership has been transformative, and I am honored to nominate them for the 2024 Partnership Award.

Thank you for considering my nomination.

Nomination by Limbic Arc, George Wright, CEO

I am writing to enthusiastically nominate Dan Jensen Consulting for the 2004 DSA Partnership Award. Dan Jensen Consulting has consistently demonstrated exceptional dedication, expertise, and innovation and they back this up with their impressive list of satisfied customers.

In 2023, our company launched a new compensation plan designed by Dan Jensen Consulting. Our research indicated that Dan Jensen Consulting was the best at developing a motivational compensation plan that pays particular attention to working well within compliance guidelines for the direct-sales industry. Since our compensation plan was launched last April, I continue to discover the wisdom and insights that went into the design of our new plan in an evolving marketplace.

Throughout the development, testing, and rollout of our new compensation plan, Dan Jensen Consulting has exemplified the true spirit of collaboration. Their team's proactive approach and unwavering commitment to providing Limbic Arc with a compensation strategy, motivational compensation structure, and a transition and effective launch have been instrumental in achieving mutual success. Through effective communication and a deep understanding of our organization's needs, they delivered tailored solutions that exceed expectations.

Their proven strategies and forward-thinking approach have not only addressed immediate challenges but have also paved the way for sustainable growth and long-term success for our customers, distributors, and affiliates.

I would strongly encourage our colleagues in the industry to take seriously the compliance landscape and make sure that they are building on a solid foundation. I give Dan Jensen Consulting my highest recommendations and I believe that their work elevates the direct-sales industry.

In recognition of their exemplary contributions and unwavering commitment to our partnership, we wholeheartedly endorse Dan Jensen Consulting for the DSA 2004 Partnership Award. Their outstanding performance, innovative spirit, and dedication to excellence make them truly deserving of this prestigious honor.

Thank you for considering Dan Jensen Consulting for this award. Should you require any further information or assistance, please do not hesitate to contact us.

George Wright
CEO
Limbic Arc