## **GLOBAL SPONSORING**

**Building Your Business Beyond Borders** 



**GRANT PACE** President, Shaklee

International, Inc.

#### **MICHELLE YEH**

Senior Vice President, International Business Development

#### Grant F. Pace President, Shaklee International, Inc.

- Over 20 years of international business experience
- A distinguished track record of building the Asian sales and operations of companies such as Nu Skin, Sara Lee and Avon.
- Held senior positions for key strategic operations in South East Asia, the Pacific Rim and Greater China.
- Served as a consultant for Bain & Company and as a corporate lawyer for Standard Oil and Gulf Oil Corporation.
- Active Board Member of the Philippines Mabuhay Deseret Foundation, and the Philippine Enterprise Development Foundation.
- Earned a M.B.A. from Harvard Business School
- J.D. from the J. Reuben Clark Law School at Brigham Young
  University
- Advanced studies at Columbia University's Parker School of Foreign and Comparative Law



### **Michelle Yeh**

#### Senior Vice President, International Business Development

- 12 years of experience in direct selling industry
- Four years of experience in the Internet industry
- Vice President of e-Business at Shaklee 2001-2003
- Director of US Marketing and Director of International Marketing at Shaklee Corporation in 1997-1998.
- Vice President of Marketing at chinadotcom corporation
- Sr. Director of Global Marketing at SINA.com
- Director of International Marketing at Mary Kay
- B.A. in Chinese Literature, National Taiwan University in Taipei, Taiwan
- M.S. in Integrated Marketing Communications, Northwestern
  University in Evanston, Illinois.



# Where We Are Now

# **Topics we will be discussing today**

- Magnitude of International Opportunity
- Overall Expansion Business Plan
- Process of Opening a New Country
- China and Chinese
   Community
- New Sponsoring Tools
- Sponsoring Changes in Existing Markets (Mexico)
- What You Can Do Now





# Topics we will <u>not</u> be discussing today

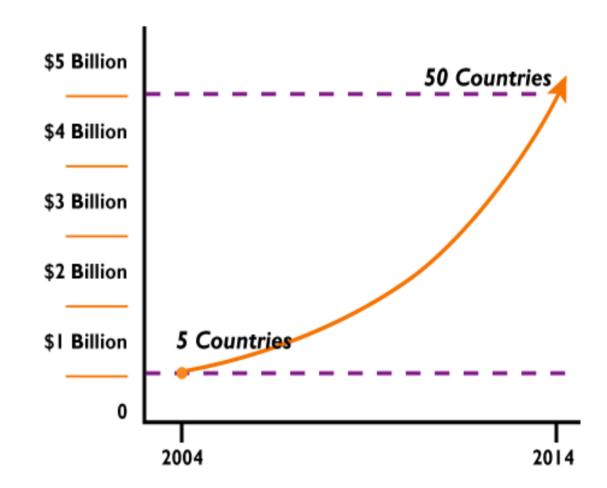
- Specific Dates
- Star Cruise Destination
- Location of 2007 National Conference



### **Positioned for explosive growth**



- SHAKLEE TODAY:
   5 countries, close to
   \$0.5 billion in sales
- 10-YEAR PLAN:
   50 countries,
   \$5 billion in sales



#### The Process of Opening a New Market

#### THE TIME CONSUMING LEGALITIES:

- Establish a legal entity
- Secure government approvals
- Establish banking relationships
- Identify and register products
  - Reformulate
  - New Foreign Language Labels
  - New Packaging

#### **BEHIND THE SCENES HOME OFFICE PREPARATIONS:**

- IT systems
  - Transaction capability
  - Commission calculations
- Country specific P&R
- Cultivate Distributor support
- Prepare and print foreign language support material
- Train Customer Support
- Manufacture products and ship to new country ready to sell opening day
- Or build local manufacturing capability where required or desirable

#### **NEW IN COUNTRY FACILITIES:**

- Identify an office location
- Employ local company management
- Build manufacturing facilities (if required)
- · Secure warehouse and shipment capabilities
- Design launch strategies and events



# What can you expect from us?



- Minimum notice of 3 months before opening
- A timeline and calendar of activities
- Language specific business forms, Country P&R, and product and opportunity materials
- A country specific guide with local practices and business building tips
- Information on product line, training and opportunity meetings, and support
- Field Support hotline

#### **Timeline for Opening a New Market**



#### **Before Open**

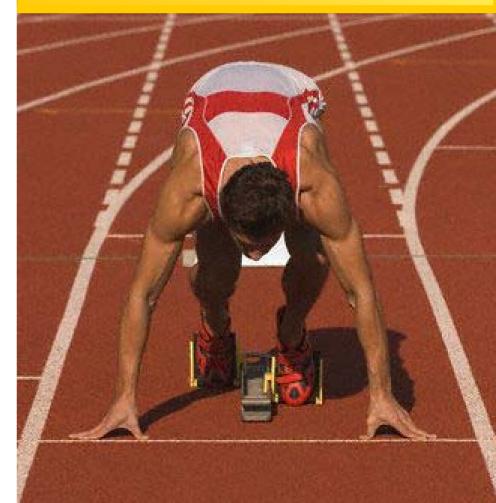
- Tell people about Shaklee Opportunity and Products.
- Sell Shaklee products for personal use only (not for resale).
- Build your organization in North America (bilingual).
- Do NOT recruit new Distributors in the new country.
- Overseas prospects should not resell products you sold to them until we receive business license in the country.

#### After Open

- Share
- Train
- Earn
- Observe Local P & R

- Capitalize on early interest.
- Organize your business group structure prior to opening.
- Secure signed registration forms to be processed on opening day.
- Break out many Directors on opening day.
- Do not distribute literature marketing product in the new country until we receive a business license.

#### **Pre-Sales Period**













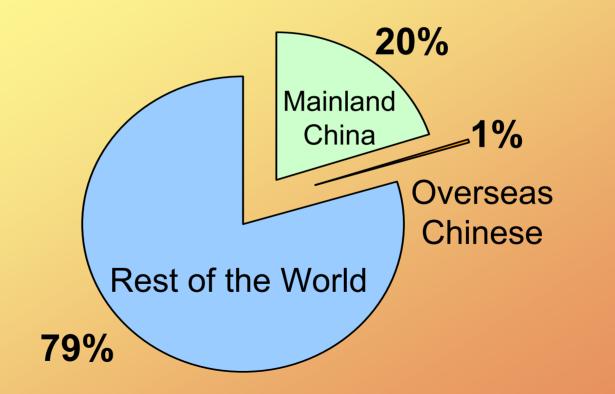
Building Your Global Business



#### Global Chinese Community



### One of every five people in the world is Chinese



World Population: 6.5 Billion

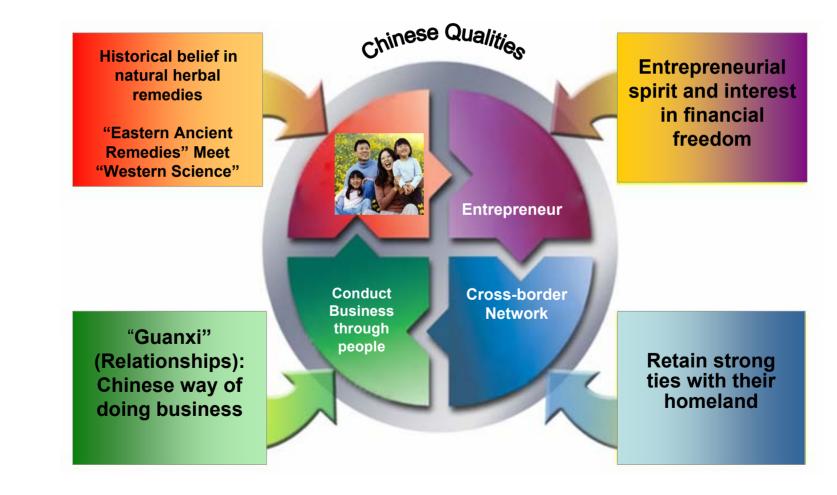
# REACH STARS!

### **China Today**

- 1.3 billion people four times the population of the U.S.
- Cell-phone ownership from non-existent in 1995 to 300+ million in 2004
- \$640 billion retail sales in 2004 up from \$200+ billion in 1996
- 1.3 million private cars in Beijing, up 140% since 1997
- 300+ skyscrapers in Shanghai today (In 1985, there was just one!)



### Shaklee & Chinese Market — A Perfect Fit



Taiwan and Hong Kong

Your Gateways to China







### **Taiwan Market**

- Population: 23 million
- \$230 billion foreign exchange reserve (#3 in the world)
- The 4th largest investor in China
- \$1.56 billion direct sales market growing at 8-10% per year
  - 34% Nutrition Sales
  - 25% Personal Care
  - 4% Home Care
- More than 50% of nutrition products are sold through the direct selling channel in Taiwan, the highest ratio in the world.
- 4 million people (One out of every six people) in Taiwan are or have been in the direct selling business.





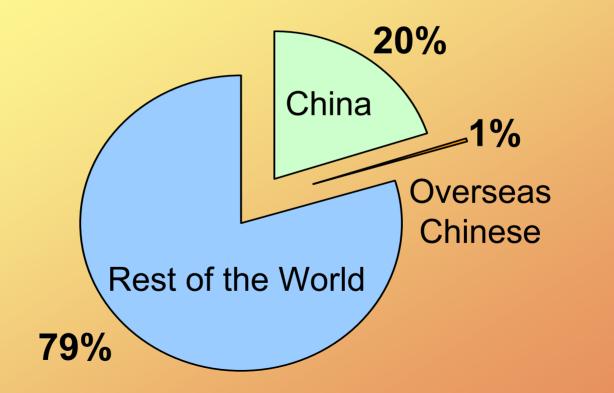
### Hong Kong

- Population: 6.8 million— 98% are Chinese
- Last year over 10 million people visited Hong Kong from Mainland China
- Daily traffic between Hong Kong and mainland:
  - 800 Ferries
  - 100 Flights
  - 27,000 Vehicles crossings
- Hong Kong is one of the U.S. largest trading partners
- Second highest per capita income in Asia
- Accounts for nearly half of foreign direct investment in China





### 65 million Chinese live outside of Mainland China



**World Population: 6.5 Billion** 

### **U.S. and Canadian Chinese Communities**

- U.S. Chinese American population: 2,432,585
- 39% population increase between 1990 and 2000
- 30% higher income than the national average
- \$300 billion spending power in U.S.
- 1.7 million are foreign-born; 2.2 million speak Chinese
- Chinese Canadian population: 1,029,400
- 20% Population increase between 1996 and 2001
- 78% own their own homes compared to 70% of other Canadians
- 63% of Chinese Canadian Internet users visit Chineselanguage Web sites





#### **Bilingual Prospects— Perfect Gateway**



#### YOUR GLOBAL BUSINESS NETWORK



### What Should You Do Now?



- Reach out
- Cultivate Relationships



- Train
- Build bilingual prospects to Business Leader level



- Share Shaklee Products overseas
- For personal consumption not for resale (small packages)

#### **Overseas Prospects**





#### What Should You Do Now with <u>Your</u> Overseas Prospects?



Make New Friends



Share Shaklee's Products overseas

For personal consumption not for resale (small packages)



### Foreign Country— Familiar Concept

- Meet New People
- Share
- Train
- Build

Sound Familiar?



### **Chinese-language Tools on MyShaklee**

10,000+ downloads in 3 months!!

#### **Connecting with Chinese-Americans**



Chinese American women typically purchase supplements for

#### Business Library

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#### **Opportunity Presentation**



THERE'S A BETTER WAY...**THE SHAKLEE WAY** 嘉康利™提供您更好的選擇



- The ability to earn UNLIMITED INCOME 擁有無限的收入機會
- With tax advantage potential of a home-based business 在家創業,報稅更有利
- Take CONTROL of your life 生活自己主宰
- Spend more time with FAMILY 更多時間與家人相處
- EXPAND your life experiences 拓展人生經驗
- Do something that MATTERS 做有意義的事
- Have FUN at the same time!
   同時享受人生

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### **Shaklee Chinese Web Site**

• Web site

New

✓Shaklee.com

✓ Personal Web site

Go to:

www.shaklee.com/international

**Click on:** 

Chinese



#### WHY SHAKLEE? 選擇嘉康利的優勢在哪?

Shaklee is destined to change the lives of millions of people worldwide, by helping them create wealth while they promote health! You are now one of them!

嘉康利將要改變全球上百萬人的生活,不僅要幫助他們帶來 健康,更要爲他們創造財富。現在,您就是其中的一位」

#### Why JOIN US NOW? 現在加入嘉康利的優勢在哪?

This health and wellness industry is forecast to quadruple to a trillion dollars in the next five years worldwide according to the Direct Selling Association. As Shaklee is positioned to enter into Asia, there is no better time than the present.

JOIN Shaklee NOW to enjoy the benefits of:

- Owning your own business and unlimited earnings opportunities; as well as
- Paving the way to the future cross-border sponsoring activities.



Please include Espots:

- News Room
- Company Info
- Find a Distributor



JOIN US TODAY! 馬上加入嘉康利吧! Call 925.734.3636 to get started today!



SUCCESS STORIES

### New Chinese Fast Start Kit #59186



Same Price as English Kit: \$299



### **Chinese Customer Support**

- Mandarin Chinese and Cantonese Customer
   Service Representative
- Chinese-Language Field Support
  - 925-734-3636
  - globalsupport@shaklee.com



# REACH STARS!

### North America Chinese Community Outreach Public Relations Campaign

- Top Chinese American News Media
- Large Circulation among Chinese Community
- Consumer Awareness
- Potential Prospecting Tools





# August 10<sup>th</sup> SingTao Daily



#### "Shaklee Relies on North America to Enter China Market"





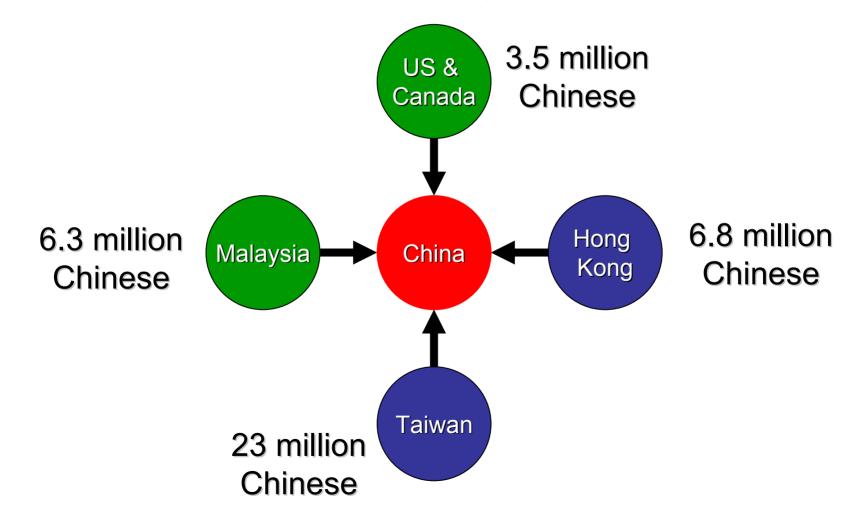
#### **Chinese Opportunity Meetings**



- MONTREAL, CANADA September 22, 2005
- TORONTO, CANADA September 23, 2005
- VANCOUVER, CANADA September 24, 2005



#### 40 Million Gateways to China



## SHAKLEE

#### **Support from Shaklee**

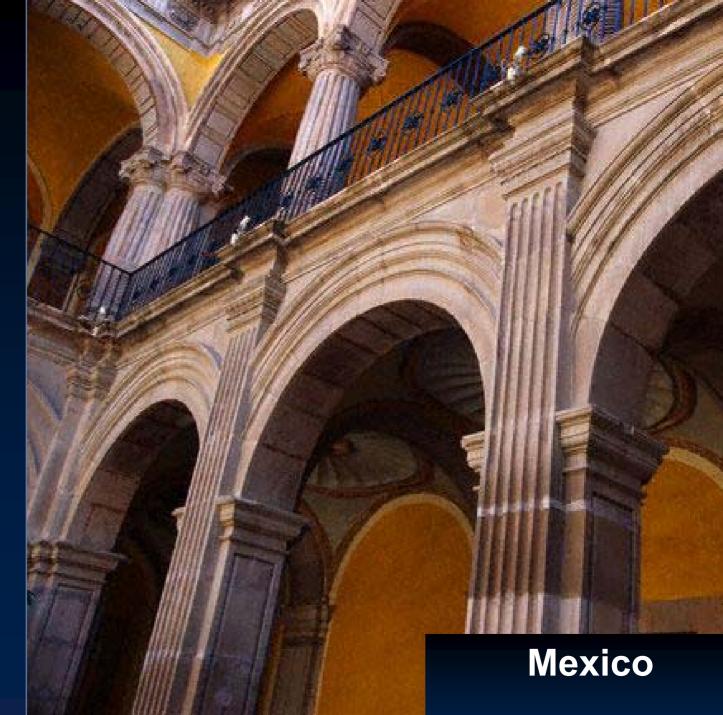
- 1. Chinese Business Building Tools
- 2. Chinese Web Site
- 3. Chinese Field Support
- 4. Chinese PR Campaign
- 5. Chinese Opportunity Meetings

What Are You Waiting For?



### Enabling Existing Markets

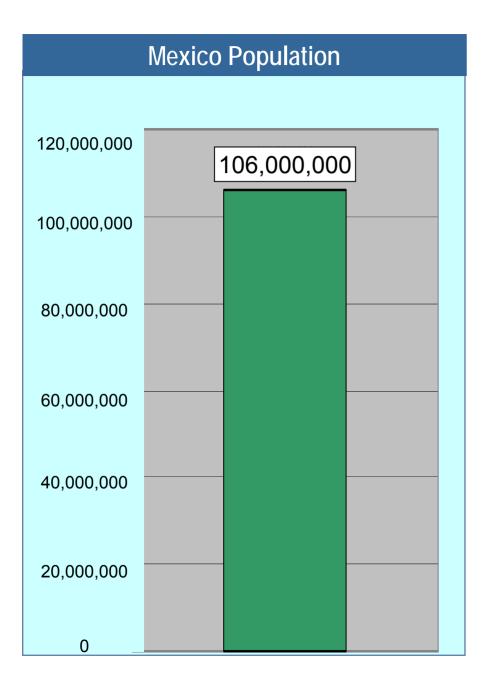
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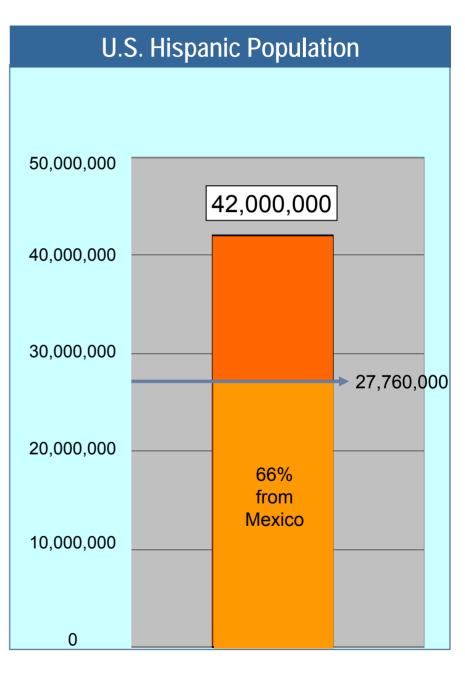


### SHAKLEE

#### New Process for International Sponsorship into Mexico

- Same Process and form format used to register a new Member in the U.S. can be used to register a new Distributor in Mexico.
- Same Field Support telephone number (1-925-734-3636 6am-5pm PST) to register a New Distributor in Mexico.
- Registration information will be processed in the U.S.; but, also appear in Mexico's computer system.
- You retain total control over the sponsoring process— All from the U.S.!





### SHAKLEE

#### New International Sponsorship Kit for Mexico Available in the U.S.

Materials Include:

- Shaklee Mexico catalogs
- Products samples Shaklee
- Mexico Opportunity
- Presentation
- DVD
- Various business tools to help grow your global business.





# **Rekindling Old Relationships!**



## **Building New Relationships!**



## YOU CAN DO IT!

#### THINK GLOBAL — RECRUIT LOCAL





Thank you!

Dankie Sukran Shur-nur-ah-gah-lem Thoinks, Moite! Dhannyabad Blagodaria Hvala Jae Zu Din Pa De Na som djita Gracias Do jeh Kia Manuia Dekuji Hartelijk dank Apké na wo Vinaka Kiitos Merci Danke Tak Aguije Aabar Mahalo Dhan-ya-vaad Syukriya Efharisto Köszönöm Tarima Kasih Banjak Nico ono broln Grezie (Xie Xie)! Nandi Arigato Terima Kasıh Soolong Maori Shakkran Kia Manula Takk Salamat Po Muito Obrigado Mam'noon Dziekuje Bhala Multumesc Va multumim frumos Spasiba Moran Taing Hove Nandri Dakujem Maururu Manjuthe Khop Ahsante Khun Mak Saðol Kam ouen