

The Flantech Compensation Plan

How YOU
can earn more
money, in less
time, with
fewer people



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Important Note

This booklet is for use in Australia only. All figures relate to Australia only and are expressed in Australian dollars.

For accurate figures for other countries where Flantech operates, please refer to the local edition of this booklet.

Seven reasons why our Compressed Compensation Plan is so powerful

There are seven powerful benefits that make this Compensation Plan superior to other network marketing compensation plans.

1. Your personal rewards are 100% RESULTS-driven

In free enterprise there are no rewards for *activity*, only for *results*. It doesn't matter how active or busy you are, if you're not producing results, you get no rewards.

Most compensation plans confuse results and activity... yet another reason why they pay so poorly. So they confuse rewards and recognition, too.

Properly-directed activity always produces worthwhile results... eventually. It just takes time. So intelligent compensation plans of any kind, not just in network marketing, always *recognise* activity that leads to results, but they never *reward* that activity until it actually delivers the desired *results*.

Why not?

Because until the *results* — profitable sales — happen, there's no money to *reward* anyone, including the company. So if it foolishly rewards you just for activity, it will eventually run out of money. It will go broke. So will you.

Most network marketers think that

sponsoring is a result that adds leverage to their business earnings. They're wrong.

Sponsoring is an intelligent *activity*.

But until the people sponsored by you and your team begin producing results — *profitable sales* — there's NO leverage in your downline team. The more personal sales each person makes, the more highly-leveraged *your* income will be.

The Flantech Compensation Plan *recognises* the right kinds of *activities* and *rewards* the right kinds of *results*.

One of the most frustrating features of so many plans is the fact that your personal share of your group bonus “pie” is determined by the performance of your downline team. No matter how hard YOU work, if you have a “do nothing” downline, you end up being penalised by a vicious double-whammy... not only is *the size* of the pie a lot smaller, but the size of *your slice* is much smaller, too. You have little or no control over it. It's unfair.

In any compensation plan, the size of the bonus pie will always be determined by your personal group volume. There's no other legal, ethical or sensible way to get more. We're no different in this.

But we're VERY different when it comes to rewarding the people who actu-

ally *produce* that volume. (In most plans, it's the company that really benefits from high group qualifying volumes. Is it so surprising, then, that most companies choose that approach?)

The percentage of the group bonus YOU receive under the Flantech Compensation Plan is determined by *your personal* product volume and *your personal* sponsoring results, nobody else's. So you can't blame anyone else if you're not earning at the top bonus rate.

Neither can your downline team!

That means that *everyone in your team* can earn at the highest rate — without penalty to anyone, including you!

So there's a powerful incentive for them all to qualify at the highest level — and that automatically means that there's a much bigger pie for you all to share!

2. Qualifying volume produces worthwhile volume

Our qualifying level is set at either 60 or 100 CV in *personal* volume each month, not in personal *group* total. This means that you, and everyone in your downline, are ordering at a worthwhile level every month. While this may seem high, there are three reasons why it's not a problem.

1. Once you have just two active people in your first level and four in your second level, the cost of your monthly qualifying order is covered by your bonus income. Everything you pur-

chase after that puts you into profit.

2. A realistic personal qualification means you make good income. Low personal qualification invariably means a small total bonus pool — and small bonus incomes for everyone.
3. Your personal monthly qualification is affordable. Especially when you join the **Automatic Monthly Order and Auto-Deduct** program and begin building quickly. (See chapter 13.)

3. There's not just a carrot — there's a stick!

As well as earning bigger bonuses, there's a painful penalty if you don't stay active. Not only will you lose your bonus income if you fail to meet personal purchase qualification each month, but if you fail for three months in a row, you'll lose your entire downline group... permanently!

That's right. You have to start all over again, from scratch. But there's a very positive side to this "stick"... *it applies to everyone in your downline team, too!*

That's a very powerful incentive for *everyone* in your group to stay active, every month. See chapter 13 for a more detailed explanation.

4. AMO removes the risk!

We help you remove the risk of either of these consequences of failure with the ingenious Flantech Bonus Protection System — **Automatic Monthly Orders and AutoDeduct**.

This is not just another “autoship” program, although it does autoship orders to you each month. It’s also an *automatic deduction* system that makes it painless to order and pay for your products each month. You can “set-and-forget” your monthly qualification with a single decision. (See chapter 13 for details.)

5. AMO membership means you don’t have to worry about paying for your products!

By joining the Automatic Monthly Order program, you enjoy these benefits:

- You never fail to place your qualifying order every month.
- Once your bonus entitlement reaches the required amount, your payment for *this* month’s products is automatically deducted from your bonus for *last* month, which is paid during the following month (this month).

You don’t have to put your hand in your pocket or purse, or worry about your credit card limit or bank account balance, every month.

By setting up your monthly ordering intelligently, and helping new people do the same, you can create an automated income system that’s virtually fail-safe.

The really great thing is that all of this applies to your downline team as well, which helps to ensure that they make money and never fail to qualify, either.

That means more money for every-

one, and higher activity and retention levels — the *opposite* of normal network marketing experience!

6. Build your business faster — starting NOW!

Network marketing is a business model where it makes no kind of sense to “build slowly.” That’s really just an excuse for people who want to play safe, so that, if they don’t succeed quickly, they can say “oh, well, I’m building this slowly, so it’s solid. After all, slow and steady wins the race, you know!”

By the time they achieve full-time income — if they ever do — they’ve lost more people than they’ve gained because of lack of momentum and excitement. Rallies and training meetings become a wonderful substitute for social life or for actually building their businesses.

We believe the best motivation for anyone in network marketing is a decent bonus, every month, starting in your first month and growing quickly from there.

With our innovative, superbly-balanced Compressed Unilevel Compensation Plan, you can get going, sponsoring faster and easier — and getting into profit much sooner — than with other types of compensation plans.

7. Brilliant balance!

If you haven’t realised it yet, this is the most powerful benefit of all. It means that everything works superbly.

Network marketing compensation plans are not all created equal

The Flantech Compressed Unilevel Compensation Plan is one of the best-balanced, highest-leveraged and fairest you're ever likely to work with in network marketing.

(Yes, we know every company makes this claim. But, unlike the rest, you can actually *prove* this claim, *before* you start.)

Nobody makes money at the expense of anyone else in this Compensation Plan. Everyone is paid fairly.

Here's why.

There are three stakeholders in any network marketing business model:

1. **The company**, which has to be profitable in order to stay in business.
2. **The part-time distributors**, especially in the early months when they're laying the foundations for their long-term, residual income. They need to become profitable as soon as possible in order to cover their costs.
3. **The full-time, professional leaders** who need to earn substantial incomes in order to make their involvement worthwhile. It's also important that they should not have to work harder than ever trying to recruit new people just to replace people dropping out because they can't earn enough, soon enough, to stay in the business.

This is a crucial consideration, because personal integrity is the keystone of success in network marketing.

Most leaders will tell you that, once their income goals have been achieved, the most important aspect of their business is the friendships they enjoy with their downline teams. But spending time with downline people who are unfairly supporting *your own* lifestyle can be quite a challenge to your personal integrity with the majority of compensation plans. It can sabotage your self-esteem.

Not with our Plan.

Guilt-free success!

No matter how high your income grows, you'll be able to sleep soundly at night, then look yourself in the eye in the mirror next morning, because you know that none of your income is earned at the expense of anyone in your team, part-time or full-time.

Before we explore the Flantech Compensation Plan in detail to see how you can earn more money, in less time, with fewer people, let's consider the little-known foundation principle on which it was designed and built.

It may sound simple — and it is. But the vast majority of network marketers have little or no idea of what it is.

The Law of Success

The Law of Success applies to everything in life. Nothing is exempt, including network marketing compensation plans.

If you want to succeed at anything — including network marketing — you *must* obey it. It can't be broken or ignored. You just end up breaking yourself against it. Only a fool even tries.

The Law itself is deceptively simple:

“Do only the right things for only the right reasons.”

That's it. But don't be fooled. Note the two words that are repeated for each attribute... *“only”* and *“right”*.

But if the Law of Success is so simple, why do more than 90% of people fail?

It's just as simple. They're obeying another simple contrary Law...

The Law of Failure

Doing the *wrong* thing for the right reason is the classic Win-Lose approach: “the end justifies the means”. It never does. It's just selfishness and ignorance — sabotage.

Doing the right thing for the *wrong* reason is crazy: “the means justify the end”. It's absurd, Lose-Win nonsense.

And doing the *wrong* thing for the *wrong* reason is just plain suicidal. “Don't tell me what do do. I want to learn from my own mistakes!” It's a Lose-Lose death wish for your business. It *will* come true.

The primary reason why 90% of all network marketers fail to make money, and why 90% of all network marketing companies fail altogether, is simple: they either don't know the right things to do, or they don't know the right reasons for doing them. They don't stand a chance because *they don't know what they're doing*.

The deadly dilemma

The dilemma we all face is just as simple as the Law of Success itself: we either *know* the right things to do, and the right reasons for doing them, or we *don't*.

If we don't know, guessing won't fix it. At best, we have only a 50:50 chance of being right, and that's if we only have two choices. Every extra choice slashes our chances of guessing correctly.

Doing what everyone else does may *seem* to be the safest option, but the statistics are clear and conclusive: 90% of all network marketers fail to make a profit. So doing what everyone else does is little more than a sure-fire recipe for failure, because they're usually following someone who took a guess!

So the key to success in network marketing is to find someone who knows not only the right things to do, but the right reasons for doing them.

Bottom line: Both Laws deliver what they promise. If you insist on obeying the Law of Failure, you *cannot* reap success.

The Four Cornerstones of Success

Success in any field — including network marketing — is built on four cornerstones. If any of them is missing, the entire structure will topple over, sooner or later. It's inevitable.

1. Vision

You need a clear vision of what you want to achieve. Vision is the first essential attribute of true leadership. It's also the last, because it becomes the final reality of the process. (Beware, though... a flawed vision, based on laziness or greed, will cause you to do the wrong things for the wrong reasons.)

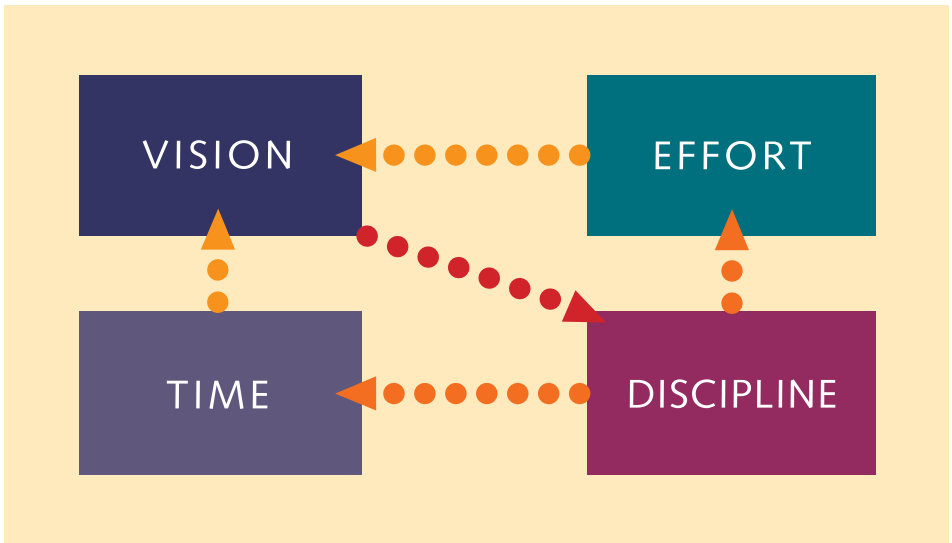
True vision is a correct perspective on a potential reality — a future that doesn't

yet exist for you. In network marketing, most peoples' visions are based on other peoples' present realities, such as successful upline leaders. It's one of the biggest benefits of this system of business. Even vision can be duplicated.

2. Time

No matter how much leverage you apply, through sponsoring, merchandising and other duplication strategies, you can't eliminate the need to invest time, especially in the early business building stages.

If you work intelligently, you can eventually cut all connection between the time you invest and the money you earn. But that's a *consequence* of success. Eliminating



ating time won't *make* you successful.

Don't confuse cause and effect.

3. Effort

Another dirty word for many network marketers, but just as indispensable as time when it comes to building success.

Like time, you can leverage your efforts until you finally break all connection between your effort and your earnings. But, once again, that's a *consequence* of success, not the cause.

4. Discipline

Without self-discipline you'll never invest the time and effort needed to realise your vision. And without that vision to motivate and guide you, you'll never have the discipline you need to achieve success.

It's so simple, common-sense and logical that it should be obvious to anyone. But it's not, or so many people in network marketing wouldn't waste so much valuable time and effort in the undisciplined quest for the "fast buck" — by *avoiding* any semblance of time, effort or discipline!

In physics, **work** is defined as "effort over distance". In business, that distance is the *fourth* dimension: *time*. In other words, work equals **effort over time**. It can't be avoided or eliminated. This is "**network marketing**", not "**notwork marketing**".

How to identify counterfeits in network marketing

Give it the Four Cornerstones Test! If its

real emotional appeal is...

- **NO time needed** (Overnight success! Get rich quick!)
- **NO effort needed** (We'll build your downline for you!)
- **NO discipline needed** (Just keep on doing what you've always done!)

then you can be 100% certain you've got a dud — a *fake* — because *all four* Cornerstones are missing... it can't succeed.

Even the **Vision** is false, because it's based on laziness, greed, ignorance, fear and stupidity.

The Flantech Compensation Plan embodies these Four Cornerstones of Success, just as it embodies the unbreakable and unchangeable Law of Success.

The fact that it's even aware of these little-known principles — *the right reasons* — puts it way ahead of the majority of network marketing compensation plans.

Any compensation plan that doesn't have these cornerstones as its foundations is fatally flawed. It's just a matter of time before the cracks begin to appear and the usual quick-fix patches are applied to cover them up.

Quick fixes of any kind only treat the *symptoms*, never the underlying *problem*. They mask the real cause of the problem — which continues to deteriorate out of sight until the damage is terminal, and the whole structure collapses.

Ten important facts about part-time network marketers

Network marketing has been around now for well over half a century, and there's a lot of statistical data available. So we know a lot about what network marketing distributors do — or don't do — and why.

Here are some known facts about network marketers. And remember... the exceptions *prove* the rules:

1. More than 90% of network marketers are part-time only.
2. More than 90% of network marketers don't earn enough money to cover their own product usage and business expenses, such as telephone calls, buying leads, sales aids and literature, support systems, books and other training aids, training and advertising.
3. 90% of network marketers personally sponsor between 2 and 6 people only.
4. 90% of network marketers never have more than 2 or 3 levels in their personal downline organisations.
5. If a network marketer doesn't sponsor in their first 90 days in business, they're unlikely to sponsor at all.
6. If a network marketer doesn't sponsor at all, they tend to quit — eventually — because their income potential is so severely limited by lack of leverage.
7. If a network marketer can't earn at least \$300 a month within 3 months of joining, they usually don't last.
8. If a network marketer can't earn at least \$1200 a month within 12 months of joining, they usually don't last.
9. Under most types of compensation plans, fewer than 5% of the distributors earn more than 90% of total network income.
10. "Breakage" — bonus income that rolls up to a company when distributors fail to qualify because of high group volume and high group rank qualifications — can account for up to 50% of a company's total annual earnings in hidden "windfall" profits.

Can you see why so many people view network marketing as unfair and poorly paid, especially for part-timers?

It doesn't have to be this way

In the 21st century the market place is better educated than ever before. Yet network marketers everywhere lack even a basic knowledge of why and how compensations plans *really* work, or how to evaluate them properly.

So let's look at how the Flantech Compensation Plan enables *you* to avoid or overcome *all* of these common pitfalls.

Enjoy the power of seamless international sponsoring

The Flantech Compensation Plan offers seamless international sponsoring. A distributor may personally sponsor people into their first level from any country in which Flantech has an official presence, provided that the sponsor meets two essential conditions:

1. The sponsoring distributor must be qualified at the Director rank (or higher) in their home country. See page 12 for Director qualification details.
2. The sponsoring distributor must be registered as an international sponsor for each country in which they wish to sponsor. (Do this in your home country, not in the other countries.)

Flantech is one of the highest-paying network marketing companies in the world for a very simple, logical reason: when all of our distributors can earn more money, in less time, with fewer people, we all enjoy greater benefits and genuine long-term security — even the company.

But our exceptionally high-payout means we have to operate on the basis of “user pays.” This is a business, after all.

Other network marketing companies often provide “free” extras — but those lavish extras are funded by money that our distributors prefer to spend for

themselves — not have it spent for them by company executives.

So we have a win-win arrangement with our distributor network: we pass on the money *they* earn each month to them, and they fund the cost of their own use of resources provided by the company. It’s fair and equitable, and it means people who don’t use them don’t pay for them.

Seamless international record keeping and data processing requires advanced information technology, and Flantech has its own powerful Internet hub system linking all countries in which it operates. But it costs money to install and operate, so distributors who make use of international sponsoring are required to help cover those costs.

A small yearly fee is payable for each country in which you have a downline organisation. (Refer to your country’s current Distributor Price List for details).

Compared to what you can earn in each country each month, this is a very small investment, and it means we can continue to pay out at the present high level of up to 83% of CV. (The average payout for network marketing companies is between 30% and 60%, with most in the lower half of that range.)

Definitions

These terms are used throughout this booklet and other Flantech literature, including our web sites. Please familiarise yourself with them or refer to them here.

Active Associate

Any member who purchases products from the company to a minimum value of 60 CV in a calendar month. [Qualifies for Income Generator Bonus of 10% on all first level volume and 20% on all second level volume.]

Active Distributor

Any member who purchases products from the company in a calendar month.

Active Manager

Any member who purchases products from the company to a minimum value of 100 CV in a calendar month. [Qualifies for Income Generator Bonus of 15% on all first level volume and 40% on all second level volume.]

Associate

Refer to Active Associate.

Bonus

The commissions paid to an Active distributor in a calendar month.

Building Bonus

Compensation structure for Active Directors or higher. It is unblockable on the third level and shared on the fourth level and below.

Commissionable Volume (CV)

The portion of the product price on which commissions are paid.

Crown Director

Any Active Diamond Director or higher who has a minimum of one Diamond Director (or higher) in any leg. [Qualifies for Crown Director Bonus.]

Crown Director Generational Bonus

Compensation for eligible Crown Directors or higher. It pays 3% from the third level of the first Diamond in a leg. It pays through four (4) generations of Diamond Directors or higher.

Diamond Director

Any Active Director who has a minimum of twelve (12) personally-sponsored Active Managers (or higher) on their first level. [Qualifies for 12% Building Bonus.]

Director

Any Active Manager who has a minimum of three (3) personally-sponsored Active Managers (or higher) on their first level. [Qualifies for 3–12% Building Bonus.]

Distributor

Refer to Active Distributor.

Double Crown Director

Any Active Crown Director who has a personally-sponsored spouse, business partner, family trust or company qualified as an Active Crown Distributor on their first level. [Qualifies for Double Crown Leadership Bonuses on both businesses.]

Double Crown Leadership Bonus

Compensation for eligible Double Crown Directors or higher. It pays 1% from the third

level of the first Diamond or higher in a leg through four (4) generations of Diamond Directors or higher.

Downline

All distributors sponsored by or below the distributor.

Generation

All the levels between a Diamond Director and the next Diamond Director in the same leg.

Gold Director

Any Active Director who has a minimum of nine (9) personally-sponsored Active Managers (or higher) on their first level. [Qualifies for a 9% Building Bonus.]

Inactive

Any distributor who purchases no products from the company in a calendar month.

Leg

A line of sponsorship that begins directly beneath a distributor.

Level

The position of the distributor in relation to the sponsor or upline distributor.

Manager

Refer to Active Manager.

Preferred Customer

A registered customer of a distributor able to purchase products at wholesale prices direct from the company. Preferred customers receive free delivery. All commissionable volume purchased by them is credited to the personal volume of their sponsoring distributor. Preferred customers cannot sponsor or earn bonuses but may choose to become distributors at any time in the first level of their distributor.

Inactive distributors who remain inactive for three (3) consecutive calendar months are reclassified as Preferred Customers and lose their sponsorship and income entitlements.

Recommended Retail Prices

For legal reasons, the company does not set retail prices, but publishes Recommended Retail Prices only, which may be used as a guide by distributors or not, as they choose.

Retail Sales

The sale of products purchased at wholesale by a distributor and sold to customers at retail prices set by the distributor.

Roll-up

The process of removing inactive distributors from the downline and rolling the downline up to the next active upline Manager or higher in the leg.

Silver Director

Any Active Director who has a minimum of six (6) personally-sponsored Active Managers (or higher) on their first level. [Qualifies for a 6% Building Bonus.]

Upline

Line of sponsorship between a distributor and all distributors above that distributor.

Flantech Compensation Plan – Part One

The Income Generator Program



Rank ▶	Associate	Manager
To qualify	60 CV order	100 CV order
Level One	10% of CV	15% of CV
Level Two	20% of CV	40% of CV

Active **ASSOCIATES** receive 10% of all first level **Commissionable Volume (CV)** and 20% of all second level CV. Activity is maintained by purchasing products with a value of at least 60 CV in a calendar month.

Active **MANAGERS** receive 15% of all first level CV and 40% of all second level CV. Activity is maintained by purchasing products with a value of at least 100 CV in a calendar month.

The Flantech Compensation Plan is a **Compressed Unilevel Plan**. It allows you to earn the highest bonus rate by *your personal* effort... not the effort (or lack of it!) of your downline group.

Two kinds of compression can enhance the rewards you earn:

1. Most of the income (55%) is *compressed* into the first two levels so you can earn worthwhile income, quickly.

The Income Generator Program, with its compressed earnings, encourages you to build your business intelligently, with balance between the width and depth. The 40% payout on level two encourages you to train and work with your *first* level people in order to

build your second level (their first).

They do the same, while you continue to build your first level even wider, to multiply and optimise your income.

The 40% bonus rate on level two is what really powers *vertical* growth in your downline organisation. It creates security and stability for your personal income, which builds fastest through *horizontal* growth.

2. To remain **Active** you must purchase products to a minimum value of 60 CV in a calendar month if you're an Associate and 100 CV if you're a Manager.

Only *Active* Associates, Managers and higher ranks qualify for bonuses, regardless of what their downline

groups achieve. If you fail to qualify as Active, you're classified as **Inactive**.

If you're **Inactive** for three (3) months in a row, you'll be removed from the Compensation System and become a **Preferred Customer**. Your entire downline organisation rolls up to your next Active upline distributor, permanently.

That's the second kind of compression — the one where your downline organisation is *compressed upline*, right past you.

Isn't that unfair?

Not at all. Every choice in life has consequences, good and bad. It's *your* choice: stay active and keep your downline team, or stay inactive and lose it.

Your downline team is entitled to an active, supportive upline leader. If you choose *not* to be an active, supportive upline leader, then you're not entitled to the benefits of that position. It's as simple as that. And there are two other very good reasons why this system is perfectly fair.

First, you have access to the Flantech **Automated Monthly Order** and **Auto-Deduct** program, our "failsafe" bonus protection system that keeps you Active.

Second, you have **THREE MONTHS** in which to re-activate before you forfeit your downline organisation. You have to be *really determined* to lose your group!

Can you become Active again?

Yes, you can. Simply qualify as an Active Associate or Active Manager and you'll be automatically reinstated in the Compensa-

sation System. But your former downline team will not be reinstated. You'll have to start building all over again.

By now you're probably thinking one of two things...

1. This is too big a "stick", despite all the "carrots" in the Flantech Compensation Plan — which means you've missed the real point of all this. So read what experienced network marketers will have recognised by now...

2. This is an exceptionally powerful and intelligent feature of the Plan, because it doesn't just apply to you. It applies to *every member of your downline team!*

How many will want to risk losing their entire downline organisation by failing to qualify *every month*?

Can you imagine what this strategy will do for your group volume, activity and retention levels? And your income?

It means more people are qualifying every month. So they're earning good income. So they stay active, and they stay in the business with you.

Most network marketing companies, have activity levels between 5% and 15% per month. (Yes, they're low. Can you guess why they don't tell you?) But with a plan like this one, activity levels between 55% and 75% are commonplace.

Are you beginning to see how the Flantech Compensation Plan helps you earn more, in less time, with fewer people? (A *lot* fewer people.)

Flantech Compensation Plan – Part Two

The Building Bonus Program



Rank ▶	Director	Silver Director	Gold Director	Diamond Director
To qualify	100 CV	100 CV	100 CV	100 CV
Active Managers, Level 1	3 Managers	6 Managers	9 Managers	12 Managers
Bonus from Level 3	3% of CV	6% of CV	9% of CV	12% of CV

When you personally sponsor three (3) active Managers (or higher rank) in your first level, you qualify as a Director and receive a 3% Building Bonus from your third level to infinity, or down to (and including) the second level of the first qualified Director (or higher) in a leg.

This is a shared bonus for which your third level is unblockable.

You receive the difference between the percentage for which you qualify and the percentage for which the first downline Director (or higher) qualifies in a leg, until the full percentage is blocked.

The Building Bonus works in the same way as “Infinity” Bonuses in most other types of unilevel compensation plans. Unlike most of them, however, the Building Bonus is unblockable on your third level. This is a powerful feature.

Because the Building Bonus is a *shared* bonus, whenever someone in your first, second or third levels qualifies at the same rank as you (Director or higher), they become entitled to 100% of the Building Bonus paid on their own downline group.

You Building Bonus is paid on the sales volumes of your third level and below. Even if people in your first level qualify at the same rank as you, their Building Bonus begins from *their* third level — your *fourth* level. So the Building Bonus on your third

level is always unblockable, and you’ll receive your full entitlement on that level.

Why don’t we call it an Infinity Bonus if it’s no different?

Infinity Bonuses are the most misunderstood feature of any unilevel compensation plan, for one simple reason: the name is misleading.

Infinity Bonuses were originally given that name to deflect attention away from the fact that they were shared and blockable, for fear that distributors might view them as unfair. So attention was focused, instead, on what was actually the *least desirable* aspect of Infinity Bonuses to anyone who *really* understood network marketing. (Talk about doing the wrong things for the wrong reasons!)

It's like the use of the word "pyramid" in the name Pyramid Selling Scheme.

The devious character who originally called it that was cunning. He wanted to focus his victims' attention on *the similarity* between his illegal scam and every legitimate business or organisation on earth — the pyramid structure they *all* need for them to work at all.

Even governments, churches, schools, clubs, sports teams and charities need to have pyramid structures to work!

The pyramid *structure* of an illegal Pyramid Selling Scheme has absolutely nothing to do with what makes it illegal. But it's what most ill-informed people — including many over-zealous regulators and journalists — focus on when trying to identify a Pyramid Selling Scheme.

So when legitimate, ethical, legal network marketing companies start out in business, it's not unusual for those who don't know any better to point their fingers at it and call it an illegal scam.

It says *nothing at all* about the network marketing company... and *everything* about the person making that ignorant, prejudiced or malicious accusation.

Infinity Bonuses rarely pay to infinity — and only someone with no real understanding of network marketing would want them to, because the income from them would be so pitiful if they did.

So let's see why we don't use the term "Infinity Bonus" at all in the Flantech Compensation Plan.

Why Infinity Bonuses rarely pay to infinity... and why that's good!

Infinity Bonuses were introduced in the 1980s when unilevel compensation plans appeared in reply to the perceived problems associated with traditional breakaway compensation plans.

Theoretically, if nobody below you in your downline qualified for an Infinity Bonus at the same rank as you, you'd receive bonuses on that downline "to infinity" — in other words, as deep as that leg goes.

The reality, of course, is that this rarely happens, except in very new, very shallow legs of your business. People in your downline will qualify for these *business building* bonuses because that's what they're intended to encourage.

But it means that those Bonuses will inevitably be blocked at some point.

The reason is simple: product prices *aren't* infinite, and the only money available to pay bonuses comes from product wholesale prices received by a company. There's only so much money that a company can afford to payout in bonuses before it becomes unprofitable.

Why call them "Infinity" bonuses?

Network marketing companies like to put the best possible "spin" on their compensation plans in order to attract people to join them. The idea of being paid to infinity is a powerful appeal for most people — when they don't understand the true dynamics of network marketing.

Those who DO understand know very well that, if their downline group isn't qualifying at a high enough rank to qualify for their own Infinity Bonuses, a leader's income isn't going to be very exciting with such low group volume!

But most people can't resist appeals to their own self-interest (greed, laziness, ignorance, fear of loss and gullibility). If it sounds like they can make money for nothing, they're in!

These days, of course, most experienced network marketers understand the truth about Infinity Bonuses. The name continues to be used simply because it now has a universal meaning in network marketing — a shared, *business-building* bonus that encourages a sensible balance between sponsoring and retailing — but which only pays out to infinity if it's not blocked by someone downline in a leg.

Flantech prefers to avoid even the *appearance* of deceptive behaviour, so we call our business-building bonus exactly what it is: a bonus designed to encourage you to build your network intelligently — wide in your first level, so that you're paid both wide *and deep*.

The truth about width and depth

Sponsoring wide ensures your income growth in a properly balanced compensation plan. Sponsoring deep ensures stability and security of that income. You must have BOTH.

Any compensation plan, company or distributor organisation that ignores

either aspect of your business growth simply doesn't understand what network marketing is really all about.

Without proper *balance*, there can be no *leverage*. It's that simple.

Since the total amount that can be paid out by the company is limited by the product's wholesale price, and everyone in your downline shares in that product price to some degree (in theory, at least), any plan, company or leader that prevents or discourages you from building wide is putting a strict limit on your true income potential.

You need to think carefully about why they do that. Who *really* benefits?

Don't be fooled. The more legs you have in your network marketing organisation, the more money you can earn — if there's no limit on width. There will *always* be a limit on depth of payout because product prices are always limited.

Relying only on depth automatically limits your earning potential, in any compensation plan.

What it does do, however, is create vast amounts of breakage to a company — the unclaimed bonus income that rolls up to the company when distributor networks fail to qualify because of high group volume and rank requirements.

Companies that put strict limits on width in their compensation plans are the ones that typically earn the biggest "windfall" profits from breakage.

CHAPTER TEN

Flantech Compensation Plan – Part Three

Crown Generational Bonus Program



Crown Director Generational Bonus

YOU Crown Director	Group Bonuses	Crown Bonuses	
Level 1 – Crown	15%	◀ <i>Income Generator</i>	
Level 2 – Crown	40%	◀ <i>Income Generator</i>	
Level 3 – Crown	12%	◀ <i>Building Bonus</i>	
Level 4 – Crown	BLOCKED	3%	Level 3 of 1st generation
Level 5 – Diamond		3%	Level 3 of 2nd generation
Level 6		3%	Level 3 of 3rd generation
Level 7		3%	Level 3 of 4th generation
Level 8		BLOCKED	

Third level of first generator Diamond

When you qualify as a Diamond Director, and your Building Bonus is fully blocked by a downline Diamond Director (or higher) in a leg, you qualify for the lucrative, fully unblockable Crown Director Generational Bonus of 3% on up to four generations of Diamond Directors (or higher).

A generation consists of all levels from the third level of a Diamond Director (or higher) down to (and including) the second level of the next downline Diamond Director (or higher) in a leg.

In this example, you have Diamond Directors (or higher) in each of the first five levels in this particular leg. Your Crown Director Generational Bonus is blocked at the third level of your fifth downline Diamond Directors (or higher).

This example illustrates why the minimum payout in our plan is seven levels deep, and why your own third level is always unblockable.

This represents only one leg of your business, not all of your legs.

The Crown Generational Bonus is designed to compensate Crown Directors for the loss of Building Bonuses when downline Diamond Directors (or higher) block them totally.

Before, the Crown Director was probably a Diamond Director earning 3% of the 12% Building Bonus while the downline Gold (soon-to-be Diamond) Director was earning 3% to 9% of that Building Bonus.

So the Crown Director has only lost 3% of that leg's Building Bonus when blocked by the newly-qualified downline Diamond Director, not 12%. (The Building Bonus is a *shared* bonus, remember?)

Now, the new Crown Director earns 3% on the group volume of the first downline Diamond Director from her third level down to infinity in that leg.

When more downline Diamond and Crown Directors qualify in that leg, her lucrative generational bonus will earn her 3% of the group volume from the third level of the *first* downline Diamond or Crown Director down to (and including) the second level of the *fourth* downline Diamond or Crown Director in that leg. That's an attractive compensation package for the loss of your Building Bonus in that leg of your business, which can be boosted even more with the building of a *second* Crown Director business! (See chapter 11 for details).

The myth of “no breakaways”

One of the most widely-promoted “benefits” of unilevel compensation plans — especially in comparison to “breakaway” plans — is the fact that you never lose any of your downline organisation, no matter how high your downline leaders rise in the compensation plan.

One of the worst fears for many network marketers is that someone below them will achieve a leadership position that qualifies them as no longer needing a

sponsor, so they and their entire downline organisation break away from yours and go direct to the company.

The notion that this is something bad, to be avoided at all costs, and that it can't happen in a unilevel compensation plan, are complete nonsense. Here's why:

1. If you're worried about the people in your organisation who might be “lost” when someone breaks away, relax.

They're still right where they were. They haven't all suddenly moved house. They haven't changed their telephone numbers or email addresses. If they're your *real* concern, there's nothing to worry about.

2. The great misperception about breakaway plans is that, when a group breaks away, you lose your volume and income.

That's no more true in a breakaway plan than in a unilevel plan. Yes, that group's volume no longer contributes to your personal group volume. But every reasonable compensation plan will pay you some form of royalty over-ride on that breakaway group's sales volume for as long as the group exists. And that over-ride will usually be worth a lot more to you than the partial bonuses you were earning on that group's volume while it was part of your organisation. You're actually better off than before! You just *think* you're worse off because those people

are no longer a direct part of your personal group.

You have the wrong perspective — and nothing else will have you doing all the wrong things for all the wrong reasons as fast, or as surely, as a flawed perspective.

3. That fear of loss is really all about *the money*, not the people. Let's not fool ourselves.

As we've already seen, those downline people are still there. The only thing that's changed is the basis on which you're paid on their group volume.

It's the same in *any* unilevel program where nobody breaks away.

Sure, they're still part of your group. But so what? Your bonuses on their volume will still be blocked when someone below you qualifies for a share — *or all* — of those bonuses.

You'll receive *even more* lucrative override bonuses on their volume when this happens... just like in a break away compensation plan!

Bottom line: When it comes to your personal income, *there's absolutely NO difference whether people in your downline break away or stay right where they are.*

The Flantech Compensation Plan is no different, and if anyone tries to "sell" you on *any* compensation plan, including ours, on the basis that "nobody will ever break away from your personal group", they're trying to get you to join for the *wrong reason*. (You can't succeed by breaking or ignoring the Law of Success.)

They do this for one of two reasons:

1. **They're ignorant.** They don't know the right things or the right reasons.
2. **They're deceptive.** They know the truth, but for reasons of their own, they're keeping it from *you*.

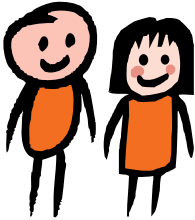
Why do you think they'd do that?

And do you *really* want a sponsor or other upline leader who's either ignorant or dishonest... or both?

Think about it carefully.

Flantech Compensation Plan – Part Four

Double Crown Leadership Bonus



Double Crown Leadership Bonus	
Qualification	2 Crown Directorships
Bonus Override	1% on up to 4 generations in both businesses

As a Crown Director, you may build a second business under your spouse, partner, company, family trust, etc in your first level. When this second business qualifies for the Crown Director Generational Bonus, you qualify as a **Double Crown Director** and receive an extra 1% Crown Director Leadership Bonus on each of the Crown Bonus generations in *both* businesses.

(Note: You may not have more active Managers or higher in the first level of your second business than you have in the first level of your first business. Bonuses on additional legs will be blocked.)

The Double Crown Director rank is a legal “double dip” feature that allows couples, business partners, or individuals with family companies or trusts, to build a *second* Crown Director business as part of their original business, in order to maximise their financial benefits from the compensation plan.

You may not personally sponsor into the first level of your *second* business at a faster rate than you sponsor into the first level of your *first* business. This safeguards the integrity of the compensation plan in respect of upline entitlements by preventing you from “stacking” people into your second business to prevent your sponsor and other upline leaders gaining their proper rewards.

This balance in growth between your

two businesses must be maintained. (To ensure your compliance, the company’s computer system will ignore legs in your second business that exceed the number of legs in your first business when calculating your monthly bonuses.)

Yes, there will be some marginal loss of income for some upline leaders under this system, but it recognises the reality in every network marketing business that people who are determined to take unfair financial advantage of their upline will always find ways to do it, by bending the rules or by using outright subterfuge.

This is the most effective, balanced way we know of to protect everyone’s interests in a fair and reasonable manner.

What about couples?

Network marketing has always appealed to couples because they can work together in their own business. Flantech is no different. We just add this very attractive enhancement to your business once you achieve Crown Director rank.

Now you can start a second business in the first level of your original business.

You just have to make sure that you maintain a healthy, intelligent balance in the structure of both businesses.

What about singles?

You can start a second business in the first level of your original Crown Director business, too. You'll need to use a corporation or other legal entity, but all the same benefits can be yours.

What YOU earn as a Double Crown Director					
YOU ▶ Double Crown – Business 1			PLUS	▶ Business 2 (Spouse)	
L1 – Crown	15%	◀ IG1	15%	▶ Crown	Qual. Volume
L2 – Crown	40%	◀ IG2	40%	▶ Diamond	15%
L3 – Crown	12%	◀ Build Bonus	12%	▶ Gold Dir.	40%
L4 – Crown	BLOCKED	3% + 1%	3% + 1%	▶ Silver Dir.	12%
L5 – Dmnd		3% + 1%	3% + 1%	▶ Director	3%
Level 6		3% + 1%	3% + 1%	▶ Manager	3%
Level 7		3% + 1%	3% + 1%	▶ Manager	3%
Level 8		BLOCKED	3% + 1%	▶ Manager	3%

In this example, incomes from both businesses are shown. *Combined household* income would include

- your Double Crown Director income from Business 1
- your Double Crown Director income from Business 2 (column 4 – “Plus”)
- *their* Crown Director income, including

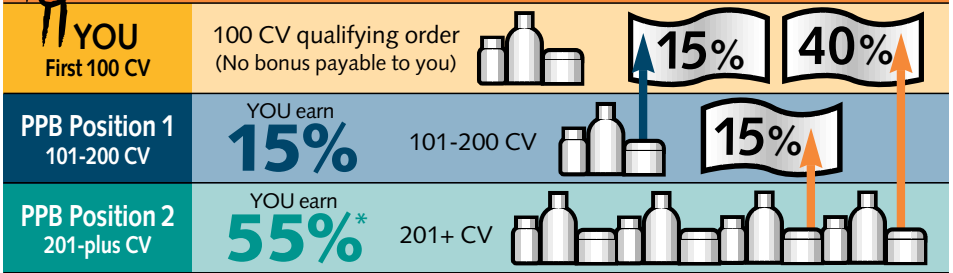
- 15% of their first 100 CV (your Level 1)
 - 40% of their first level (Level 2)
 - 12% of their second level (Level 3)
 - 3% + 1% from their third level (Level 4)
- Your Double Crown bonus (3% + 1%) from Business 2 would be blocked from the third level of *their third* generation down-line Diamond (your fourth generation).

Flantech Compensation Plan – Part Five

Personal Productivity Bonus Program



Personal Productivity Bonus Program



When your personal volume in a calendar month exceeds your 100 CV personal qualification, we reward you for creating that extra volume.

Personal volume from 101 to 200 CV is rolled down into Personal Productivity Bonus (PPB) Position 1 in your first level, earning you a rebate of 15%.

All personal volume in excess of 200 CV is rolled down into Personal Productivity Bonus Position 2 in your second level, earning you 40%, *plus 15% paid to your PPB Position 1* — **a total of 55%* paid to you on Personal Productivity Bonus Position 2.**

The first thing you need to understand about any Network Marketing compensation plan, ours included, is that income flows *upward* from the level where the commissionable volume (CV) is actually produced.

In other words, you're not paid *down* to a certain number of levels. Volume bonuses are paid *up* to that number of levels. You are not paid bonuses on the number of people or levels in your down-line. You are paid on the CV flowing upward from those people and levels. Personal Productivity Bonuses are designed to reward people who produce personal volume in excess of their monthly

qualifying requirements. This provides a powerful incentive for them to produce high personal volume every month.

If the income from that personal volume all flowed upline, there would be no incentive at all for people to produce any more personal volume than they need to qualify. In fact, it would create resentment and damage relationships.

People are sometimes concerned that they might miss out on their full income entitlements. They usually misunderstand the Compensation Plan or the realities of human behaviour — or are blinded to them by ignorance or fear of loss. Here's the simple reality behind the Personal

HOW YOU CAN EARN MORE, IN LESS TIME, WITH FEWER PEOPLE

Productivity Bonus Program:

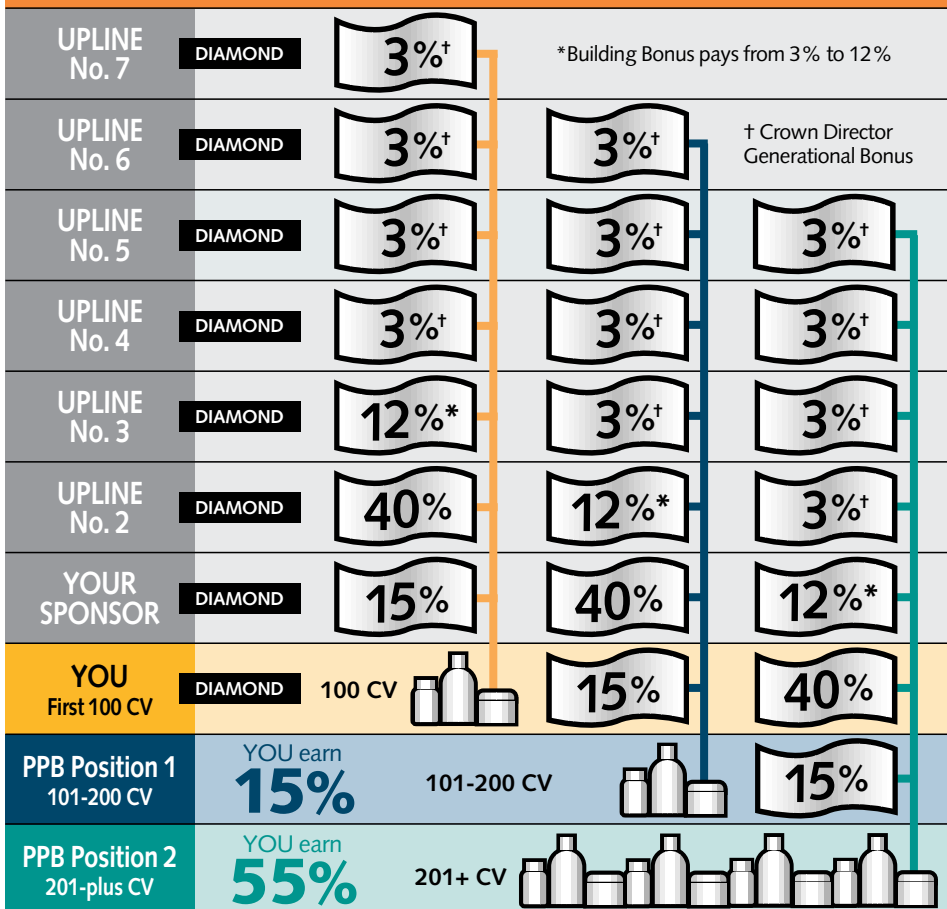
When people are *rewarded* for producing results, they *keep on* producing them.

When they're *punished* for producing results, they *stop* producing them.

Ask yourself this... would you rather have a highly motivated, productive downline team, in which people earn excellent

income by producing outstanding personal volume every month — *and sponsor with more success because their prospects can see how much money they could earn with this program* — or would you rather need a much larger (and much less productive) downline organisation where people only meet the *minimum* monthly qualification because they enjoy NO benefit from any

MINIMUM 7-LEVEL UPLINE BONUS PAYMENTS



extra personal volume they produce?

Or, more to the point, which would you rather earn...

- ▶ 40% of 100 CV? (*Because that's all people would produce in order to qualify*)
- ▶ 12% of 500 CV?
- ▶ How about 9% of 2,000 CV?
- ▶ Or even 6% of 5,000 CV?

Upline leaders who fear they'll miss out on income in this way misunderstand how the Personal Productivity Bonus Program works. Some believe, mistakenly, that *all* of the income from their downline members' Personal Productivity Bonus positions goes to those downline members producing it. It doesn't.

What would happen if these Personal Productivity Bonus Positions didn't exist?

It's entirely predictable. That same fear of loss that causes YOU to worry about missing out on the maximum bonus payout on high personal volumes from downline would drive those high personal volume producers to look for ways to maximise *their own* share of the earnings from their high personal volume.

Before long, you'd find secret, underhanded deals being done to place that volume with their own *second* level people — including inventing non-existent “distributors” in their own second levels (we understand human nature!) — and you'd no longer earn much, if anything,

on that high personal volume in your downline organisation.

Remember the Law of Success?

Fear of loss is the worst possible *wrong* reason for doing *anything* in life, including network marketing.

The Flantech Compensation Plan recognises reality. It operates exactly the same for Personal Productivity Bonus positions as it does for all other downline levels of your business. The only difference is that any extra *personal* volume that would normally be on a member's personal level is automatically rolled down into their first and second Personal Productivity Bonus positions to reward them for their outstanding results. (Don't fool yourself — that extra volume would *not* be in their personal level if the income paid on it all went upline.)

How upline bonuses are paid on PPB Positions

The calculations used in the table on the previous page assume that you and your upline leaders are all Diamond or Crown Directors. This allows us to illustrate the minimum seven-level payout of the Flantech Compensation Plan.

Notice how the bonus payments to upline leaders flow upward from the Commissionable Volume on products purchased on each level — your personal qualifying level, plus your Personal Productivity Bonus Positions 1 and 2.

Flantech Compensation Plan – Part Six

Bonus Protection Program

Bonus Protection Program No. 1: The Automatic Monthly Order

The first Income Protection Program is the Automatic Monthly Order (AMO) program which insures your bonuses against failure by you to place a qualifying order each month, for any reason.

As well as automatically shipping your requested AMO Pack (see Company web site and literature for details of current product packs), you also enjoy a 10% saving on regular wholesale prices, and your order is guaranteed to meet the minimum 100 CV qualifying volume required for the full bonus benefits of the Flantech Compensation Plan.

(The CV allocation for your discounted order is also reduced by 10%. AMO Packs offer extra CV to ensure that the total value is at least 100 CV.)

Automatic Monthly Orders must be authorised by you — you can do so on the company web site or by mail or fax — and paid for by credit card or Visa Debit Card. These are charged automatically.

If you don't have a credit card or Visa Debit Card, take advantage of our other Income Protection Program, the AutoDeduct Program.

Your Automatic Monthly Order can be varied or discontinued with your authorisation via our web site, mail or fax. (Sorry, no phone authorisations.)

If your AMO payment isn't honoured for any reason — or if you place a pending AMO that isn't confirmed — for two consecutive months, your AMO will be cancelled with loss of all benefits.

You will need to re-apply for your AMO, which will be effective from the following month.

All variations and termination notices for your Automatic Monthly Order must be notified in writing or via the secure Order section of the Company web site.

Bonus Protection Program No. 2: The AutoDeduct Program

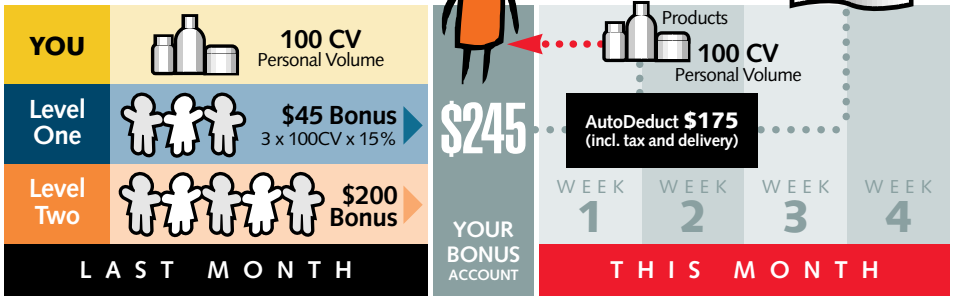
Imagine not having to worry whether you're over your credit card limit, or if there are enough funds in your cheque account to pay for your qualifying order every month.

The AutoDeduct Program makes paying for your monthly qualifying order painless, worry-free... and 100% automatic!

Like everything about the Flantech Compensation Plan, this program is neatly balanced and superbly simple.

THE FLANTECH COMPENSATION PLAN

How to pay for this month's qualifying volume with last month's bonus income



This chart illustrates how the AutoDeduct Program operates. Figures are for illustrative purposes only.

How it works

1. Register for the AutoDeduct Program (on the Company web site or by faxed or mailed authorisation).

Important: this program only applies to Automatic Monthly Orders. So you need to sign up for AMO first.

2. Build your first and second levels until you have enough Active Managers (or higher) to ensure that your bonus for *this* month will more than cover *next* month's personal qualifying order.
3. The Company will ship your order and AutoDeduct the cost from your bonus account from last month, then send you the balance of your bonus (if any) around the 21st of this month.

(Our minimum bonus payment is \$25. If the balance of your bonus is less than \$25, you may choose to let it accumulate in your bonus account to pay for future orders, or we'll pay your bonus as soon as it reaches \$25.)

How much easier could it be?

Pay for your initial product order in your first month with Flantech, then begin sponsoring with your sponsor's help to ensure your new group will provide enough bonus income for you to pay for your next month's order. using the AutoDeduct system.

Never risk losing a bonus. Register for the Flantech Bonus Protection Program when you register as a distributor.

Flantech Compensation Plan – Part Seven

How to earn full-time income

A major benefit of the Flantech Compensation Plan is its predictability. Here are some examples of full-time incomes based on established patterns for this type of plan. Results will vary according to individual effort and circumstances, but you can gain an idea of what it will take for you to achieve your desired level of income.

Assumptions

We've used the following assumptions in the examples shown, drawn from several years of practical experience with compressed unilevel compensation plans similar to this one.

- You set an example for your team by personally sponsoring the number of first level Active Managers shown.

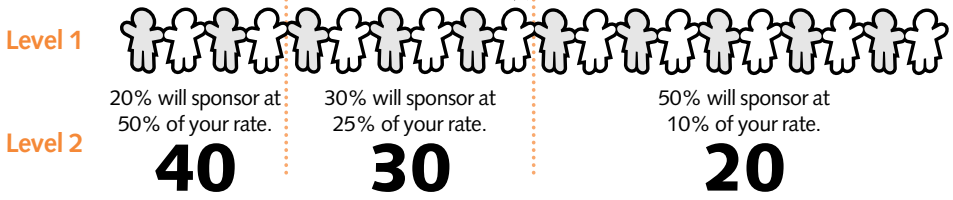
- Only Active Managers and higher are included. Totals may vary due to volume from people who aren't Active Managers.
- All individuals qualify with 100 CV per month in personal volume.
- Only your first two levels are shown.
- Diamond Director or higher receives at least two-thirds of their total income from their third level and below.
- We've estimated that your personally-sponsored first level Managers will sponsor at the following rates:
 - 20% will sponsor at 50% of your rate.
 - 30% will sponsor at 25% of your rate.
 - 50% will sponsor at 10% of your rate.

Example 1

Your first level — 20 active people
Your second level — 90 active people



The Pareto Principle (80:20 Rule) is alive and well in network marketing



Level	Active	Volume	Levels 1 and 2	Level 3 and below	TOTAL
Level 1	20	2,000	\$300		
Level 2 — 20%	40	4,000			
Level 2 — 30%	30	3,000			
Level 2 — 50%	20	2,000			
Level 2 total	90	9,000	\$3,600		
Monthly totals	110	11,000	\$3,900	\$7,800	\$11,700

IMPORTANT: These are hypothetical calculations intended to demonstrate how the Flantech Compensation Plan works. They do not represent typical earnings.

THE FLANTECH COMPENSATION PLAN

Example 2

Diamond Director with 12 personally-sponsored active Managers

Level	Active	Volume	Levels 1 and 2	Level 3 and below	TOTAL
Level 1	12	1,200	\$180		
Level 2 — 20%	14	1,440			
Level 2 — 30%	11	1,080			
Level 2 — 50%	7	720			
Level 2 total	32	3,240	\$1,296		
Monthly totals	44	4,440	\$1,476	\$2,952	\$4,428

IMPORTANT: These are hypothetical calculations intended to demonstrate how the Flantech Compensation Plan works. They do not represent typical earnings.

Example 3

Crown Director with 24 personally-sponsored active Managers

Level	Active	Volume	Levels 1 and 2	Level 3 and below	TOTAL
Level 1	24	2,400	\$360		
Level 2 — 20%	58	5,760			
Level 2 — 30%	43	4,320			
Level 2 — 50%	29	2,880			
Level 2 total	130	12,960	\$5,184		
Monthly totals	154	15,360	\$5,544	\$11,088	\$16,632

Example 4

Crown Director with 36 personally-sponsored active Managers

Level	Active	Volume	Levels 1 and 2	Level 3 and below	TOTAL
Level 1	36	3,600	\$540		
Level 2 — 20%	130	12,960			
Level 2 — 30%	97	9,720			
Level 2 — 50%	65	6,480			
Level 2 total	292	29,160	\$11,664		
Monthly totals	328	32,760	\$12,204	\$24,408	\$36,612

Example 5

Crown Director with 60 personally-sponsored active Managers

Level	Active	Volume	Levels 1 and 2	Level 3 and below	TOTAL
Level 1	60	6,000	\$900		
Level 2 — 20%	360	36,000			
Level 2 — 30%	270	27,000			
Level 2 — 50%	180	18,000			
Level 2 total	810	81,000	\$32,400		
Monthly totals	870	87,000	\$33,300	\$66,600	\$99,900

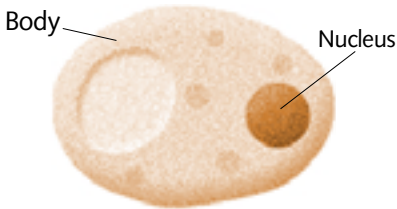
Flantech Compensation Plan – Part Eight

The Flantech Power Cell

How cells divide in nature

Cell division is the process used by all living things to multiply. Here's how it works.

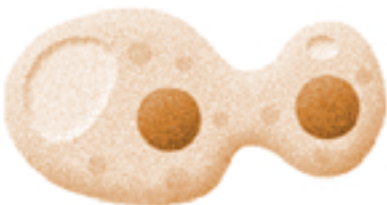
1. Each living cell contains a nucleus and a body. The nucleus is where the DNA that controls the shape, size and nature of the entire organism resides.



2. When the cell reaches full strength, the nucleus divides into two nuclei.



3. Once the nucleus divides, the cell body divides into two.



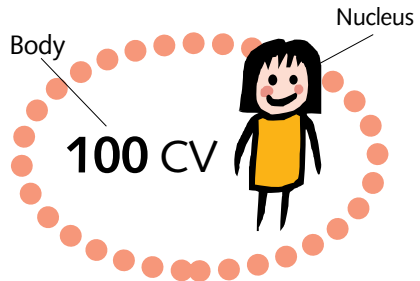
4. We now have two whole cells from the original cell. These will continue dividing to multiply.



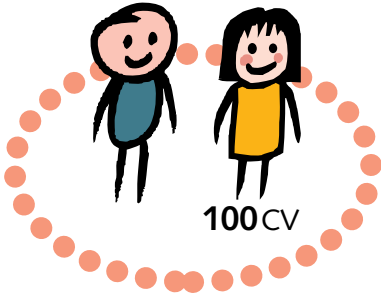
How cell division works in your Flantech organisation

Your Flantech organisation is organic by nature, so it makes perfect sense to use the same natural process to grow your your income by cell division, too.

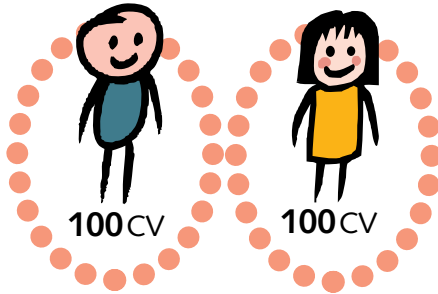
1. Your Cell consists of a nucleus (you) and a body of at least 100 CV in product volume each month.



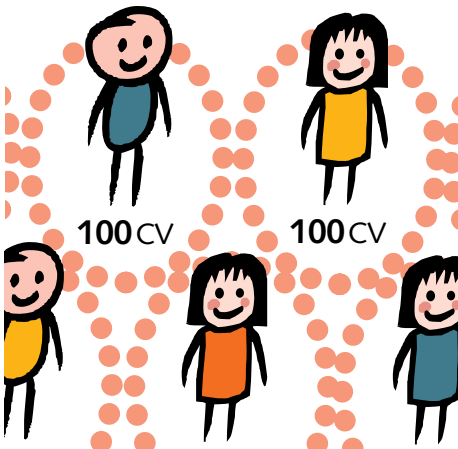
2. You create a second nucleus by finding, sponsoring and training a new member.



3. When *their* personal volume reaches 100 CV or more, they become independent cells in your group.



4. Your Flantech network will continue dividing to multiply!



What is a POWER Cell?

The Power Cell is a simple, powerful group structure that you create by personally sponsoring FOUR Active Managers (each with at least 100 CV in personal volume per month) in your first level and helping them each to do the same.

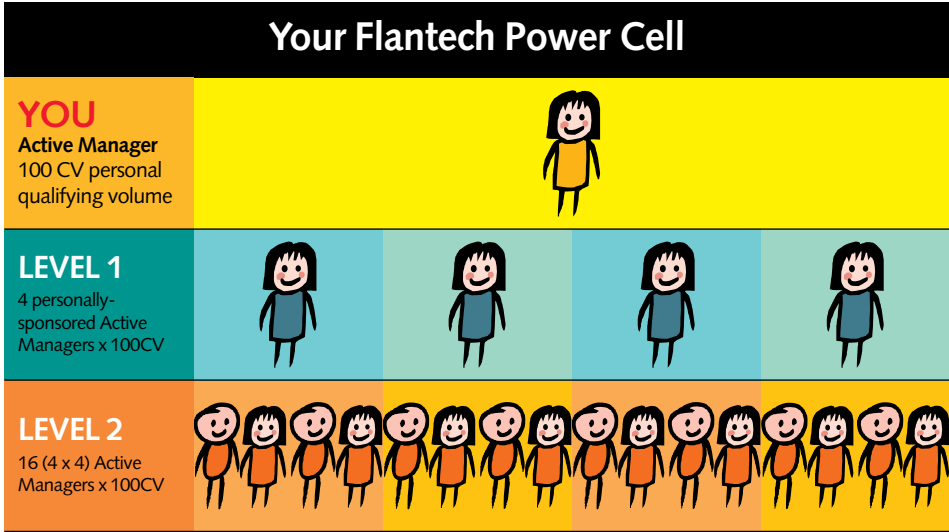
This will give you sixteen people in your second level. That's a total of 20 people in your Power Cell, with 2,000 CV in group volume.

Why is it so important?

It's the basic building block of your entire Flantech organisation, right up to Double Crown Director status.

We use it for four important reasons:

1. It's believable and achievable for the typical part-time distributor — and for people considering joining your Flantech team. It's “do-able.”
2. It provides focus and direction for you and your team members, especially new people. They can focus their activity on a small, manageable target that will produce very attractive income in a short time.
3. It's easy to understand and explain to prospective members. This is especially important for new people.
4. It provides a reliable basis for comparing our compensation plan with any other compensation plan, no matter what type of plan it might be.



Your Power Cell earnings

Watch how quickly your earnings grow when you focus on building your group using the Power Cell system:

Level 1:

4 Active Managers x 100 CV each
 Total CV = 400 x 15% = \$60 bonus.

Level 2:

16 Active Managers x 100 CV each
 Total CV = 1600 x 40% = \$640 bonus.

Total Power Cell Bonus = \$700

You also qualify as a Director and earn a 3% Building Bonus on your third level and below.

In which other network marketing compensation plans can you earn \$700 per month with just 20 people and 2,000 CV in group volume?

Other valuable uses for the Power Cell concept

The Power Cell is a useful tool for comparing the *reality* of different network marketing compensation plans, including different *types* of plans. It cuts through all the salesmanship and “smoke-and-mirrors” used to promote so many compensation plans.

The problem with most other Compensation Plans

Most network marketing compensation plans are deliberately designed to reward the full-time professional distributor and the company at the expense of part-time people, especially in the early months when they’re poorly rewarded.

In order to distract people from this reality, companies promote the *potential* of

their compensation plans, *not the reality*... and that unhappy reality is that 90% or more of the total income paid often goes to less than 2% of the entire distributor network. Then they promote that 2% who are the “high flyers” as examples of what their compensation plans offer the part-timer.

But remember... this small group of top achievers are *the exceptions, not the rule!*

The high personal group volume and downline rank qualifications needed to achieve those incomes place them well beyond the reach of 90% or more of their downline members.

Here are the FACTS about most people in network marketing:

- 90% of all network marketers are *part-time only*.
- 90% of all network marketers join to *make money*.
- 90% of all network marketers have groups with *fewer than 20 people*.
- 90% of all network marketers never grow deeper than their *third* level.
- 90% of all network marketers never do better than break even on their personal product purchases (at best). Most actually *lose* money.

How to compare different plans using the Power Cell

Never lose sight of the fact that this comparison is about part-time people — the ones who are disadvantaged in most

plans — not the high flyers and “heavy hitters” usually promoted as examples.

We’re going to compare on the basis of the following FACTS:

- You have 4 personally-sponsored active qualifiers in your first level.
- You have 16 active qualifiers in your second level.
- Each person has personal volume of 100 CV (or whatever the bonus qualification units are in the other plan).
- Group volume if 2,000 CV from a total of 20 people.

This falls within the typical range of achievements by part-time distributors established over more than 50 years.

Using the other compensation plan’s bonus scale at the bonus percentage(s) for the *actual* group volume, *not the potential payout percentage(s) that require much higher volume and downline rank or structure*, calculate the bonus amount that the prospect would earn on a Power Cell.

Be prepared for objections, especially from people who are achieving percentages higher up their plans’ scales. They’re going to complain that it’s not a fair or realistic comparison with what people can earn with their plan.

Wrong!

That’s NOT what part-timers with 4 people in their first level and 16 in their second level can earn on 2,000 CV of group volume. We’re *not* talking about

full-time professionals and “heavy hitters”. We’re talking about the 90% or more who are *part-time* distributors.

They’ll complain that it’s an unfair comparison because their plan’s main payout is located *below* the second or third level. Or that it only comes into effect on higher group volumes. Or larger group structures or downline ranks.

What they’re *really* saying is that *their* plan is *rigged against part-time distributors!*

There’s no other explanation. They’re admitting that their plan will NOT work for the typical part-timer... 90% or more of their network!

Their plan hits them with the classic “double whammy” created by high group volume qualifications. Not only is their *group volume* lower if their group doesn’t perform, but *their personal percentage payout* will be reduced. So they receive a *much* smaller portion of a *much* smaller pie.

With the Flantech plan, YOU determine the bonus percentage YOU receive by *your personal performance* — nobody else’s! If your downline group performs poorly, you can still qualify to receive the highest bonus percentage.

They’ll claim that this means that the Flantech Compensation Plan won’t reward the high flyer or “heavy hitter”.

Wrong again.

Study the income examples shown in chapter 14. They prove this claim totally

false. Especially compared to the number of people and group volumes their plan would require to earn the same kind of incomes as they could with Flantech.

They may also claim that the company can’t remain profitable when it pays out so much of the wholesale revenue it receives.

Wrong yet again.

Our compensation plan is intelligently balanced to reward *all* stakeholders...

- Part-time distributors.
- Full-time professional distributors.
- The company.

It also encourages and supports high activity and retention rates, which mean that part-timers can achieve profit very quickly, full-time leaders can work a lot less than in other companies (because they’re not constantly having to replenish their networks due to high “churn” rates) and the company’s overheads and costs per sale are dramatically reduced.

In conclusion...

When you analyse and evaluate the Flantech Compensation Plan — especially in comparison to other types of plans — it’s not hard to see how it can help YOU earn more, in less time, with fewer people.

We invite you to join us and experience the Flantech difference for yourself.

Contact the person who gave you this booklet for more information, or to take your next step toward financial freedom.



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