

Distributor Guide

How to help customers:

- **feel better**
- **look better**
- **change their eating habits**
- **lose weight and learn to their control weight**

How to create the basis for a safe, highly profitable, long-term business.

How to create a successful business model, ensure stable growth of the distributor organization and achieve impressive financial success.

The fastest growing industry

(extract from "The Next Trillion" by Paul Z. Pilzer)

"64% of the U.S. population and about 50% of the Europeans are overweight and in ill-health. Many of them are hopeless and have no idea where to turn for help. These figures have grown by 10% as compared to the period between 1994-1999, while obesity has almost doubled since the 1970's. Take a moment to think of this figure in terms of human suffering –77 million Americans are now clinically obese, and 184 million are overweight and unhealthy- because they lack the resources, information and motivation to safeguard their most precious asset: their wellness. When a person is fat, it is hard to find a job, a relationship, or the energy to stay on top of the everyday demands of even a simple life.

The same can be said of Europe, Japan and most other industrially developed countries.

By the year 2010, an additional \$1 trillion of the U.S. economy will be devoted to the yet-unnamed "wellness" business - defined in the dictionary as "THE QUALITY OR STATE OF BEING IN GOOD HEALTH ESPECIALLY AS AN ACTIVELY SOUGHT GOAL (emphasis added)" .

The wellness industry is pro-active –people voluntarily become customers; either to feel healthier, to look better, to slow the effects of aging, or to prevent diseases from developing in the first place.

In the next ten years alone, the U.S. population will increase its spending on existing wellness-based services from approximately \$200 billion today to \$1 trillion or more. Hundreds, if not thousands, of improved wellness related products and services are coming out of laboratories in the next ten years.

Wellness products and services represent perhaps the only sector of consumer spending that does not take time to enjoy. Money spent to make a person feel stronger, smile better, look younger, or feel healthier yield rewards that are enjoyed every moment of every day – on the job, at home and every moment in between.

One of the fastest growing sectors of the wellness industry today is the vitamin and nutritional supplement business.

Today almost 50% of Americans take some sort of nutritional supplement, and industry sales for these products exceed \$70 billion. Yet the vitamin and mineral industry has only scratched the surface of what is possible. As we are only just beginning to understand the biochemistry that explains how vitamins, minerals and other supplements work.

Every satisfied wellness customer is just beginning a lifetime of consumption of products and services that have the potential to improve every aspect of their life for every moment of their life.

Herbalife Int. is the leader in the weight loss and good nutrition industry.

The goal of Herbalife and its Distributors is to help as many people as possible, worldwide to:

- feel better
- look better
- change their eating habits
- lose weight and learn to control their weight

Our Distributors provide the best service, and this favorably distinguishes Herbalife from numerous diet products, which can be found in retail outlets.

Changing eating habits is a long process of 90-120 days and is the crucial factor for success in losing and maintaining weight.

During this period our Distributors are always ready to help the customers correct mistakes and achieve the desired results, and will accompany them all the period while they are using the products.

Safe weight loss and long-term result maintenance

The major reasons for weight gain and obesity are:

- overeating
- unbalanced eating
- bad eating habits
- hypo dynamics
- metabolism violations
- genetic predisposition

To lose weight safely and maintain the achieved results the following factors should be taken into account:

- 1. Be patient.** It takes many years to gain weight. It also takes many years for the eating habits to be formed, so you need to be patient: you will need several months to achieve your goal of lose weight and maintaining the results.
- 2. Changing eating habits.** Customers often cherish an idea of "attacking the extra weight". Such attacks usually start on Monday and are over by Friday and have nothing in common with such deep processes as changing the eating habits and metabolism. To change eating habits you need to strictly follow the weight loss program for a period of between 90 and 120 days. During this period your "work" together with your consultant, this is the key to your success.
- 3. The consultant's help.** The majority of people willing to lose weight and keep the results, require the help of a specialist or consultant. Lack of such support results in their quitting the diet.
- 4. The length of the weight loss period.** Optimal average monthly weight loss is 3-5 kg. If you have 30 kg of extra weight, you will have to use the weight loss program for at least 6 months.
- 5. The length of the weight maintenance period.** After you have lost weight, you need to learn how to control it. To do this, you have to use the weight maintenance program for another 6 months without getting back to your old eating habits. Weigh yourself weekly and be in touch with your consultant. The weight maintenance program will allow your body to "forget" its old weight and "remember" the new weight and the new eating habits.
- 6. The success formula.** To lose all the extra weight successfully and keep the results, you need to be patient and use the following formula:

**Excess weight divided by 5 kilos a month = the number of months required of following the weight loss program.
The same period of time is necessary for keeping your results, by using the weight management program**

Example: you have 20 kilos of extra weight. You need an average of four months to lose your extra weight and another 4 months to maintain your results.

These recommendations will assist you in losing extra weight, in changing your eating habits, in learning how to control your weight and in the ability to feel great and never gain weight again.

How to set the right priorities

How many customers do you need?

The first month of using the weight loss program is the most important, as the customer starts changing his/her eating habits. That is when she/he needs maximum attention. So the optimal number of new customers is from 5 to 8..

What is our mission?

Our goal is not to sell the products but to help customers achieve desired results, make them forever your friends and Herbalife products' advocates.

Tell your customers the truth

It takes tens of years to develop eating habits. During this period, people gain weight. They shouldn't think that 1 or 2 months are enough to change this reality. From the very beginning you should tell them the truth that we lose 3-5 kilos a month, on average, and we need the same period of time to follow the weight maintenance program for the body to 'forget' the old weight and 'get used' to the new one.

Customers need support

It is not enough to just give the customer the products for them to achieve their desired results. You should provide care and support. It is especially important during the first 3 months when one's eating habits undergo changes. Very often, customers have questions and it is important to keep in touch with each one (see Customer Care Journal).

Satisfied customers are our main value

The customer who didn't understand the concept of weight loss and weight maintenance, who wasn't given proper customer care and, as a result, failed to achieve the desired outcome, will be a source of negative influence for other customers. Creating negative public opinion about our Company and its products.

On the other hand, a satisfied customer, who has achieved great results, who lost weight, improved his/her well being and looks, will be a 'walking advertisement' of our great products, will bring you many new customers and may become a motivated distributor.

The image of the Company and its products in your town is the major priority.

Whatever you do, your main priority should be the company's image, the public opinion about the products, distributors' reputation and the level of customer care. Thus you will lay the foundation for a successful business of many distributors in your town and country.

Successful business-building tips for distributors

1. Be an example for duplication for your customers and distributors – don't be overweight, look great, smell terrific and be well-dressed.
2. Use all Herbalife products. Only your personal results and permanent product use will give you strength and motivation to succeed in your business. First of all, you should become the best Herbalife customer.
3. Always be honest with your customer and act in compliance with his/her interests.
4. Be polite and punctual, always inform of any necessary schedule changes well in advance.
5. Be readily available . Your customers and distributors should be able to reach you any time. You should have a mobile phone.
6. Show a positive and constructive attitude towards everything – always try to help and to find the means to do so, and not to refuse.
7. If circumstances don't allow you to provide proper care of a customer, let your sponsor or your experienced downline distributor do this. Do so as tactfully as possible.
8. Open a Customer Care Journal for each customer. Be very careful about keeping records and don't forget to call customers on set days. By missing calls (especially during the first 3 months) you run the risk of losing your customer.
9. Don't try to sign up your customer immediately and turn him/her into a distributor, if s/he is not interested in the business opportunity. Don't start offering discounts – your customer is mostly interested in the quality of the products and of the customer care. Even if you lose a significant part of your retail profit, you still have to provide first class customer care. Therefore, she/he is not a distributor as such, but you have to work with him/her during the whole period of using the products as with any customer, although you lost the biggest part of your retail profit.
10. It is important to earn full retail profit and to be highly motivated to provide customer care during the entire period of product use. However, you can reward customers for referrals and repeat orders. The best reward is not a discount on a product, but the products themselves – luckily, we have a large variety.
11. If your customer achieved good results and you see him/her as a potential distributor, don't mention discounts but tell him/her about business opportunities. Tell the customer about the Company and the Marketing Plan. If this customer is interested in a Herbalife business she/he will become a good distributor as she/he has the main working tool – product results.
12. Care for your reputation. Remember: it takes years to create a good reputation but it may be destroyed in a second.
13. Take part in weekly retail trainings and constantly improve your distributor professional level. Make sure that all the distributors of your town maintain a good image of an Herbalife distributor. This will prevent any appearance of unsatisfied customers in your town.
14. If you meet another distributor's customer show interest in his/her success. If you believe you can improve or change his/her program don't tell him/her about this, but call his/her distributor and share your viewpoint. Don't tell somebody else's customer about discounts and business opportunities – this isn't your customer. Comply with ethical norms – treat other distributors' customers the same way you'd like them to treat yours.
15. If you meet a former unsatisfied customer who lost contact with his/her distributor don't pass him/her by, but try to change his opinion, turn him into an Herbalife customer once again and be a success with this customer.
16. Keep retail prices in your town (country) at the same level, as different retail prices confuse a customer and make him/her look for lower prices instead of high-quality customer service. It commonly happens is that the lower the prices, the lower the quality of customer care is.
17. If your customer decided to stop using the products, try to positively and constructively help him/her to change his/her mind and stay on a program. If you fail to do it, return the money in a nice manner and part as good friends. The worst thing happens when the customer is unsatisfied with both the products and the distributor.
18. Keep in constant touch with your customer:
 - Congratulate him/her and his/her close relatives on birthdays and holidays
 - Send frequent letters. You can use the samples in the Customer Care Journal
 - Organize Customer's Days.
19. Be attentive to your customers: first of all, they are the people with the life stories. Be a good listener – and you will learn a lot of interesting things.
20. Know everything about the customer of your new distributors and always be ready to help them out. Very often, new distributors lack the necessary experience, while the customer has paid for the products and is expecting results. Have all the necessary information about your new distributors' customers and pay a lot of attention to training new distributors.
21. Provide your customers with all the available literature materials about our products.
22. Organize your customer e-mail address database. This will help strengthen relationships with your customers.

Advertising Campaign

1. First of all, turn to your acquaintances. Create a list of acquaintances interested in losing weight or improving their general well-being. Don't make decisions for anybody, try to meet each of them.
2. One of the major sources of new customers are referrals by satisfied customers.
3. Invest money into an advertising campaign: ads, flyers, surveys, and other literature. The advertising campaign spending may reach up to 10-20% of your estimated income.
4. An advertising campaign must lead to 1-2 sales per week to customers who start weight-loss programs. Based on this assumption, you should make/receive an adequate amount of calls and set up an adequate number of meetings.
5. Have the right working tools –mobile phone, daily organizer, Pitch book, business cards, flyers, ads, brochures.
6. Be honest –don't promise more than a 3-5 kilo weight loss per month. Tell the customers about the entire period of using products: how to lose weight safely and learn to maintain the results.

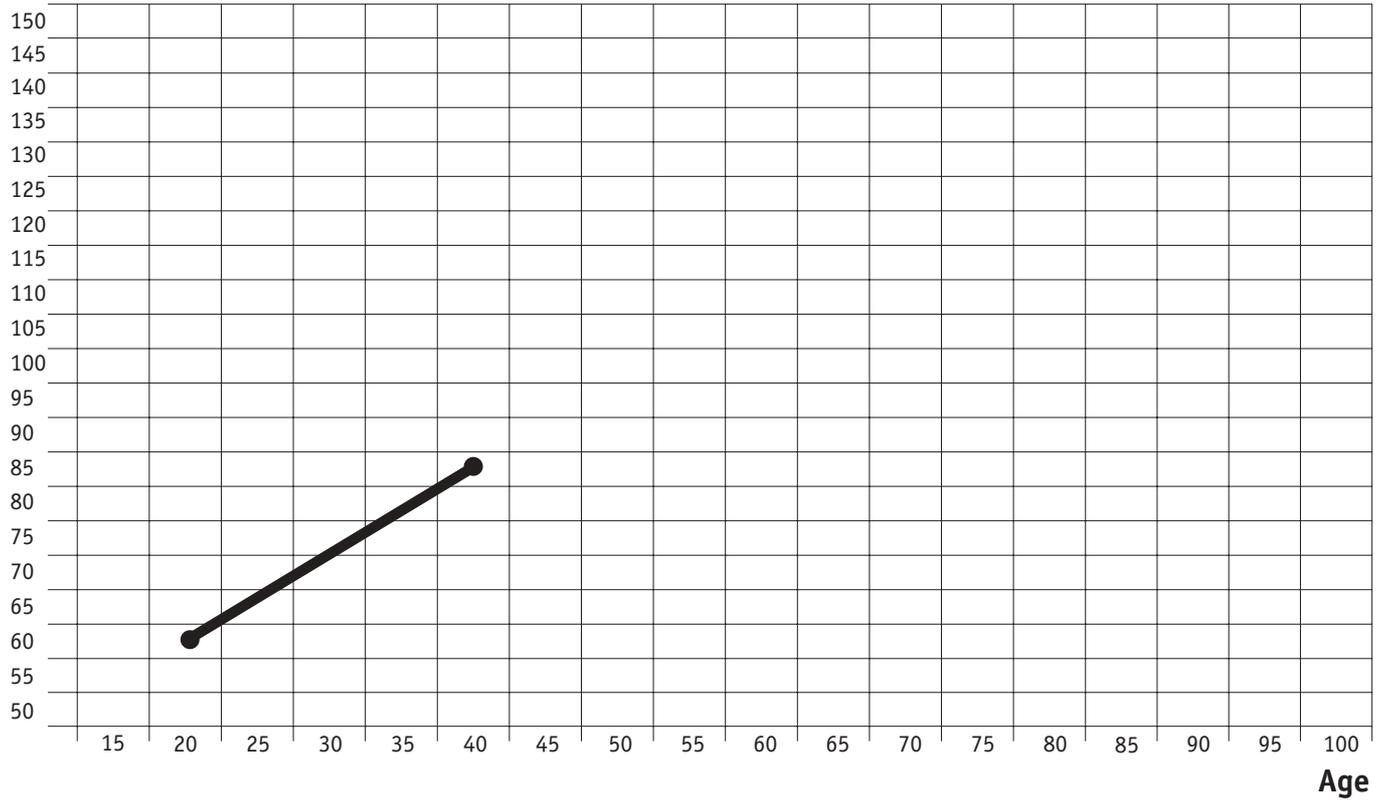
Meeting

1. Confirm the meeting ahead of time.
2. Be on time, but if you must be late, make sure to call and notify immediately.
3. Have with you:
 - Pitch book
 - Ultimate weight loss program and targeted nutritional products
 - Measuring tape
 - Scale
 - Camera
 - Product Information Guide
 - New Customer Guide
 - Customer Care Journal
 - It is advised that you leave the products in the car or inside a bag. Don't focus the customer's attention on the products you brought.
4. Look great, smell great and be well dressed.
5. Questions for discussion with a customer (open a note-book and jot everything down, show interest):
 - First of all, please help me clear some details by answering some questions:
 - How many kilos do you want to lose?
 - How tall are you? What is your weight?
 - How have you tried to lose weight until now?
 - How long did you use these programs?
 - What was the result?
 - For how long did you maintain the results?
 - Why do you want to lose weight now? (try tactfully to find out the real reason). You might need to go back to this question several times.
6. "History of gaining weight" chart.

Help your customer to find out his optimal weight by using the chart on page... Then complete the chart "History of gaining weight" together with him/her. E.g., at 20 the customer weighed 60 kg, now at 40 he weighs 85 kg. Draw a curve depicting his weight gain.

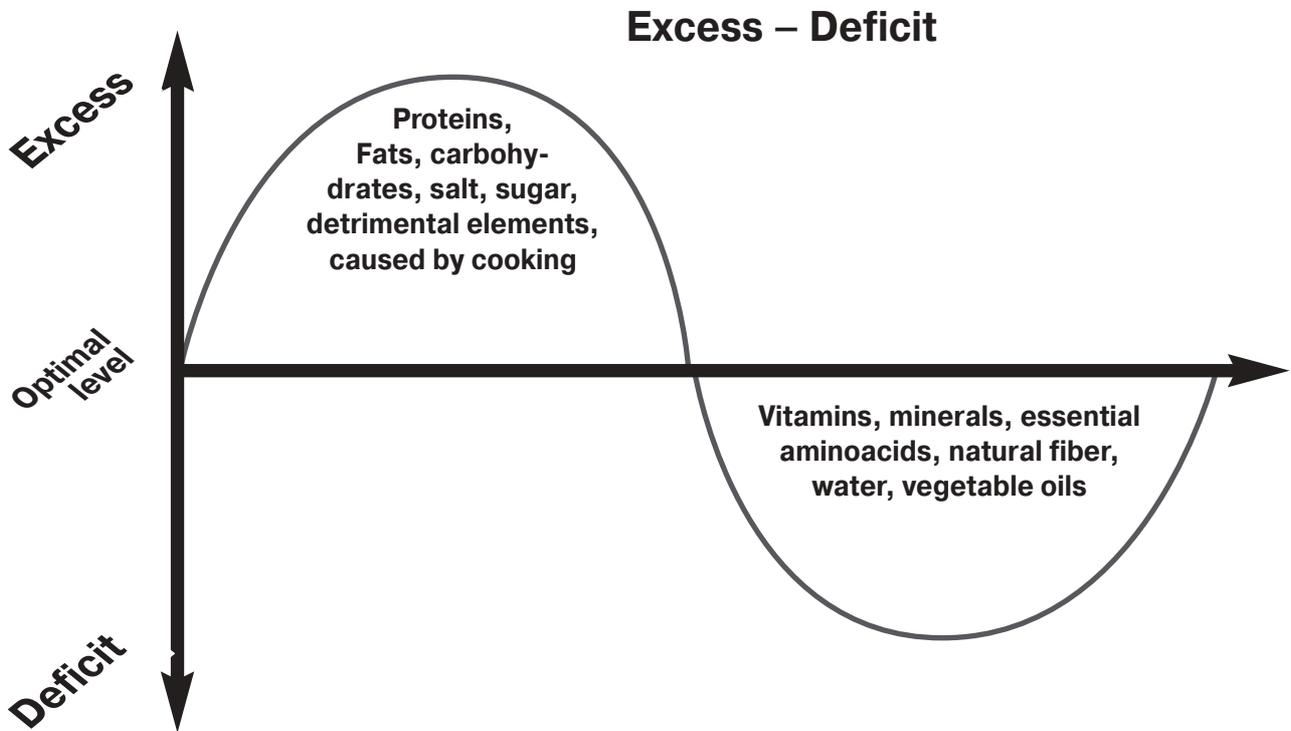
History of Weight Gain

Weight



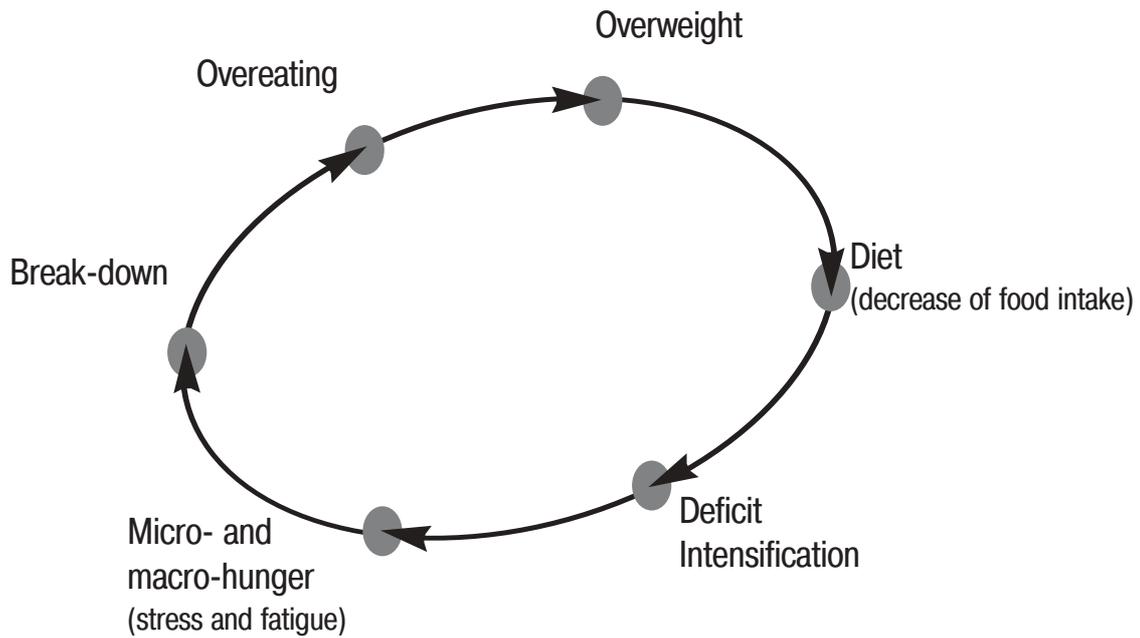
(The weight might not have been gained gradually, but as a result of a specific event, for example, childbirth or illnesses. Without going into details mark this on the above chart).

7. Explain the reasons why many diets and starvation fail to achieve results:

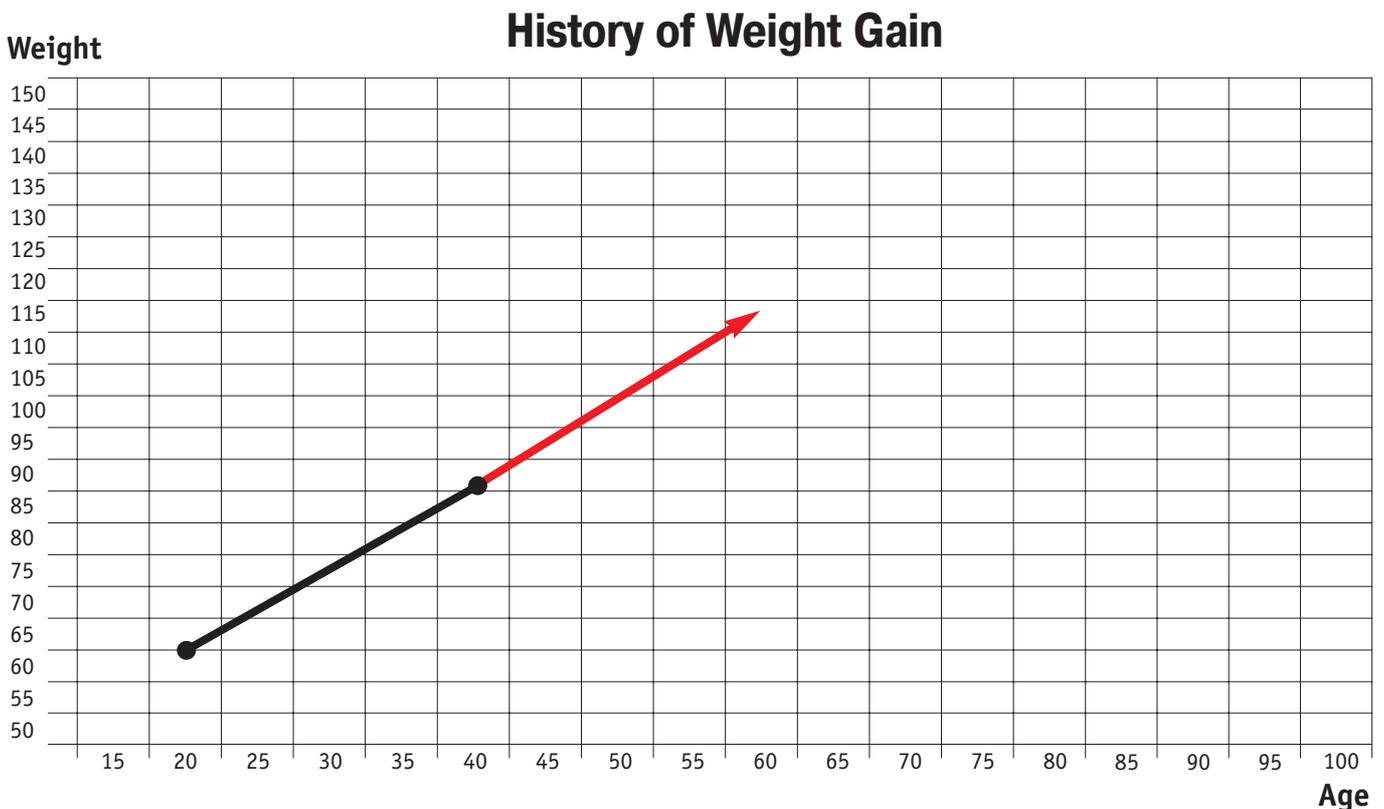


- Our body consists of a hundred trillion cells and it daily needs the whole complex of nutrients which we are supposed to get with our food.
- Does it actually happen?
- In our regular nutrition there is an excess of harmful substances, while on the other hand, we lack many nutritional elements our body requires
- Our body consists of a hundred trillion cells and it daily needs the whole complex of nutrients which we are supposed to get with our food.
- Does it actually happen?
- In our regular nutrition there is an excess of harmful substances, while on the other hand, we lack many nutritional elements our body requires
- Excess:
 - Animal protein (meat)
 - Fats
 - Carbohydrates
 - Salt
 - Sugar
 - Carcinogens (substances formed when food is prepared: frying, smoking; preservatives, fertilizers, pesticides)
- Deficit:
 - Vitamins
 - Minerals
 - Proteins – essential amino acids
 - Natural fiber
 - Water
 - Vegetable oils
- This sort of nutritional unbalance leads to numerous health problems and excessive weight
- Factors negatively affecting the quality of nutrition:
 - Over fertilized soil
 - Spraying of crops with highly toxic substances (pesticides)
 - Deteriorating environment
 - Food preservation and storage
 - Food processing and cooking (baking, smoking, marinating, etc.)
- But this is not all. The processes of food absorption in the intestine is disturbed due to the following:
 - Gastrointestinal track illnesses
 - Drug use
 - Alcohol and smoking
 - Stress
 - Bad nutrition
- It is no wonder our cells start malfunctioning

All the above shows that instead of helping us to lose weight effectively, simple dieting or starvation only aggravate the deficit problems (imbalanced nutrition). Due to numerous starvations and dieting, people find themselves in a closed circle with no easy way out:



8. If you keep on sticking to your eating habits you risk gaining another 20-30 kilos by the age of 60.



Such excess weight along with your life style and eating habits, may lead to serious health problems by the age of 50-60. These problems could be cardio-vascular diseases, diabetes, etc.

Now is the right time to change the situation. On average, a person can safely lose 3-5 kilos a month. Therefore, in order to lose 25 kilos you need at least 5 months of weight loss program and 5 more months of weight maintenance program for your body to 'forget' its old weight and metabolism and to 'get used' to the new weight and metabolism (see in green on the chart).

It takes 90-120 days to change eating habits.

Our nutritional program provides the body with all the necessary balanced nutrients, including proteins, minerals and herbs with a minimum of calories, it also enhances their optimal assimilation.

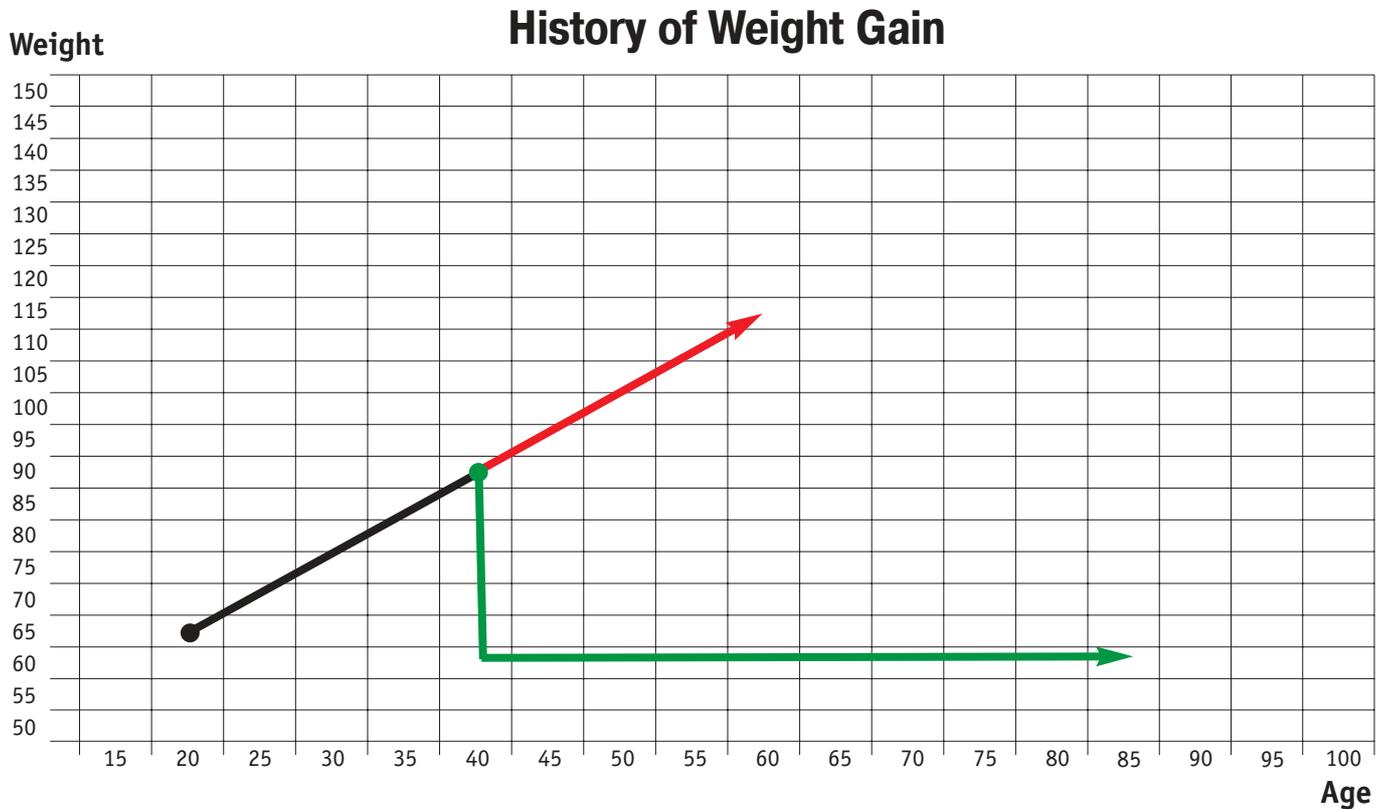
The nutritional value of the program with 5-6 meals a day with 1,000-1,500 kcal is so high that it equals the nutritional value of 4,000 – 5,000 kcal of regular food, which would inevitably lead to excess weight.

We offer you a program that will allow you to lose all the extra weight and maintain the results. You will feel great, be full of energy and won't feel hungry. Now is the time to ask your customer a question: "Would you like your life to follow the first scenario (red on the chart) or the second one (green on the chart). In other words, would you like just to lose weight or would you prefer to lose all your extra weight and never gain it again?"

Now let's find out how much extra weight you have, based on your height and build.

Weight-height correlation chart

Knowing your extra weight, find out the length of your weight loss and weight maintenance program.

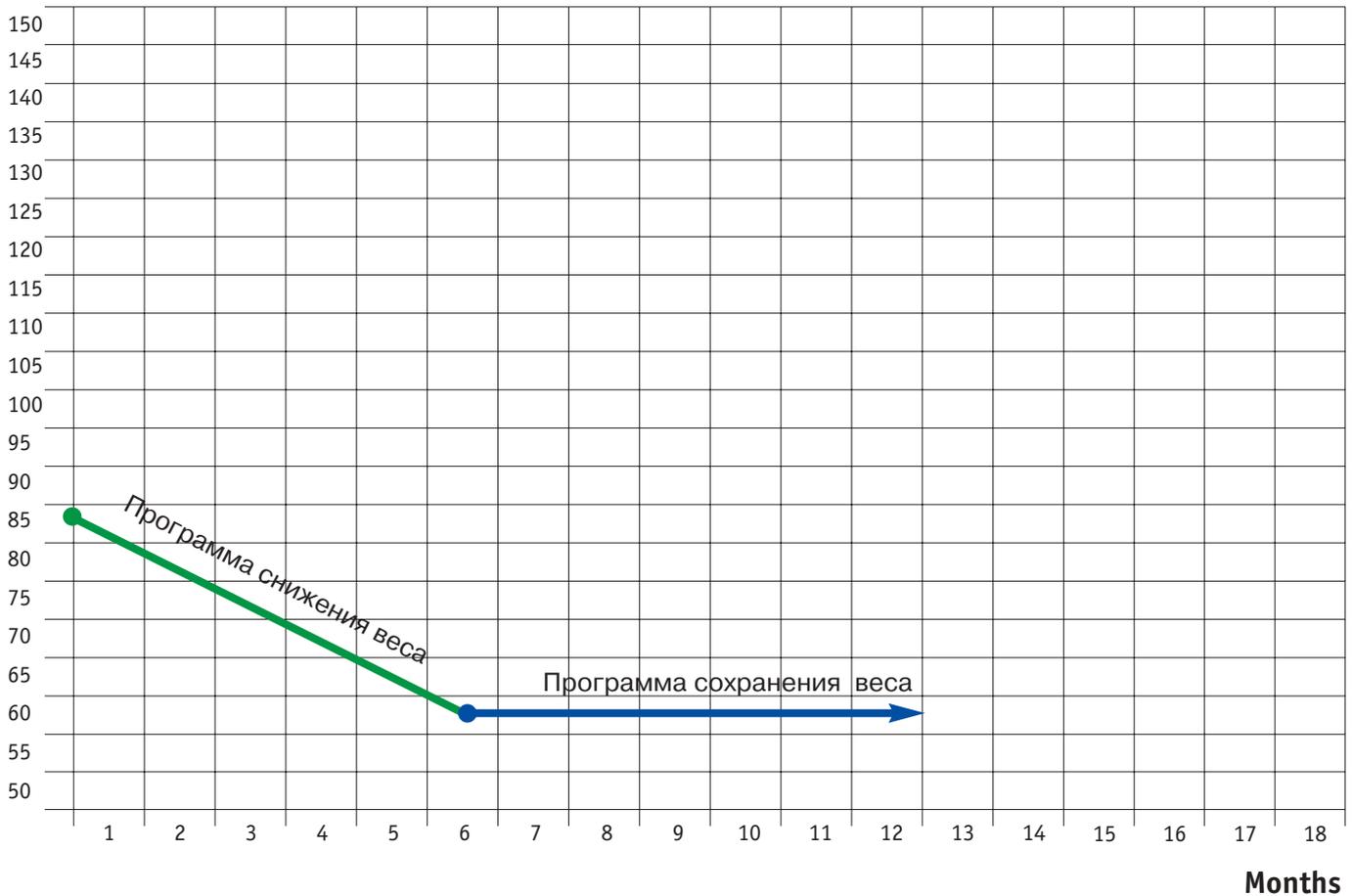


We will be working with you throughout the program and help you achieve the desired results.

Choose the most suitable program for your customer and show it visually on Weight Loss and Maintenance Chart

Weight

Weigh Loss and Maintenance Program



You will be losing approximately 3-5 kg a month, which means that you will need 5-6 months of weight loss program to lose 25 kg of your extra weight. After you have completed the weight loss program, you will need to use the weight maintenance program, for your body to get used to the new weight and metabolic processes.

It is very important to complete the program. Otherwise your body, just like a spring, will unclasp and be back to its old weight. This always happens when the weight loss and maintenance program is not finished. This is the way your body and metabolism function, and nothing can be done about it. Your weight and eating habits have developed during years and decades. That's why you must be patient and give yourself a chance – this time we'll surely achieve success.

Now let's talk about our new high-protein, low-carbohydrate weight loss program (or Thermojetics Weight Loss Program).

(Using your Pitch Book show some customers' success stories. Tell your own story and your relatives' stories).

Now let's choose a program which is best for you. We will supply you with products every 30 days.

US 30-day HPLC programs: Basic, Advanced and Total

US 30-day cellular nutrition programs: Basic, Advanced and Total

After you lose all your extra weight, we will choose a program for maintaining your new weight based on the above chart.

(You can add products or change the programs. Tell your customers about targeted products based on their needs, using the Product Information Guide. When discussing programs, start with the Total program – this will give you the possibility to maneuver).

Questions that your customers may ask:

Q: A friend of mine used the products of your company and she didn't get the results (or she lost weight and then put it back on).

A: It happened because your friend didn't complete the program. (Tell about a contracted spring one more time).

Q: Can I give it a one-month try and then make a decision?

A: The thing is, when you want to go from Seattle to Miami, you'll buy a ticket from Seattle to Miami, right? You won't buy a ticket from Seattle to St. Louis, then from St. Louis to Kansas City, then from Kansas City to New Orleans and so on. Am I right? The same principle applies here – you can't try to achieve results in a month if it should take ten months.

Or another example – imagine you want to do a major cleanup in your house. Usually you start at 9 a.m. and finish at 5 p.m. By analogy with our case you won't see the results of your work at 10 a.m. Can you imagine how your house will look like at 10 a.m. –while the work is in full swing?

Q: If I decide to quit the program, will I be able to do so?

A: No problem. We'll return your money for all unused products.

Q: One of my acquaintances offers these products at lower prices.

A: No problem. But are you sure that these products:

- Have been produced by our company?
- Are not expired?
- Have been properly stored?

And the most important: will your friend follow up with you for 10 months to help ensure that you achieve the desired results? Or is she/he going to do it for free since his/her products are so cheap?

Q: It's very expensive for me.

A: No problem. You can go from Seattle to Miami by first class, business or economy class. You can also fly in the luggage compartment. What is important is to be on board the plane and reach your destination. If you have no money for any of our programs, let's start with the simplest and least costly – the Basic program (if your customer cannot afford the Basic program, give him a minimum program – 6 Formula 1 cans and 3 Formula 2 bottles).

Q: I heard that if I sign the contract with the company I will be able to buy products at lower prices.

A: If you want to become a distributor, i.e. sell our product, I'll be happy to tell you about our business opportunities. You will become a distributor, will attend our seminars and trainings. You will be enjoying the following distributor benefits: you will earn retail income, buying products with a discount, and you will build your distributor organization. You will be responsible for your own weight loss results as you will be a distributor not a customer. If you do not plan to be in Herbalife business then I can show you our customer price-list. The prices include the cost of the products and customer care service during the entire period while you are using the products. You have to decide what you would like to be – a customer or a distributor. I will be happy to help you with either of your choices.

Payments for the products

There are several ways to pay for the products. It can be done by Credit Card or personal checks depending on the length of the program, e.g. 12 payments from the Credit card or post-dated checks. So having closed a deal with the customer once, you will be automatically receiving monthly payments and supplying his monthly products regularly.

Another option is an automated bank transfer: the customer orders the bank to make monthly transfers from his account to yours.

If, in your country (or for your customer) these ways of payment are not viable options, then, the best way is to charge cash for a three-month product supply.

After the sale

1. Give your customer a Customer Guide. Show his/her weight gain history program in the chart. Enter the information about the products he/she purchased into the Customer Guide
2. Present your customer with:
 - Product Information Guide
 - Dermajetics® Catalog
 - Tablet and Drink mix boxes
3. Give thorough instructions on how to use the program.
4. Prepare a shake together with your customer.
5. Take a picture, measure and weigh your customer with his/her permission.
6. Keep records in Customer Care Journal and complete the appropriate pages.
7. Explain how you are going to work with your customer, taking into account your customer's ideas and wishes.

Personal Care Products

If you are selling personal care products we also recommend that you offer 90-day programs to customers, the examples of which you can see below.

Products	Minimal 90-day skin care program (number of products)	Price (in USD)
Cleanser	1	14.45
Toner	1	13.39
Eye Lift	1	35.2
Daily Cr_me spf 10	1	38.9
Program Price		101.9 or 0.9 a day

Products	Basic 90-day skin care program (number of products)	Price (in USD)
Cleanser	1	14.45
Toner	1	13.39
Eye Lift	1	35.2
Daily Cr_me spf 10	1	38.9
Night Companion	1	46.8
Mystic Mask	1	28.1
Program Price	375,45	176.9 or 1.49 a day

Products	Advanced 90-day skin care program (number of products)	Price (in USD)
Cleanser	1	14.45
Toner	1	13.39
Eye Lift	1	35.2
Daily Cr_me spf 10	1	38.9
Night Companion	1	46.8
Mystic Mask	1	28.1
Radiant C Booster	1	29.9
21-day AM/PM	1	33.57
Aloe Concentrate	1	33.16
Program Price	619,80	273.5 or 2.29 a day

Products	Advanced 90-day skin care program (number of products)	Price (in USD)
Cleanser	1	14.45
Toner	1	13.39
Eye Lift	1	35.2
Daily Cr_me spf 10	1	38.90
Night Companion	1	46.8
Mystic Mask	1	28.1
Radiant C Booster	1	29.9
21-day AM/PM	1	33.57
Aloe Concentrate	3	33.16
Revitalizing Night Complex	1	46.6
Formula 1	3	98.94
Program Price	\$829,05	417.76 or 3.49 a day

Customer Care

Immediately after the sale, send your customer a 'Welcome to Herbalife' letter, which you can find in the Customer Care Journal.

Customer care is a key factor of success in our business. Customers pay money and they expect to achieve results. As you know, the products work only when they are properly used for a certain period of time. And this happens when a professional and careful distributor is near, whose main priority is the customer's results.

Building A Base Of Satisfied Customers

A recent study revealed that people buy one particular brand over another, or shop at one particular store, mainly because of one reason: SATISFACTION! Satisfaction with the company, its staff, products, service and attention. Price was not a major issue. People like to buy where they are treated with respect and where the promises and expectations they have about the products and service are fulfilled.

The main principles that will cause your business to grow, flourish and be successful are:

- **HONESTY, EMPATHY and CUSTOMER SATISFACTION.**
- **Herbalife Distributors are in an enviable position, you can provide good customer service that other traditional businesses just don't or can't provide.**
- **Your customer is the most important person in the whole world!**
- **A satisfied purchaser will become your permanent customer, bringing you many other customers as well as becoming a source of positive information about your products.**
- **Repeat sales to a satisfied customer are 10 times easier than to a new one.**
- **This is because your customer already knows you, knows how good your products are and believes in them.**
- **Good customers lead to other good customers**
- **When your customer gets good results with your help, he/she is delighted to help you. All you have to do is ask, "Who do you know who can benefit from these products?" Arrange to contact them and set up a home party demonstration.**
- **Thanks to the great results they achieved with your help, many customers may also decide to join you as Herbalife distributors. Show them the business opportunity.**

From a chance buyer to an advocate of your products

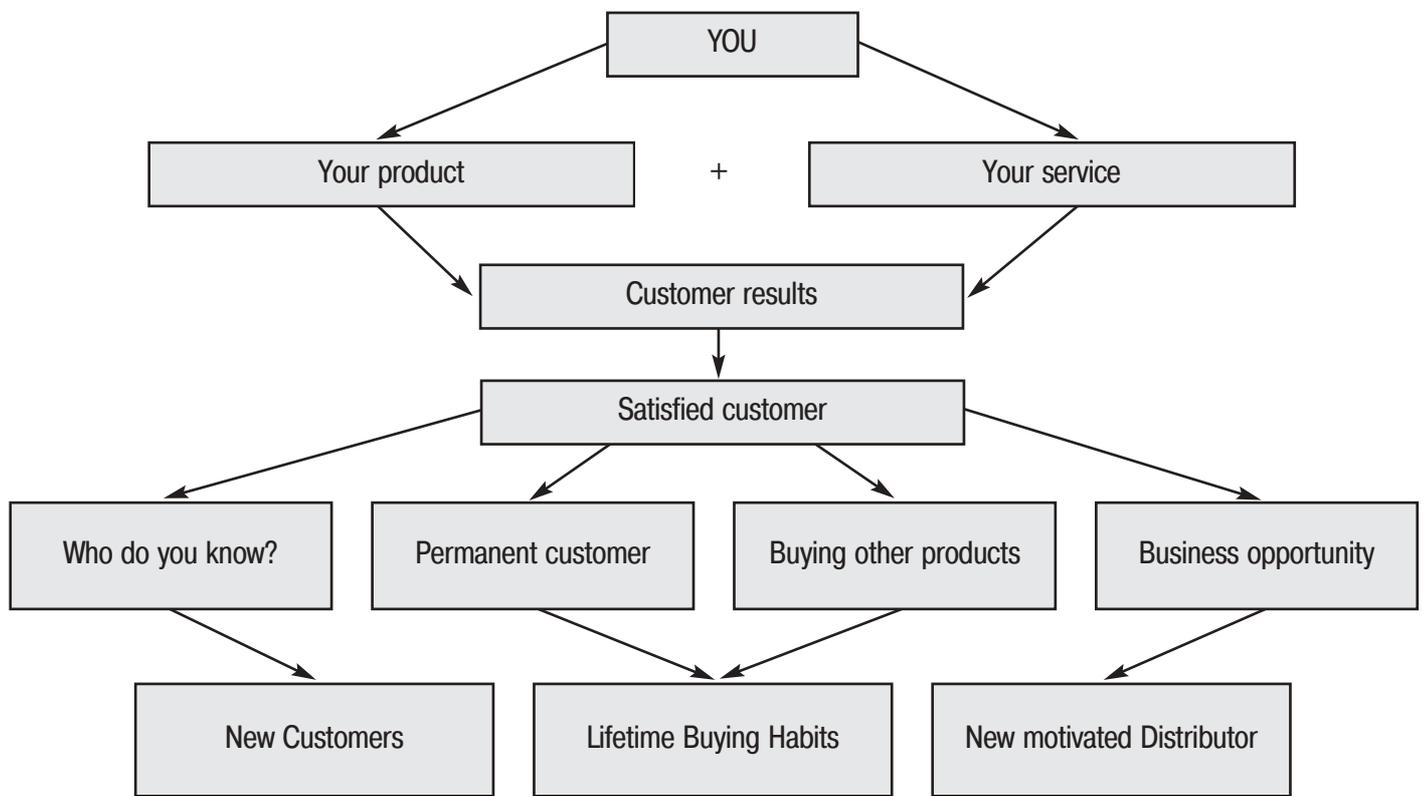
Start by establishing good relations with your customer.

Successful retailers do not simply aim for the greatest number of one-time sales, hoping that sales volume alone will lead to growth. What they do is cultivate and nurture relationships with their customers, leading to repeat sales and a lifetime of loyal buying habits. This holds true whether the product is weight management programs, nutritional or personal care products. The better the customer feels about you, the more loyal he/she will become.

A sale is a sale, but a customer is a long-term asset!

"If you make a sale, you can make a living. If you make an investment of time and good service in a customer, you can make a fortune!"

Jim Rohn



Letters for keeping in touch

- Immediately after closing a deal send your customer a "thank you" letter and congratulate him/her on starting the program.
- Don't forget to congratulate your customer and his family for any approaching holidays.
- Don't forget to send your customer ad his/her spouse birthday greetings

Keeping in touch with the customer

The first three months are the most important, especially the first month, as it's the time when the customer starts changing his nutritional notions which had been taking shape for dozens of years. Your task is to know everything happening to the customer as he believes in you, has paid and is expecting a result. The same applies to the customers of your new distributors, as they often lack the necessary experience which you already have. Learn everything about your new distributors' customers and be always ready to help. Create a database "Customers of my new distributors"

Ask your customer when is the best time to call him, write it down in the Customer profile and stick to this schedule.

During the first month call on the 1st, 3rd, 7th, 13th, 19th, 25th and 31st days. If it's necessary to be in touch more often to be sure that everything is O.K., don't hesitate: call. During the second month and afterwards be in touch weekly or more often if the necessity arises.

Make sure the customer started out using the program correctly.

Key issues to be discussed with the customer:

1. How have you used the program today?
2. How have you prepared your shake?
3. What beverages (how much of each beverage) are you drinking during the day?
4. Do you feel hungry?
5. What snacks have you had between meals?
6. How do you feel in general?
7. What are your recent weight and measurements?
8. How do your relatives feel bout your success?
9. Is there anybody we could help lose weight or improve health?

If during the sale the customer tells you about some specific health-related problems, then you should ask him from time to time about his general well-being. For example, "You told me at the very beginning that for the last 7 years you've been suffering from headaches and fatigue which returned 2-3 times a week. In the three weeks of using the program have you noticed any changes for the better?"

During the sale, while completing the Customer Profile, avoid making any statements about relieving or curing any diseases. On one hand, it's against the law, as our products are for nutrition and are not meant to treat diseases. On the other hand, the customer could have unfounded expectations. Speak about an opportunity to improve health and general well-being thanks to proper nutrition.

When talking to a customer, always be positive and kind hearted. Try to do your best to help the customer achieve the desired results.

Follow-up trouble-shooting

Complaint:

"I feel hungry"

It is unusual to feel hungry when following the program correctly. Be sure customers are making their shakes properly and are not skipping meals. If they are still hungry, they can use three tablespoons of Formula 1 powder in their shake instead of two. (Don't forget that they will need 2-3 Formula 1 cans a month to loose weight successfully and 1 Formula 1 can to maintain weight). Individuals who get hungry in the evenings can take an extra shake or take a Protein bar. Be sure to use Thermojetics® products: Green and Beige when needing energy, and Yellow to help with appetite reduction.

If your customer is using High-Protein Low-Carb program, he/she will hardly feel hungry, as 5-6 meals a day are very satisfying.

Complaint:

"I am not loosing any weight"

Possible reasons:

1. Not measuring.

Some people lose inches first and weight second. It is important to measure inches before starting the program and keep doing it and entering the measurements into the chart. Lost inches are a true indication. It often happens that you lose many inches and very few pounds. Draw the customer's attention to the lost inches. If you add all the lost inches and divide them by the days on the program, you will see how many inches he/she is losing daily. Tell him/her about it, and the customer will be more serious about every passing day.

2. Cheating.

GUESS WHAT? People cheat on diets, often without knowing it. Some people drink non-diet sodas and juice all day at 200 calories each. They excessively eat non-fat foods loaded with calories. They have one to three snacks a day, which they forget to tell you about. One double cheeseburger is at least 800 calories. Each potato chip is about 10 calories. Five large pretzels are 100 calories. Even healthy snacks should not be eaten excessively. Remember, a piece of fruit is about 80 calories each. One way to find out is to ask them to write down everything that they eat for three days. Then use the Advanced Energy Guide to figure out how many extra calories they are consuming. Pay special attention to their habit of chewing in front of TV or eating at night.

3. Not following the program as directed.

Remember, the program calls for two shakes and one balanced meal per day with tablets as directed. Skipping meals can starve the body and slow down metabolism. This can weaken the diet and lead to poor nutrition, which can also sabotage the diet. On the other hand, some customers believe that "the less you eat the more weight you lose" and skip their shakes. Sometimes you can hear, "I was not hungry, so I skipped my evening shake". Tell your customer from the very start that he/she should not skip shakes as hunger will follow and result in an extra thousand calories. Bring this issue over and over again.

Complaint:

"I am feeling nauseous"

Nausea can be a sign of detoxification. Be sure to follow the program as directed and drink at least eight glasses of water a day.

Repeated headaches can arise from low blood sugar or dehydration. Be sure to follow the program as directed and drink at least eight glasses of water a day. If the shake don't satisfy you, make it 1.5 times bigger and add half a banana.

Complaint:

"I have diarrhea"

Diarrhea can be caused by using whole milk in large quantities. Advise your customer to use another liquid, e.g. juice.

Complaint:

"I have constipation"

Substantial reduction of food can result in constipation if people are generally inclined to it. You need to increase the amount of fiber intake, which is primarily found in green leaves vegetables: lettuce, cabbage, and cucumbers and tomatoes. It is also recommended to increase the intake of activated fiber. It is also advised to use dried fruit like prunes or other natural means which could be found in drug stores.

Complaint:

"I am taking drugs"

Our aim is to improve the customer's nutrition. We are not doctors and don't give any recommendations as to drugs or medications. The customer is advised to keep taking his prescribed medicine and make any changes only after consulting his physician.

Business Management

1. Keep records of your and your customers' products. Keep constant records of your stock, know beforehand what products you might need in order to service your customers on time.
2. Have your own stock and do not procrastinate. Based on the forecast of your next 6 months sales (see example in the next page), take care of keeping enough products in your home warehouse. Never take the money out of your turnover. Invest your free money into the products again and again. You will need a lot of them now. In the following page you will see a chart which will help you to see all your customers simultaneously and forecast your sales.
3. Forecast the sales half a year ahead.

Customers	Months																							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
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Effective Retailing, Active Supervisor Level and Successful Distributor Organization Building

Only 5-7 retail sales a month will very soon lead you to the level of an Active Supervisor and you will be always easily maintaining the minimum 2,500 v.p. and the monthly income of \$1,500-2,000.

The longer you do it the easier it is to accumulate 2,500 v.p. as three months later satisfied customers, who are losing weight, will order a new supply of products again and you will be receiving more and more referrals.

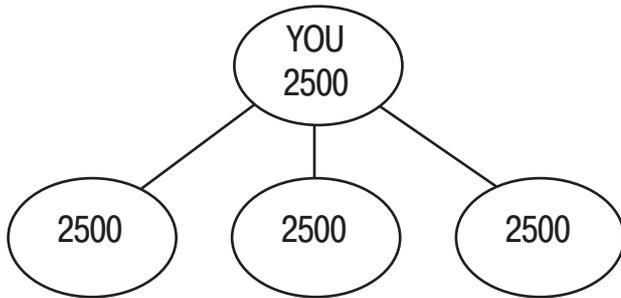
Now a monthly volume of 2,500 points and income of \$1,500-2000 become a very easily achieved task.

How to build a successful distributor organization

1. Achieve the level of personal retail sales of 2,500 volume points per month.

2. First year:

During the first year, teach three of your first-line Supervisors to do the same.



You – 2,500 VP

Your retail income – \$1,250

Your Royalty Override - \$375

Your total income: \$1,625 a month

3. Second year:

During the second year, teach three more Supervisors of your first downline to do the same and help your Supervisors of your first downline ‘educate’ their three 1st downline Active Supervisors each.

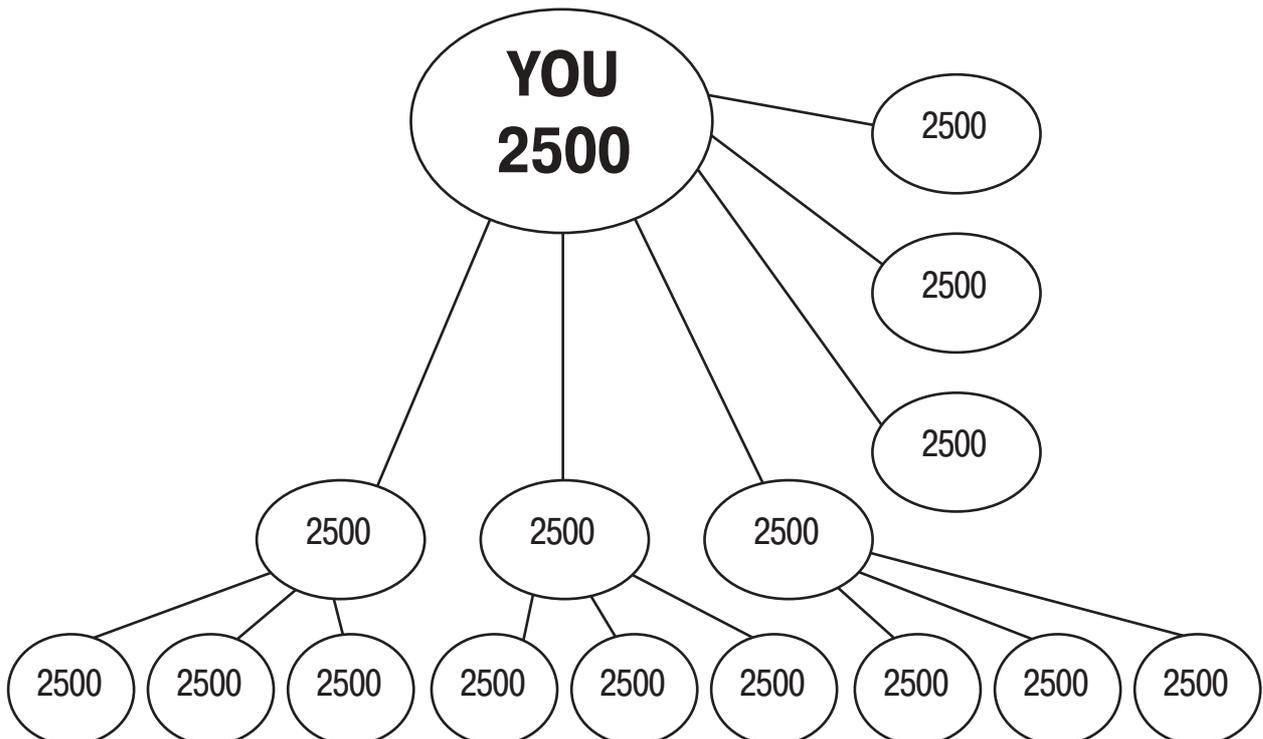
You – 2,500 VP

Your retail income – \$1,250

Your Royalty Override - \$1,875

Your Bonus - \$750

Your total income: \$3,875 a month and you qualify as a GET Team member.



4. Third year:

During the third year 'educate' three more new Active Supervisors of your first downline and help the rest do the same. Only three Active Supervisors a year!

As a result there will be 63 Active Supervisors in your organization, three first-line Active Supervisors, three World Team members and three GET Team members and you qualify for Millionaire Team.

You – 2,500 VP

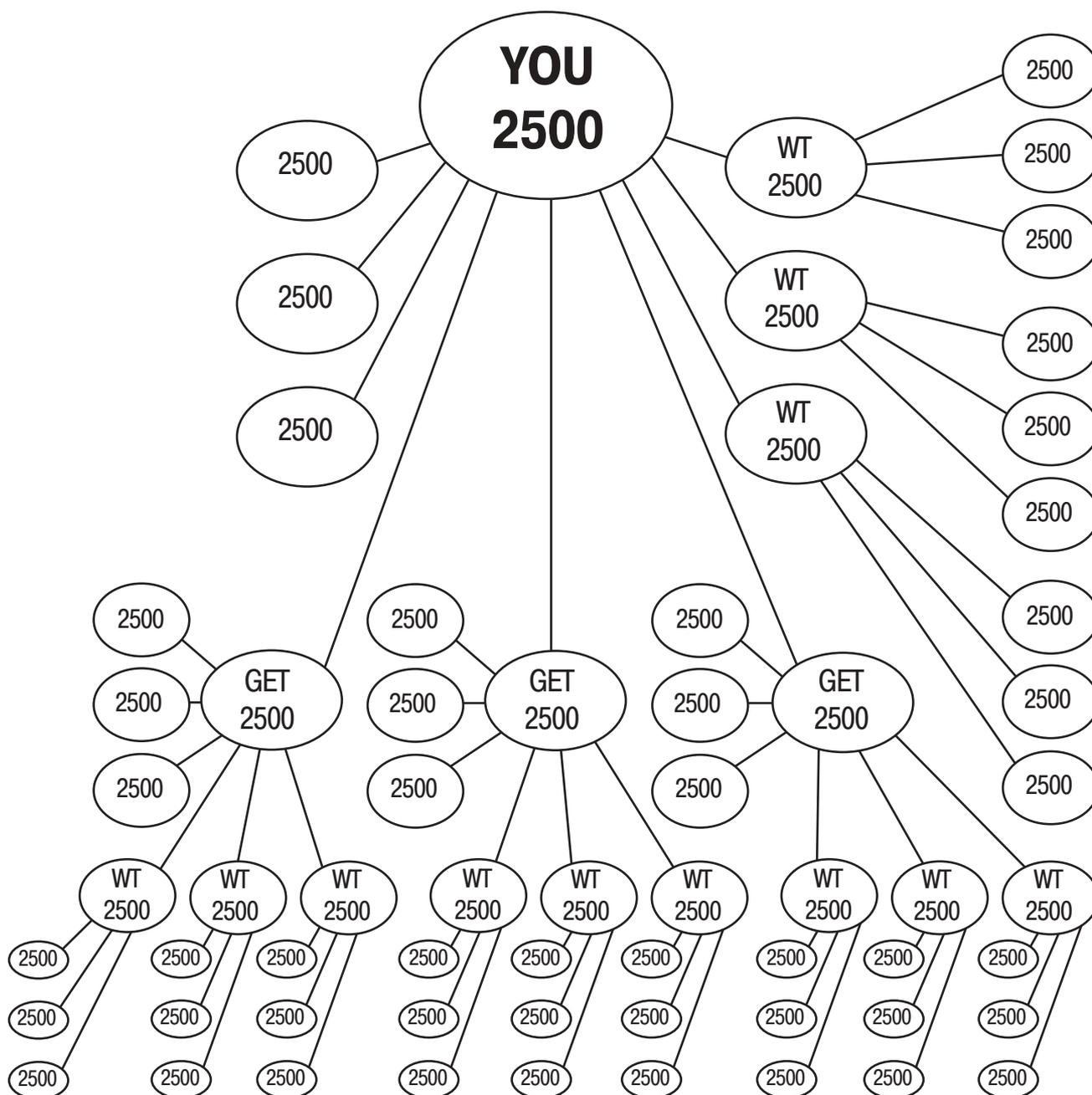
Your retail income – \$1,250

Your Royalty Override - \$6,750

Your Bonus: 2% - \$1,800

4% - \$1,800

Your total income – \$11,600



And all this excluding:

- Volume for your personal and your downline distributors' and their families' usage of products
- Wholesale profit
- New Success Builders qualifications
- New Supervisors Qualifications
- Volume from usage and sales of personal care and Colour products

Add all this to your organization's volume and you'll find yourself in President's Team.

And now imagine what will happen in the fourth year...

Eli Nahum's story

Eli Nahum has been working in Herbalife for eight years. During the first 6, he was building his organization many times, but it was breaking down just like a house built of playing cards. Six times he tried to qualify for GET Team and once for Millionaire Team, but all in vain. His organizational volume dropped from 80,000 to 15,000 points; which didn't allow him to qualify for Millionaire team. After numerous attempts Eli and his leaders came to the conclusion that the problem was in their inability to retain customers and distributors. They understood that if they learned how to guide customers through the program to achieve results, they would not have to change customers. And this would make it easier for distributors to work. They also understood that it was better to follow up with 5-8 new customers rather than with 20-30 as the first month of customer follow-up is the most important one. They understood that it was better deal with 5 customers, focusing their attention on long-term product use and adding only 5 new customers each month rather than to have 20-30 sales a month losing most of the customers at the end of each month and being unable to provide minimal customer care. They realized that if they showed the customers the entire program from the beginning to the end, changes in their relationships would happen, these have been:

- The customer will be informed in advance, that to obtain desired results it is important to be on a weight loss program for X months and then on a weight maintenance program for another X months.
- The customer will not expect too much from the first month of using the program – she/he will know that the weight loss will be 3-5 kilos per month.
- She/he will know from the very beginning how much the program will cost and how long it will last.
- There won't be any financial questions arising between a distributor and a customer – the customer will be ready to pay from the very first day.
- The first three months guarantee the first great results.
- Eli and his distributors began to establish great relations with customers as they did not have to talk about money any more but only about the customer's success.
- They found out that with proper follow-up 90% of the customers complete the programs, while before that, they had been losing 50-60% of their customers during the first month and 30% more after the second month.
- Great results led to numerous referrals and retailing for Eli's organization stopped being a burden and became a pleasure.
- They estimated that they now needed only 6-7 days each month for retailing. They had plenty of time left to build and develop their organization.

2 years ago, Eli Nahum's organization began to work according to the principles described in this book. Eli and his three supervisors spent the first month working out all the details of their work with the customers in order to achieve the main goal – stop losing customers and distributors. During the second year (the beginning of 2001) after having worked out all the details Eli and his 19 supervisors began to work according with the new principles. The results were immediate. Below you will find the chart that shows all the changes in Eli's organization during 2001.

Assessment criteria	December 2000	December 2001
Average monthly recruiting in the organization	15	25
Number of supervisors	20	77
No. of World Team members	5	21
No. of GET Team members	1	5
No. of Millionaire Team members	0	1
Organizational volume	18,000	130,000
Volume accumulated during the entire period	900,000	
Average period of using the products by a customer	1.2 months	6 months
Referrals	10%	30%
Time spent		6 days a month
Percentage of permanent customers	10%	90%
Business growth during 2001	722%	

900,000 v.p. were sold to 800 customers. In order to have these 800 sales Eli and his supervisors had to meet 4,000 potential customers (or 1:5).

To accumulate this volume using traditional methods they would have had to make 12,837 sales and meet 45,000 potential customers (or 1:35).

Thereby:

- They did 11 times less work
- They have 720 satisfied customers (only 80 customers stopped using the program)
- At last the distributors found time to build their organization and teach their distributors to achieve success.

We'd like to draw your attention to the fact that recruiting increased from 15 to 25 or only by 60% while the organizational volume increase is 722%.

As a result, Eli qualified for Millionaire Team, 5 of his supervisors qualified for GET Team, and 21 qualified for World Team.

Letter from Pedro Cardoso

"After Leon Waisbein, Michael Cole and Eli Nahum presented this new approach to retail business during the President's Summit, we started to implement it here in Brazil. You wouldn't believe what happened!

Several days ago we had a big event with Markus Lehmann with more than 600 qualifiers. It was a great event! But the most unbelievable thing happened when they called to the stage 30 people who had started working with long-term programs. It turned out that in the recent month these 30 distributors had sold \$147,600 worth of products – more than all the rest of the 570 guests who qualified for the event. On average it is \$5,000 in sales for each distributor and about \$2,500 in net profit. Can you imagine?

It was like a BOMB! The other 570 people were in shock!

Here is a typical story from one of those 30 supervisors.

Simone and Jorge Frota have been working with long-term programs for only one month. Although during this month they also went to their first Summit, a Cruise with Herbalife and had their Easter holidays, they nevertheless had time to sell \$ 8,336 worth of long-term programs to 7 new customers. At the same time they brought their permanent customers (some 30 of them) one-month programs for \$1,592 total. You see the difference: the new approach allowed them to have 4 times fewer customers and 5 times more money.

If people don't start selling long-term programs, they are going to miss the greatest chance of their lives! Altogether Simone and Jorge sold \$9,928 worth of products this month. It's not bad for a month with more holidays than working days. They continue working with their permanent customers in the old way, while all the new customers are starting long-term programs.

I believe it will take another six months before all the Brazilian distributors understand the huge potential of the new approach. But already now their mood is the same as six years ago when Brazil was first opened for business.

Thanks for the wonderful concept.

Pedro Cardoso, Brazil"

WEEKLY DISTRIBUTOR SCHOOL

How to learn to make money, qualify for Supervisor and become an Active Supervisor.

The Distributor school takes place every week and lasts 4.5 hours.

- Provide distributors with profound training on how to build a retail business, including all the tools and techniques.
- Using role games, teach the distributors how to schedule and conduct meetings, close deals, service customers and get referrals
- Create an atmosphere of success, introduce new distributors to the stories of successful distributors who managed to create an independent businesses.
- Teach every distributor how to earn \$1,500-\$2,000 of net profit monthly.
- Teach distributors how to manage their business, time and finances
- Explain the Marketing Plan in detail, show the big picture and the way to qualify for the next career level – Supervisor.
- Explanation and promotion of the weekly and monthly programs.
- Promotion of the forthcoming events: STS and Supervisor schools.

Why is it so important to conduct a detailed weekly distributor school devoted to successful retailing?

- You have new distributors in your organization every week
- If they immediately find themselves in the atmosphere of successful retailing and immediate earnings, they will start faster and become Active Supervisors.
- This school will help you to teach everybody to earn \$350-500 a week and really appreciate the opportunity.
- All the distributors, including those whose sponsors are new distributors themselves, will be able to receive a comprehensive first-hand training from the best distributors in the city. All this - in the very first week after becoming distributors. They will be able to participate in role games and get ready to "swim on their own."

It is very important for the speakers to tell about their own methods, their results with the customers and to cite successful stories of their customers.

Agenda:

Part 1 – Building a retailing business – 3.5 hours. This part can be conducted by 3-5 speakers.
After each speaker – a 3-min. music break with fast merry music.

30 min. – Topic 1: Sources of potential customers. Working with acquaintances.

- Sources of new customers: Friends and relatives
 - Friends and relatives
 - Acquaintances
 - Strangers
- Working tools:
 - Personal story and how to create it
 - Business card (flyer) with the personal result
 - Pitch book
 - Product Information Guide
 - Personal care catalogue
- Working with acquaintances
 - List of acquaintances
 - Basic principles of working with acquaintances

30 min. – Topic 2: Working with strangers

- Tools for working with strangers
 - Surveys –techniques of conducting surveys and scheduling an appointment
 - Button and button response

- Recommended texts for rip-off ads, flyers and newspapers
- Telemarketing – principles, an example of phone conversation and scheduling an appointment
- Working with free samples of weight loss products
- Setting an appointment - types of phone conversations following various types of ads (including sales over the phone)

60 min. – Topic 3: Role Plays

Distribute among the participants printed texts of various phone calls:

- Scheduling a meeting with a close friend. E.g., "Hi, how are you? I have something to discuss. I will stop by tomorrow at 6. I am in a great hurry. Bye".
- Answering a retailing phone call
- Tell the new distributor that they should expect three various reactions when talking to acquaintances and strangers as potential customers: positive, neutral-doubtful and skeptical-negative. All the three developments of the conversation should be reflected in the role-plays with the participation of the new distributors. This will allow them to understand that all three kinds of responses are normal working situations and will save painful reaction to the skepticism of some potential customers.

60 min. – Topic 4: Meeting. Sale. Training the customer

This topic is conducted by the best retailers with the best results in retailing.

J Types of meetings

- 1-to-1 for nutrition
- 1-to-1 for personal care
- Shake party
- Customer Day
- Training the customer after the sale
- Building friendly relations with the customer is the key for successful long-term cooperation
- Meeting the customer – role-plays. Participating in role plays, distributors see three types of developments during the meeting with a potential customer:
 - The customer understands everything and easily places the order
 - The customer asks a lot of questions and finally places the order
 - The customer doesn't place the order, or the distributor decides not to sell him the products

New distributors participate in these situations once as customers and once as distributors in all the three developments, 6 times altogether.

30 min. – Topic 5: Customer follow-up

Customer follow-up

- Tools:
 - Customer Profile and Personal workbook, card file, etc
 - Telephone contacts and visiting the customer – nothing can replace personal contacts
 - Mailing: holiday greetings, birthdays, information about the launch of new products, invitations to visit seminars and Customer days, letters to customers
 - Customer Day – information about the forthcoming Customer Day.
 - Incentives to best customers
- Scenario of customer follow-up
 - 1st day
 - 1st week
 - 1st month
 - 2nd month
 - 3rd month, etc

30 min. – Topic 6: Upgrading the customers

- Upgrading the customers
 - How to turn the customer into a permanent one
 - How to get referrals
 - How to increase the range of products sold to the customer
- Creating a long-term customer base
- Product stock, finance management – inventory, control, documentation

Break – 30 min.**40 min – Topic 7: The Marketing Plan**

- Levels + how to qualify
- Testimonials of supervisors who qualified in the recent 3 months
- Active Supervisor
- World Team
- TAB Team

Promotion of the next STS and the forthcoming Supervisor school.