

MLM Company Profile: ENERGETIX GmbH & Co. KG



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ENERGETIX GmbH & Co. KG

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Editor's Note:

Welcome to **MLMLegal.Com Company Profiles** at www.mlmllegal.com. Here you will find brief summaries of pertinent information about hundreds of MLM, Direct Selling, Direct Sales, Network Marketing and Party Plan Companies. As a general matter, the summary information is derived from Company published information, generally posted at Company websites, public information releases or posts at industry trade sites.*

Founding Story

ENERGETIX GmbH & Co. KG is located in Bingen, Germany and was founded in 2002.

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Impact on the Industry

ENERGETIX GmbH & Co. KG is a member of the Direct Selling Association and the Direct Selling Association of the United Kingdom.

Discussion of Products

ENERGETIX GmbH & Co. KG sells magnetic jewelry in gold, rhodium plating, stainless steel, glass-based pearls, Swarovski crystal, and cubic zirconium. All the jewelry is nickel allergy free. Earrings, necklaces and bracelets usually contain two neodymium magnets, while pendants contain one magnet. The magnets are meant to improve health by hitting nerves in a positive sense.

Discussion of Opportunity

ENERGETIX GmbH & Co. KG distributors received their own website.

ENERGETIX GmbH & Co. KG offers the following information regarding distributorship:

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The Business Opportunity

- *Get up and running quickly and efficiently with our individually customized, ready-to-use webstores.*
- *Part-time or full-time*
- *Excellent money-making opportunities*
- *No risk*
- *Selling is easy, through family, friends, work colleagues, house parties, special events and more...even at your favorite hairdressing salon or spa.*

Our Products

- *Designer jewelry and accessories for the fashion and health conscious*
- *Something for everyone*
- *For men and women*
- *For pets*
- *Easy to merchandise*
- *ENERGETIX products are right for (www.mlmlegal.com) their time*

You benefit from

- *Minimal start-up costs. Armed with the ENERGETIX Starter Kit you're in business immediately.*
- *Low operating expenses - no staff or offices*
- *Enjoy a performance-related income, including a 20% - 45% profit margin plus commissions on your team's sales*
- *You're independent and set your own hours*
- *No minimum order size*
- *Quick delivery times*
- *Support from a Customer Service team*
- *Individually customized and ready-to-use webstores*

The Company also offers a detailed compensation and marketing plan:

Qualification Levels

Qualifying as a Distributor (D) - 20%

Purchase a Starter Kit and you will immediately qualify to earn 20% on the MSRP (retail value) of your sales. You can increase your discount rate up to 40% by either:

- *Selling ENERGETIX products yourself (personal sales volume or PSV) and/or*
- *Recruiting and training a team of Distributors. Your own sales and those of your team members are included in your group sales volume (GSV) provided that they have not reached Marketing Director level themselves.*

Qualifying as a Senior Distributor (SD) - 25%

- *Once you place an order worth 350 PSV points, you become a Senior Distributor. You receive a 25% discount on this and all subsequent orders.*
- *You can also qualify as a Senior Distributor by accumulating 500 GSV points in a calendar month. You receive a 25% discount on all subsequent orders.*
- *Plus 5% team leader bonus on personally sponsored Distributors.*

Qualifying as a Marketing Consultant (MC) - 30%

- *Once you place an order worth 1000 PSV points, you become a Marketing Consultant. You receive a 30% discount on this and all subsequent orders.*
- *You can also qualify as a Marketing Consultant by accumulating 1000 GSV points in a calendar month. You receive a 30% discount on all subsequent orders.*
- *Plus 5% to 10% team leader bonus.*

Qualifying as a Marketing Manager (MM) - 35%

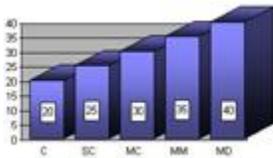
- *Once you place an order worth 1500 PSV points, you become a Marketing Manager. You receive a 35% discount on this and all subsequent orders.*
- *You can also qualify as a Marketing Manager by accumulating 1500 GSV points in a calendar month. You receive a 35% discount on all subsequent orders.*
- *Plus 5% to 15% team leader bonus.*

Qualifying as a Marketing Director (MD) - 40%

- *One-month qualification: Once you accumulate (www.mlmlegal.com) 3000 GSV points (including 1500 points for qualifying sales*) and 130 PSV points in one calendar month, you become a Marketing Director. You receive a 40% discount from the first day of the following month.*
- *Two-month qualification: You can also qualify as a Marketing Director by accumulating 1800 GSV points (including 900 points for qualifying sales*) and 130 PSV points in each of two consecutive calendar months. You receive a 40% discount from the first day of the following (i.e. third) month.*
- *Plus 5% - 20% team leader bonus.*

**Qualifying sales are sales by members of your team that they do not use to qualify for Marketing Director status themselves (by either one- or two-month qualification). Your PSV always counts towards qualifying sales. You cannot use any of your team's GSV to qualify as a Marketing Director if it is being used for qualification purposes by another member of your team. (The same volume cannot count as qualifying sales for 2 different people.)NOTE: Promotion up to and including Marketing Manager level applies immediately. Marketing Director status and benefits apply from the first day of the following month. Each move (including to Marketing Director level) is permanent: the discount level continues to apply regardless of the level of future monthly sales.*

Business Booster Pack - available at Senior Distributor level



Discount on retail price

ENERGETIX is always looking for ways to help you build up your business and reward you for achievement. As soon as you reach Senior Distributor level, you can purchase a Business Booster Pack worth £150 for just £75. It contains £140 worth of products of your own choice and £10 worth of promotional material including 2 display cushions with accompanying pouches. The pack enables you to have a small selection of attractively presented jewellery with you all the time, ready for an impromptu presentation. This small display fits into (almost) any handbag and of course into any document case. Note: (www.mlmlegal.com) You can purchase only one Business Booster Pack. As it is a promotional item, no commission is paid to your sponsor.

Information on team leader benefits

Team leader bonus

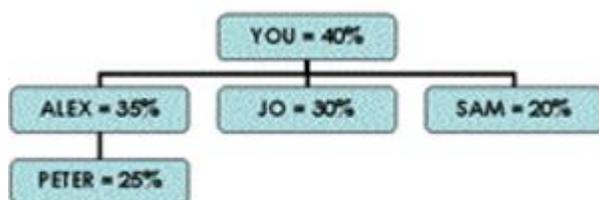
When you recruit new distributors, you profit from the differential between your own level of retail discount (not including the consistency bonus) and theirs. This "Team Leader Bonus" is calculated according to the discount level you have reached when the order is placed.

Team Leader Bonus: Example 1

Distributor's	Distributor's	Distributor's	Difference between your own	Your earnings for
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<i>discount level</i>	<i>retail sales</i>	<i>earnings from own sales</i>	<i>discount level (e.g. 40%) and that of your Distributor</i>	<i>training the distributor</i>
20%	\$250.00	\$50.00	20%	\$50.00
25%	\$250.00	\$62.50	15%	\$37.50
30%	\$250.00	\$75.00	10%	\$25.00
35%	\$250.00	\$87.50	5%	\$12.50
40%	\$250.00	\$100.00	You can also qualify for a marketing bonus and a training bonus.	3% + 3%, 3%, etc.

Team leader bonus: Example 2



Team leader bonus: Example 2

A new Distributor that you sponsor starts by receiving a 20% retail discount. If you are already entitled to a 40% retail discount and have achieved the minimum personal activity requirement of 130 PSV points, you receive a 20% 'differential' on the value of the orders placed by your new distributor - the difference between their 20% and your 40% discount.

In the following example, you can see that if you are at Marketing Director level with a 40% discount, you will earn 5% on the sales of Alex, who is buying from the company at a 35% discount. Alex in turn earns 10% on the sales of Peter, who is on a 25% discount. As you also recruited Jo and Sam, you earn 10% on the sales of Jo, who is buying from the company at a 30% discount, and 20% on the sales of Sam, who purchases her products at a 20% discount. This extra income can significantly add to your own resale profits.

Marketing Director bonuses

In addition to their profit on retail sales and team leader (www.mlmllegal.com) bonus, Marketing Directors have three further possible sources of income:

- Consistency bonus
- Training bonus

- *Marketing bonus*

1. Consistency bonus 3% - 5%

You can earn an additional Consistency Bonus of up to 5% on your own personal sales. This means that you benefit from a combined profit margin of up to 45%! To qualify for this added bonus, you must maintain two consecutive months of retail sales at the levels shown below.

PSV of:

- *3000 points you earn an additional 3%*
- *3500 you earn an additional 4%*
- *4500 you earn an additional 5%*

The bonus is paid at the third month mark, for the third month and monthly thereafter, for as long as the required volume is maintained. You get a 'month off' every 6 months. A maximum of 8 orders per month count towards this bonus.

Tip: Not everyone you talk to about the business opportunity with ENERGETIX will want to become a Distributor. Why not suggest they simply collect orders for you without having to sign a contract or get involved in administration; and you place the orders directly with ENERGETIX.

All they have to do is offer ENERGETIX products to their family, friends, work colleagues, and others. These orders will enable you to earn a Consistency Bonus faster than you think. To motivate them further, we recommend you offer them a "thank-you" gift. For instance, if they collect \$250 worth of orders give them an ENERGETIX product worth \$25, which will only cost you \$12.50). Of course, you can always offer them cash (www.mlmllegal.com) instead.

2. Training Bonus - 3%

When someone joins your team, their success depends on both of you; so the more training they receive, the more effective they will be. As this is so important, we have created a special bonus to reward team leaders who fulfil their training obligations. As an active Marketing Director you can earn a 3% Training Bonus on the GSV of all the Marketing Directors you personally train. You simply have to show that you helped them establish their business correctly. You are required to run a sales event with your new Distributor within six weeks of their joining your team. In addition, your new Distributor must have ordered products worth 130 points. Providing you complete and return an On-the-Job Training Report, you will qualify for an additional 3% on their GSV once they reach Marketing Director level. The bonus is designed to encourage proper training and is a reward for building strong working relationships.

3. Marketing Bonus - 3%

In recognition of the time and effort you have invested in training and motivating new Distributors, and helping them reach Marketing Director level, a Marketing Bonus is paid on the group sales of your downline Marketing Directors up to 5 levels deep (see table).

Paid only to active Marketing Directors, the bonus is calculated on MSRP (retail sales). To be considered 'active', you have to accumulate 130 PSV points and 1200 GSV points during the calendar month.

The Marketing Plan uses compression to benefit active Distributors. This means that any Marketing Directors in your downline who have not accumulated 130 PSV points or 1200 GSV points are included in your own Level 1, 2, etc., and you then receive commission on their sales

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Discussion of Distributor Base and Sales Volume in U.S.

ENERGETIX GmbH & Co. KG operates in over 30 countries, has over 60 million customers, and has sold over 55 million in Euros.

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The Company states the following regarding its success:

In East Europe the highest sales are in Ukraine with 13 percent of total sales. In 2005 and 2006 further Energetix license partners began operating in Israel, Turkey, Puerto Rico and USA. Further partners are being sought worldwide.

Company Website: <http://www.energetix.tv/>

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Jeffrey A. Babener, principal attorney in the Portland, Oregon, law firm Babener & Associates, represents many of the leading direct selling companies in the United States and abroad.

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