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# IBOAI

## ANNUAL REPORT 2010



Preserving the Past, Enriching the Present and Inspiring Hope for the Future



# IBOAI Annual Report 2010

## From the Chairman of the IBOAI Board

For over 50 years, the IBOAI Board has been your number one advocate, and we continued in that role in 2010, adopting the theme: "Preserving the Past, Enriching the Present, and Inspiring Hope for the Future." Here are just a few of the ways, with your support, we made this happen:

We continued to embrace a long-term view that ensures the strength and prosperity of all IBO businesses, continuing to promote the enduring entrepreneurial values of our Founders.

Your Association was committed to promoting the interests of the entire North American IBO community in the United States, Canada, and the Caribbean, while advising Amway North America with a unified voice that represents all Lines of Sponsorship and Lines of Affiliation.

Your Board took a practical, progressive position in our ongoing partnership with Amway North America, maintaining the relationship that was spawned over 50 years ago to safeguard the principles that have guided this business for over half a century.

Every IBOAI employee, your Board Officers, your Executive Committee, and Board Members were dedicated to assisting all IBOs, in every reasonable way, to make their experiences as IBOs rewarding and fulfilling as they strive to reach their goals for the future.



Steve Woods

To those ends, some of our broad-based goals for 2010 and beyond included:

- Fostering the growth of balanced businesses.
- Interacting with Amway North America to create what IBOs need to move their businesses forward.
- Remaining an industry leader by further integrating technology into our business and culture while never forgetting that personal relationships are what make us truly unique.
- Simplifying our business at all levels.
- Encouraging Amway North America to view Growth Incentive programs and rewards as long-term initiatives.
- Continuing to stress the importance of our legacy products.

While Amway North America has the final decision, the actions of our Founders ensured from the beginning that IBOs would have an active voice in business deliberations. The IBOAI will always be committed to representing your interests in all ways. Positive Friction is a foundational principle and the responsibility of our trade association. Our history speaks for itself – fair treatment and mutual respect are fundamental to our business and must remain an integral part of our culture and business model as we continue to make monumental progress, together.

Your dreams and goals for your life and achieving them through this magnificent business are of utmost importance to your IBOAI. We are excited and honored to be part of laying the foundation for the next 50 years. As we continue into this decade, we believe our future is brighter than it has ever been and that the best years are still ahead of us.

With great optimism and dedication,



Steve Woods  
2010 IBOAI Chairman

## Your 2010 IBOAI Board Committees

### Executive Committee

Steve Woods - Chairman, Brad Duncan - Vice Chairman, Bob Andrews - Past Chairman, Glen Baker, Jim Dornan, Kanti Gala, Shivaram Kumar

### Awards & Recognition

Jim Dornan - Chairman, Brad Duncan - Vice Chairman, Glen Baker, Jody Dutt, Shivaram Kumar, Dan Yuen

### Business Operations

Kanti Gala - Chairman, Pedro Lizardi - Vice Chairman, Alberto Aguilera, Howie Danzik, Doug Weir, Doyle Yager

### Legal & Ethics

Bert Gulick - Chairman, Steve Woods - Vice Chairman, Mike Bundy, John Crowe, Leif Johnson

### Governance & Oversight

Jody Victor - Chairman, Bill Hawkins, Jim Janz

### Hearing & Disputes

Jody Victor - Chairman, Glen Baker, Jody Dutt, Steve Woods, Jim Dornan, Shivaram Kumar, Dan Yuen

### Marketing Advisory Committee

Kathy Victor - Chairman, Patsy Lizardi - Vice Chairman, Terry Andrews - Past Chairman, Susan Bundy, Jennie Belle Crowe, Theresa Danzik, Lata Gala

## Your Marketing Advisory Committee

The Marketing Advisory Committee meets during IBOAI Board Meetings to advise Amway North America on products, promotions, campaigns, slogans, contests, designs, materials, and other marketing recommendations. They are your voice in product development and promotion with Amway, bringing years of experience and business savvy to marketing decisions. The results in 2010 included new Artistry and Nutrilite products, promotional offers, and the phenomenal product bundles.



### Marketing Advisory Committee

Kathy Victor - Chairman, Patsy Lizardi - Vice Chairman, Terry Andrews - Past Chairman, Susan Bundy, Jennie Belle Crowe, Theresa Danzik, Lata Gala

## 2010 Board Accomplishments

The mission of a trade association is to protect and promote the interests of its members, and the IBOAI did that and more in 2010 for just 3.3 cents a day per Member. As the voice and advocacy organization for all IBOs in North America, including the United States, Canada, and the Caribbean, the IBOAI gave IBOs representation by dedicated field leadership and access to key decision makers, plus provided other benefits like enhanced incentives and improved business processes, the help of Association staff, and the backing of consultants that supported IBO businesses with knowledge and technology. Through the year, the IBOAI invested over 62% of its expenditures for IBO advocacy activities and projects, 23% on protecting IBO rights, 8% on promoting IBOs and our business through other avenues, including PR and social media, and the remaining 7% on general and administrative costs.

Among the Board's accomplishments in 2010 were:

- Jointly developed with Amway the Boost to Qualify six-part special revenue-boosting program
- New 25 PV and 50 PV product bundles
- Web 2.0 site and functionality recommendations adopted
- Recommended customer orders placed through a mobile device receive FREE standard delivery, and the IBO who places the order for the customer receive 20% PV uplift.
- Extension accepted of the Fast Track Incentive Program modifications as part of the Boost to Qualify program through August 31, 2010! Recommendations made for modifications to simplify the program.
- Many hours spent working with the Corporation on the issue of products being sold by non-IBOs on the Web (a violation of the Rules).
- Emergence of social media as a communications platform with IBOAI pages on Facebook, Twitter, and YouTube.



Your 2010 IBOAI Board and Governance & Oversight Committee.

## 2010 MAC Accomplishments

The Marketing Advisory Committee (MAC) collaborated with Amway North America on a number of intriguing product opportunities this year, including:

- Highlighting more door openers like the current Light Up Lip Gloss, XS Energy Drink, and Perfect Water
- Launching more Successful sales campaigns like the "Ultimate Confidence Campaign"
- Creating more anti-aging products like Crème Luxury
- Introducing a new fall Trend Spa Collection for the holiday gift-giving season

In addition, MAC helped Amway fine tune their social media program.



## Special Events

### Diamond Club and EDC

Maui in February was the perfect setting for Diamond Club and Executive Diamond Club (EDC), and the IBOAI was there representing IBOs.

In addition to key business presentations and recognition events, members of the IBOAI Board conducted Board meetings, during which they held initiation and orientation for new Board Members and set Board goals for the year. New MAC Members were also welcomed, and MAC Members met with Miss America, who made an appearance in recognition of her new Artistry sponsorship.

### G2/G3 Insights

During the October Board Meeting, the IBOAI and Amway welcomed "G2/G3," (second and third generation IBOs, the future leaders of our business). Cale Andrews, David Dussault, Jason and Stacy Dutt, Jere and Rochelle Dutt, Kavan and Anjali Gala, Neil and Sirisha Gala, Steve and Marcia Victor, and Joe Victor III shared their visions on the business for the next 50 years with the IBOAI and Amway.

### Achievers

The IBOAI celebrated the achievements of IBOs at Amway's largest recognition event, greeting thousands at Achievers '10, Dec. 1 - 5 in San Diego. The IBOAI was there as the Voice of the IBO with Board Members fielding questions at the Expo, where we also gave away three iPads, shot live videos in various languages, and provided commemorative journal books. Executive Committee Members led discussions at Achievers business meetings and Board Members Steve Woods, Bob Andrews, Kathy Victor, and Bill Hawkins led IBO Workshops with the participation of G2 and G3 leaders, and all attended the welcome reception and recognition dinner. We brought the event home to almost 4,500 IBOs through updates, photos, and videos on English and Spanish Facebook and other social media pages. The result was an exciting buzz of activity on our social media sites as IBOs shared in the fun and motivation of seeing their leaders recognized at Achievers!

### NPC

The IBOAI was pleased to join Amway in recognizing and celebrating newly qualified Platinums at the 2010 New Platinum Conference (NPC) in San Diego following Achievers. IBOAI Board and Staff introduced themselves as the IBO's advocacy organization to Amway's newest field of leaders while attending the NPC welcome dinner, Expo, business conference and training sessions, and the memorable Recognition Celebration and New Pin Reception. We brought the excitement of achievement back to new Platinum groups through social media coverage on Facebook and Twitter.



## Communications Update

The Board engaged the IBOAI Staff in a new set of technology and public relations initiatives in 2010 geared to support IBO businesses on the Internet. A brand new mobile version of the IBO Facts website was launched to improve presentation of business facts while on the go. On the IBOAI main website, the Social Media Resource Center was enlarged to include blogs and important tips were added to support IBO activity in social networking. The IBOAI launched Spanish pages on Twitter and Facebook to support Spanish-speaking IBOs engaged in social networking. And the Board launched a new quarterly e-newsletter in five languages for IBOAI Members, in partnership with Amway. In addition, the Board joined Amway in a new Web reputation and search engine optimization effort to improve IBO business visibility on the Web.

## Giving Back to the Community



In 2010, the IBOAI was proud to highlight on our main website the work of IBOs in support of their communities, whether raising funds for the disabled or helping the devastated in Haiti. In addition, the IBOAI supported the U.S. Dream Academy, sponsoring a table at the 9th annual "Power of a Dream Gala" in May. We were also delighted to see our own Chairman of the Governance & Oversight Committee, Jody Victor, elected Chairman of the Dream Academy Board of Directors, and Amway's Executive Vice President, Jim Payne, join the Academy Board.



220 Lyon Street NW, Suite 850 Grand Rapids, MI 49503-2299  
 p: 877.554.2400 f: 616.776.7737 e: [iboai@iboai.com](mailto:iboai@iboai.com)  
[www.iboai.com](http://www.iboai.com) [www.ibofacts.com](http://www.ibofacts.com) [www.iboai.com/blog](http://www.iboai.com/blog)  
[www.twitter.com/IBOAI](https://www.twitter.com/IBOAI) [www.twitter.com/IBOAIspanish](https://www.twitter.com/IBOAIspanish)  
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