

# Vetraceuticals®

Dedicated to the health, happiness & longevity of your pet

## **COMPENSATION PLAN 2009**

*Give your pet the greatest gift of all... the gift of health.*

## Vetraceuticals Compensation Plan 2009

### Marketing Representative

Annual Registration Fee \$25.00. Website & Email Fee \$15 per quarter  
Minimum Activity \$24.95 per month – 3 month rolling average.

### Retail commission on Personal Retail Sales as follows:

Auto Ship – First month 35%, thereafter 20%. 20% on all re-instates.

### Basic Override Structure - Personally Sponsored Representatives

1 <sup>st</sup> Generation	7%	These override commissions are paid on commissionable sales, which are retail sales less Representative's retail commission.
2 <sup>nd</sup> Generation	5%	
3 <sup>rd</sup> Generation	3%	
4 <sup>th</sup> Generation	3%	
5 <sup>th</sup> Generation	3%	
6 <sup>th</sup> Generation	3%	
7 <sup>th</sup> Generation	1%	

Representatives personally enrolling:

Zero Marketing Representatives (downline assigned by someone else) are paid through 3 levels

One Representative: are paid through 5 levels

Two Representatives: are paid through 6 levels

Three Representatives: are paid through 7 levels

### Levels and Additional Business Builder's Commissions

#### Marketing Representative

1<sup>st</sup> Generation – As per Basic Override Structure

#### Marketing Manager

When 1<sup>st</sup> and 2<sup>nd</sup> Generations are 5x5, Marketing Manager receives an additional ½% commission on the 3<sup>rd</sup> Generation Commissionable Sales volume

#### Marketing Director

When 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Generations are 5x5, Marketing Director receives an additional ½% commission on their 4<sup>th</sup> Generation Commissionable Sales volume.

#### Vice President

When 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> Generations are 5x5, Marketing Director receives an additional ½% commission on their 5<sup>th</sup> Generation Commissionable Sales volume.

#### Senior Vice President

When 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> Generations are 5x5, Marketing Director receives an additional ½% commission on their 6<sup>th</sup> Generation Commissionable Sales volume.

#### Executive Vice President

When 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> Generations are 5x5, Marketing Director receives an additional ½% commission on their 7<sup>th</sup> Generation Commissionable Sales volume.

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## Group President

When 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup>, and 7<sup>th</sup> Generations are 5x5, Marketing Director receives an additional ½% commission on their 8<sup>th</sup> Generation Commissionable Sales volume.

Note: The ½% commissions are rolling commissions. As each level is achieved, the ½% is removed from that level and is received on the next level down.

5x5 means that each Representative has a minimum of five customers and that each Representative has a minimum of five personally sponsored Representatives on their First Generation level.

## **Vetraceuticals Quick Start Program 2009**

### For New Representatives Only

Time Frame: Balance of Month of Enrollment plus Three Full Calendar Months.

- ▶ For every new Canine customer you receive a \$20 cash bonus.
- ▶ For each five new Canine customers you receive a \$100 cash bonus in addition to the \$20 bonuses.
- ▶ All of these are in addition to your commission.
  
- ▶ For every new Feline customer you receive a \$10 cash bonus.
- ▶ For every five new Feline customers you receive a \$50 cash bonus. Again, these are in addition to your commission.
  
- ▶ To qualify, a new customer must remain on the program for at least three months. If the customer drops out prior to three months, the cash bonuses will be reversed and debited against future commissions.

Cash Bonus are paid monthly at the same time as Commissions.

## **How to evaluate a compensation plan.**

When choosing a company to join, the most important factor is not the type of compensation plan, but whether that plan is achieving important goals for distributors. Alfred White, senior management consultant at San Diego-based Hamilton LaRonde & Associates, Inc. recommends evaluating each company you are considering against the following characteristics of a good compensation plan:

1. Is it easy to enter into the opportunity? You should only have to buy a modestly priced sales kit.
2. Are you rewarded primarily for direct sales, rather than for override commissions?
3. Are you rewarded for personally sponsoring others?
4. Are you rewarded for recruiting multiple levels?
5. Is the focus on selling products to the end consumer, rather than to your downline?
6. Are you rewarded for training and supporting your downline?
7. Are you rewarded for high personal volume?
8. Are you rewarded for high group volume?
9. Are you rewarded for maintaining a monthly volume?
10. Does the plan provide for recognition?
11. Does the plan offer non monetary rewards and incentives, such as trips or cars?
12. Is the plan's monthly maintenance requirement reasonable - not so high that you can never achieve it, and thus never receive compensation?

Conversely, here are some compensation plan characteristics that should send you running in the opposite direction:

1. A plan that does nothing to discourage deadweight distributors and non producers.
2. A plan that encourages inventory loading or large investments in products.
3. A plan that emphasizes gimmicks rather than product sales.

**Vetraceuticals®****Three Year Marketing Representative Retail Sales Plan**

<b>New Customers Per week</b>	<b>After 6 Months</b>	<b>\$ Annual Commissions</b>	<b>After 12 Moths</b>	<b>\$ Annual Commissions</b>	<b>After 18 Months</b>	<b>\$ Annual Commissions</b>	<b>After 24 Months</b>	<b>\$Annual Commissions</b>	<b>After 36 Months</b>	<b>\$ Annual Commissions</b>
0.25	7	467.22	13	934.44	20	1,401.66	26	1,868.88	39	2,803.32
0.5	13	934.44	26	1,868.88	39	2,803.32	52	3,737.76	78	5,606.64
1	26	1,868.88	52	3,737.76	78	5,606.64	104	7,475.52	156	11,213.28
2	52	3,737.76	104	7,475.52	156	11,213.28	208	14,951.04	312	22,426.56
3	78	5,606.64	156	11,213.28	234	16,819.92	312	22,426.56	468	33,639.84
4	104	7,475.52	208	14,951.04	312	22,426.56	416	29,902.08	624	44,853.12
5	130	9,344.40	260	18,688.80	390	28,033.20	520	37,377.60	780	56,066.40
6	156	11,213.28	312	22,426.56	468	33,639.84	624	44,853.12	936	67,279.68
7	182	13,082.16	364	26,164.32	546	39,246.48	728	52,328.64	1092	78,492.96
8	208	14,951.04	416	29,902.08	624	44,853.12	832	59,804.16	1248	89,706.24
9	234	16,819.92	468	33,639.84	702	50,459.76	936	67,279.68	1404	100,919.52
10	260	18,688.80	520	37,377.60	780	56,066.40	1040	74,755.20	1560	112,132.80
11	286	20,557.68	572	41,115.36	858	61,673.04	1144	82,230.72	1716	123,346.08
12	312	22,426.56	624	44,853.12	936	67,279.68	1248	89,706.24	1872	134,559.36
13	338	24,295.44	676	48,590.88	1014	72,886.32	1352	97,181.76	2028	145,772.64
14	364	26,164.32	728	52,328.64	1092	78,492.96	1456	104,657.28	2184	156,985.92
15	390	28,033.20	780	56,066.40	1170	84,099.60	1560	112,132.80	2340	168,199.20

How to use this sheet:

It is generally accepted that it takes about three years (36 months) to start a business and become profitable.

Decide how active you want to be by selecting the number of new customers you will obtain each week.

Find that number in the first column and then you can see how much your retail commissions will be as you proceed through year three.

**Vetraceuticals® Compensation Planning Worksheet**

This spread sheet assumes you work consistently to achieve your goals.

Sales to Friends, Neighbors, Relatives, Co-workers and customers referred by them.	Customers	Average Sales Per Customer	Monthly Personal Retail Sales	Commissionable Sales Per Month	Annual Commissionable Sales	Your Retail Commissions
How many customers will you have in the first 3 months?	5	30	150	120	1,438	288

1st Generation 7% Override Commission	Personally Sponsored Reps.	Average Sales per Rep	1st Generation Retail Sales	Commissionable Sales Per Month	Annual Commissionable Sales	Your Commissions
How many Distributors will you personally sponsor in the first 3 months?	5	150	749	599	7,188	503

2nd Generation 5% Override Commission	Personally Sponsored Reps.	Average Sales per Rep	2nd Generation Retail Sales	Commissionable Sales Per Month	Annual Commissionable Sales	Your Commissions
When those Representatives match your performance.	25	150	3,744	2,995	35,940	1,797

3rd Generation 3% Override Commission	Personally Sponsored Reps.	Average Sales per Rep	3rd Generation Retail Sales	Commissionable Sales Per Month	Annual Commissionable Sales	Your Commissions
When those Representatives match your performance.	125	150	18,719	14,975	179,700	5,391

4th Generation 3% Override Commission	Personally Sponsored Reps.	Average Sales per Rep	4th Generation Retail Sales	Commissionable Sales Per Month	Annual Commissionable Sales	Your Commissions
When those Representatives match your performance.	625	150	93,594	74,875	898,502	26,955

5th Generation 3% Override Commission	Personally Sponsored Reps.	Average Sales per Rep	5th Generation Retail Sales	Commissionable Sales Per Month	Annual Commissionable Sales	Your Commissions
When those Representatives match your performance.	3,125	150	467,969	374,375	4,492,500	134,775

6th Generation 3% Override Commission	Personally Sponsored Reps.	Average Sales per Rep	6th Generation Retail Sales	Commissionable Sales Per Month	Annual Commissionable Sales	Your Commissions
When those Representatives match your performance.	15,625	150	2,339,844	1,871,875	22,462,500	673,875

7th Generation 1% Override Commission	Personally Sponsored Reps.	Average Sales per Rep	7th Generation Retail Sales	Commissionable Sales Per Month	Annual Commissionable Sales	Your Commissions
When those Representatives match your performance.	78,125	150	11,699,219	9,359,375	112,312,500	1,123,125

This is a theoretical example of how the Compensation Plan functions. Actual results are based on individual effort and will vary by Rep.

**Total Annual Commission and overrides based on the above scenario \$ 1,966,708.75**

## Vetraceuticals®

## Personal Goal Sheet

Putting your goals on paper and looking at them every day is the way to make them a reality. Complete this goal sheet and make it a commitment to yourself by signing it. Look at it every day to remind yourself what you are committed to achieve.

### 1. Your Time

How much time are you willing to devote to your Vetraceuticals business on a weekly basis?

I will devote \_\_\_\_\_ hours each week to building my Vetraceuticals business.

What do you want to achieve?

### 2. Your Income Goal

My personal monthly Income goal from my Vetraceuticals business for my first year is:

\$ \_\_\_\_\_ a month.

### 3. New Customers

To achieve this goal, I will:

Enroll \_\_\_\_\_ customers each week.

### 4. New Representatives

Personally sponsor \_\_\_\_\_ Marketing Representatives each week.

Signed: \_\_\_\_\_

**Persistent, Consistent, Daily Action** will ensure that you reach **Your Goals**