

The assignment from the employer was to digest the company's new affiliate marketing flow and compensation structure into a simple, easy-to-understand outline that could be used on the company's website and in printed documents. Pages 2-4 of this PDF show the end result, and pages 5-19 shows the plan as it was originally presented to me.

GROUND THERAPY AFFILIATE MARKETING PLAN

THREE TYPES OF AFFILIATES

Area Manager – Area managers identify people who would be good recruiters of Merchant and Individual retail Sellers and bring them on board as Coaches. Area Managers earn a 5% override commission on all sales which are generated by Merchants and Individual Sellers who are recruited by their Coaches. Acting as an Area Manager requires no certification.

Coach – There are three separate functions of a Coach, each with its own override compensation rate, and a single coach can act in one, two, or all three capacities;

1. Recruiter – The primary function of the Coach is to recruit Merchants and Individual Sellers. As recruiter, he earns 5% on all sales made through the Individual Sellers and Merchant affiliates that he brings on directly by performing the duties and responsibilities of a Recruiter. Acting as a recruiter, a Coach is not required to obtain any certification.

2. Trainer – A Coach can earn another 6% on all sales made by merchants assigned to him, provided he completes the Coach Trainer Certification and fulfills the duties and responsibilities of a Trainer.

3. Service Rep – A coach can also earn 4% on sales as a Service Rep when he provides customer service to consumer end-users. He must complete the Customer Coach Certification training and fulfill the duties and responsibilities of a Service Rep by making himself available to Ground Therapy product owners to answer questions and concerns through voice, text, and email communication.

Merchant / Individual Seller – To act in the capacity of a Merchant or Individual Seller requires a Short Certification.

- Merchants facilitate the sale of Ground Therapy products to end-user consumers from a store front setting, such as a health professional's office, gym, day spa, or store. •
- Individual Sellers generate sales through person-to-person contact or by directing customers to an ecommerce website, either through personal contact or from a website or blog etc.

Merchants and Individual Sellers both earn the same commissions based on monthly volume as follows:

- 25% on retail sales up to \$999
- 30% on retail sales from \$1000 to \$2499
- 35% on retail sales from \$2500 and up

Merchants have the option of purchasing and inventorying products for sale by buying them at wholesale pricing. Merchants will *not* receive commissions on retail sales that are made on products which they have purchased at wholesale. Coaches and Area Managers will receive their commissions on these transactions based on the wholesale price, not the retail price.

- Ground Therapy will also offer special buying discounts and incentives to all affiliates.

Friends and Family Discounts

- Affiliates may offer a 25% discount to Friends and Family Members. There are no retail commissions paid to affiliates who offer this 25% discount. Coaches and Area Managers will still receive their commissions on these transactions based on the full retail price. (See: Instructions for Friends and Family Discounts.)

AFFILIATES MAY PLAY MULTIPLE ROLES

An affiliate can play multiple roles in a single sale. For example:

- Coach Recruiter, Trainer, and Service Rep – If a coach recruits a Merchant, then provides training to that Merchant, and customer service to the consumer end-user, he is entitled to all three Coach commission pay-outs; 5% for recruiting, 6% for training, and 4% for servicing the sale, a total of 15%.

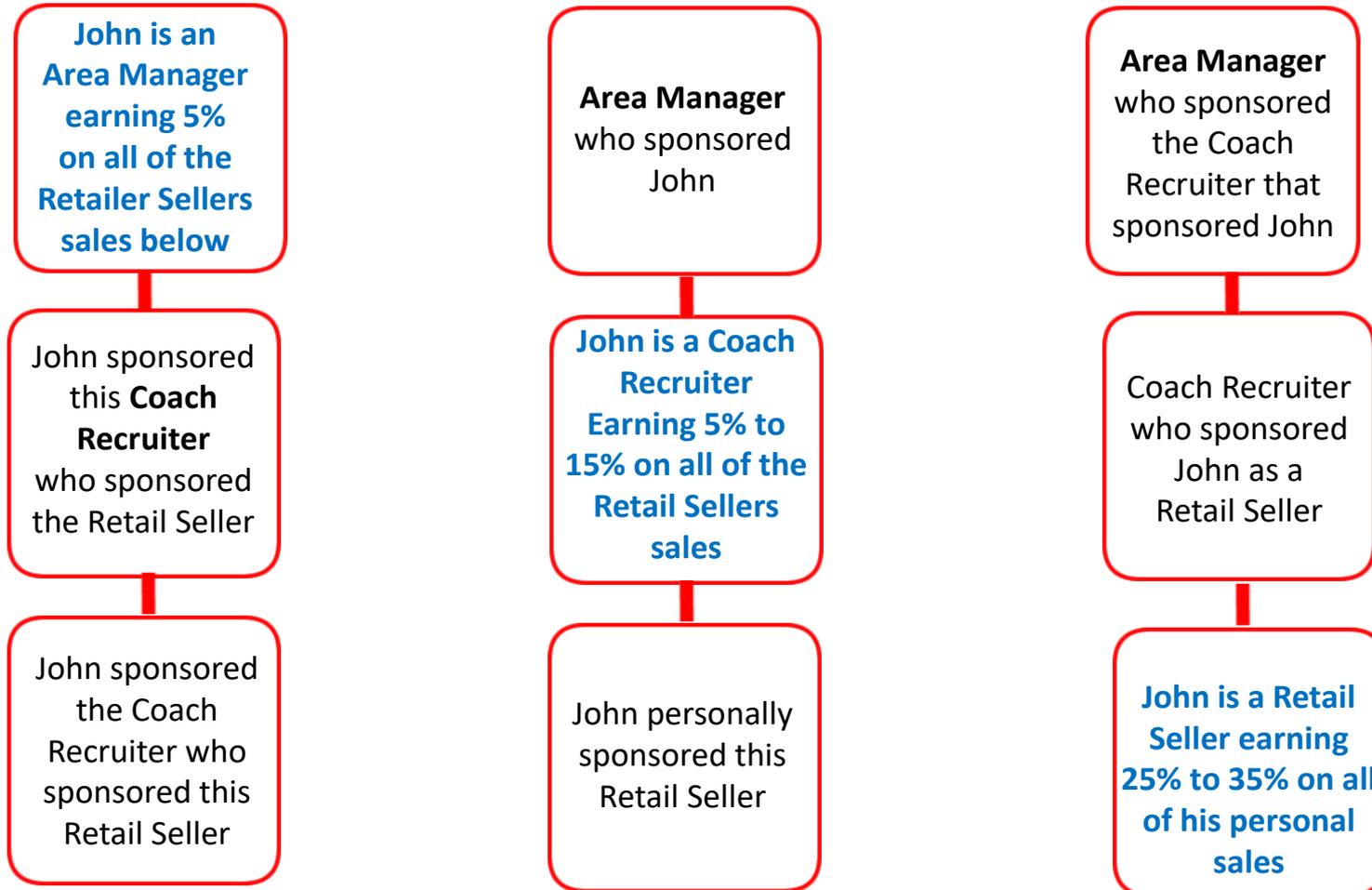
He can also play any one of the three affiliate roles, depending on who recruited whom. For example:

- Merchant and Coach – If a Merchant #1 recruits another Merchant #2, he becomes a Coach Recruiter for Merchant #2 and is entitled to the 5% override payout. He can also act as a Trainer and Service Rep for Merchant #2's transactions. By serving in all three Coach capacities he would earn a total of 15% on Merchant #2's retail sales transactions.
- Merchant and Area Manager – If, in the above example (#2), the new Merchant #2 recruits another new Merchant #3, now Merchant #1 becomes the Area Manager for Merchant #3 and is entitled to the Area Manager 5% commission payout on all future retail transactions generated by merchant #3. Of course, Merchant #1 still acts in the capacity as a Merchant on his own personal sales, and continues to act as Coach on Merchant #2's sales transactions.

(A merchant may not act as a Coach on his own retail transactions.)

The following pages show the plan as originally given to me by the client.

In the up coming slides you will learn how any Affiliate can be an Area Manager, Coach Recruiter as well as a Retail Seller at the same time.



John, just like all Affiliates, can participate in any position. He can recruit Coaches and Retail Sellers, or become a Retail Seller himself earning commissions on his own sales. Sellers do not earn coaching commissions for their own sales.

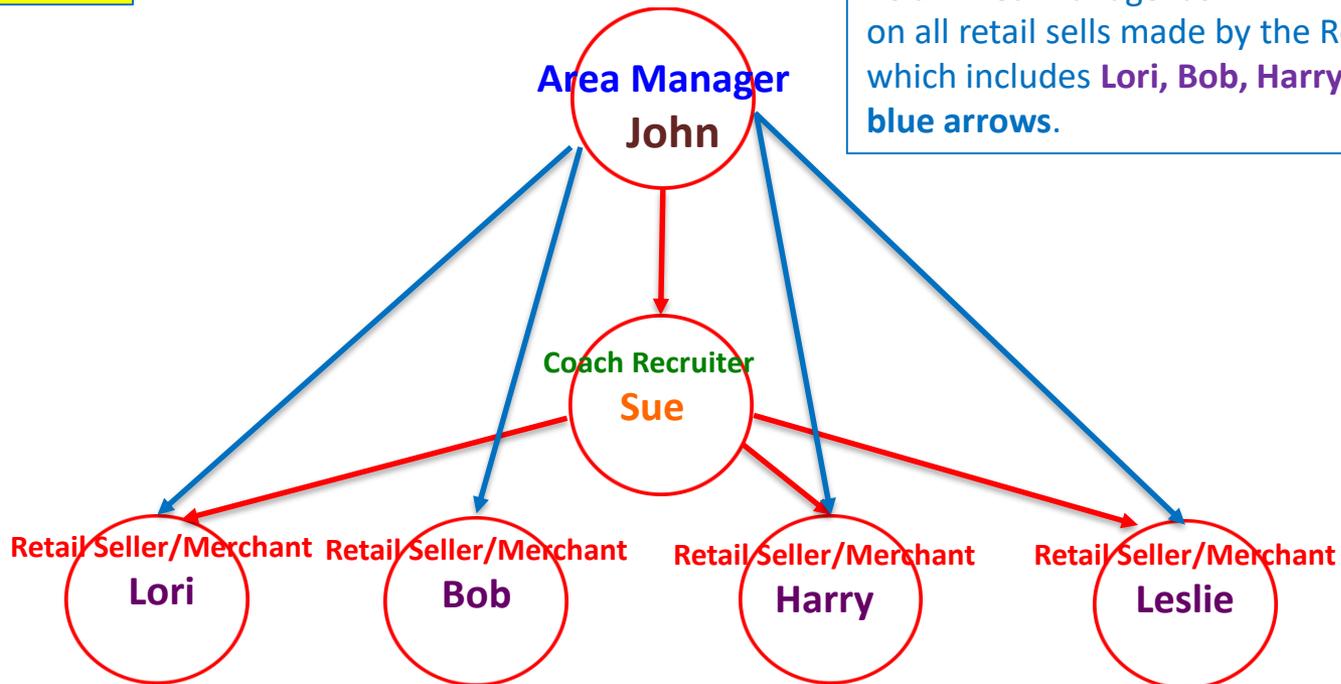
How can John be an Area Manager, Coach Recruiter and a Retail Seller?

That is a great question and we will show you exactly how that works.

First lets address John as an **Area Manager**.

John knows someone name **Sue** that works directly with people that would be perfect for selling Ground Therapy products. John shows **Sue** the tools, and some videos then tells his story. At this point **Sue** see's the bigger picture and decides she would like to share the opportunity with their friends (**Lori, Bob, Harry** and **Leslie**) that would be great at selling the product.

Example A



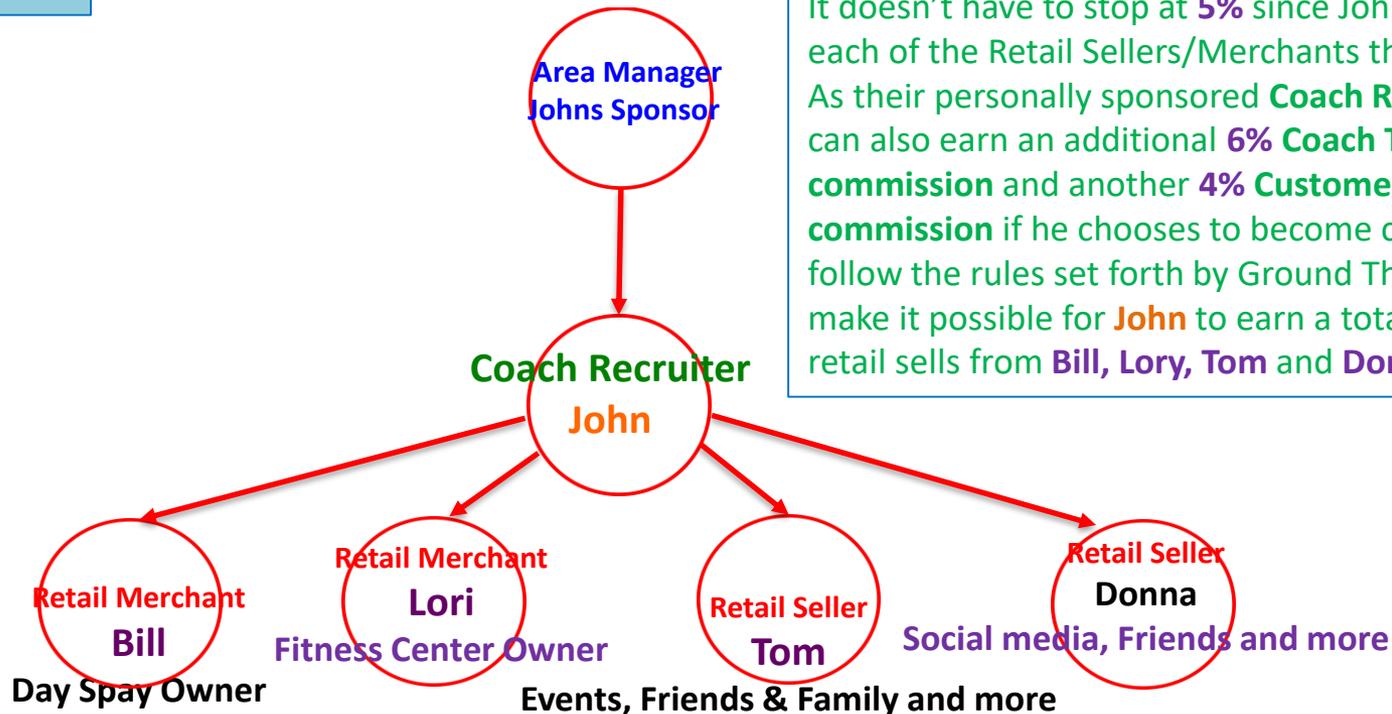
How can John be an Area Manager, Coach Recruiter and a Retail Seller?

Secondly, lets address John as an **Coach Recruiter**.

John knows some people that would be great at selling products **Bill** owns a Day Spa, **Lori** owns a fitness center, as well as some people that would be fantastic and doing home events like **Tom** and **Donna** who knows tons of people on social media.

As an Coach Recruiter **John** will receive **5% commission** on all retail sells made by the Retail Sellers **Bill, Lori, Tom** and **Donna**. Follow the **red arrows**.

Example B



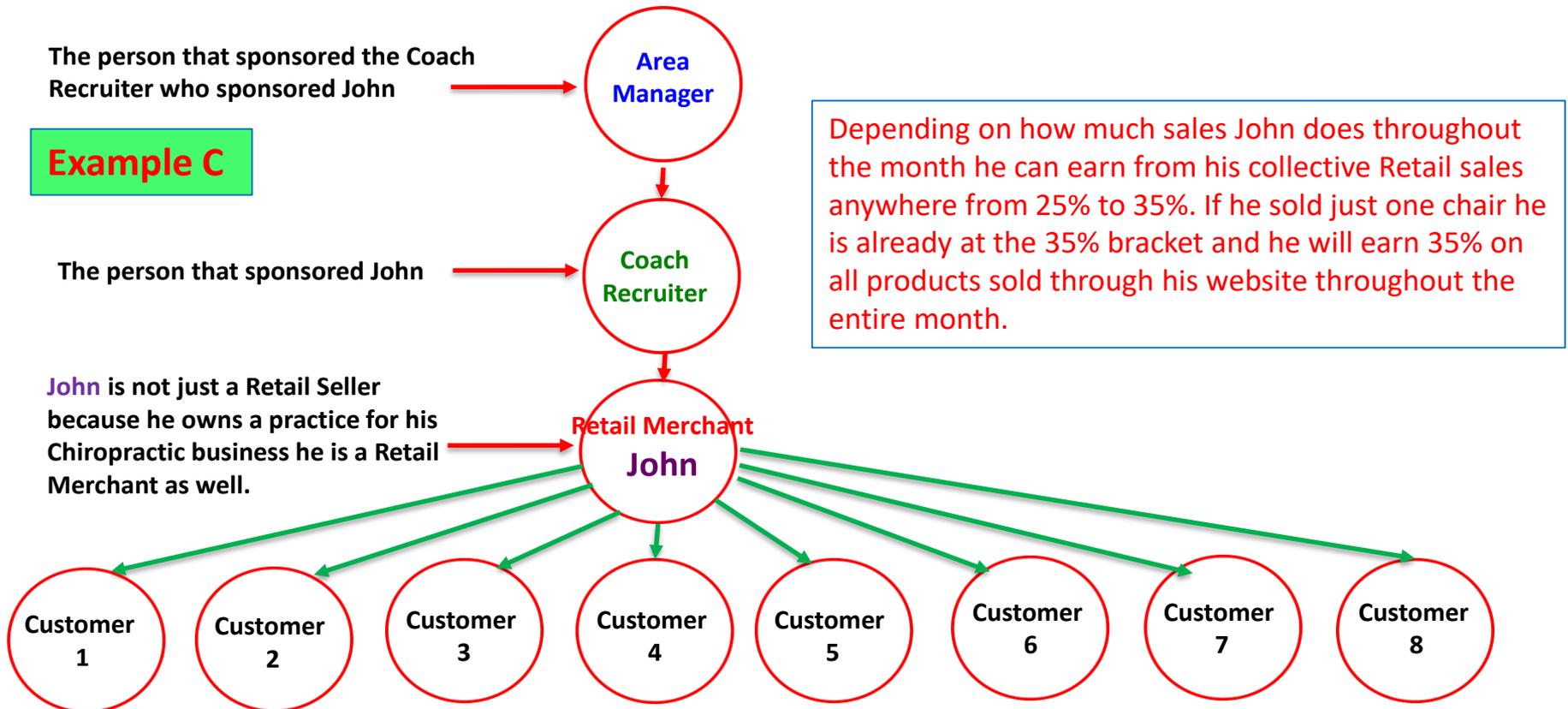
It doesn't have to stop at **5%** since John sponsored each of the Retail Sellers/Merchants there is more. As their personally sponsored **Coach Recruiter John** can also earn an additional **6% Coach Trainer commission** and another **4% Customer Coach commission** if he chooses to become certified and follow the rules set forth by Ground Therapy. This will make it possible for **John** to earn a total of **15%** of all retail sells from **Bill, Lory, Tom** and **Donna**.

How can John be an Area Manager, Coach Recruiter and a Retail Seller?

Thirdly, lets address John as an **Retail Seller**.

I failed to mention John is an Chiropractor and is super excited about sharing Ground Therapy with his patients and cannot stop telling people out side of his practice about Ground Therapy. Now he is selling products to his patients, friends and family and sharing it with everyone he meets.

As an Retail Seller/Merchant **John** will receive from **25% to 35% commission** on all retail sells made by him or his practice. **Bill, Lori, Tom and Donna**. Follow the **red arrows**.



So Now You See How John Can Be An Area Manager, Coach Recruiter and a Retail Seller?

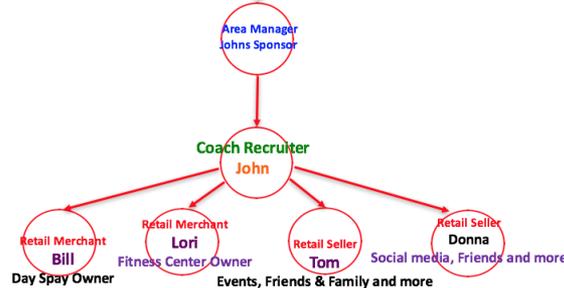
If John chooses to sponsor people that want to go out and recruit other sellers John will earn 5% of all retails sells their specific Retail Sellers create as shown in **Example A**

Example A



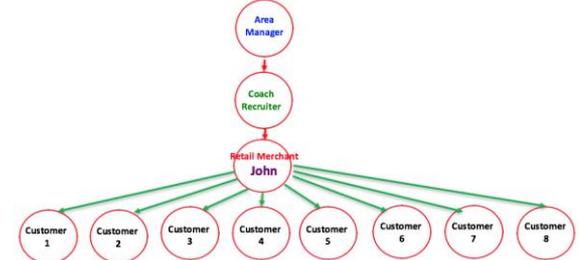
If John chooses to also sponsor people that would like to become Retail Sellers/Merchants as a Coach Recruiter as seen in **Example B** he can earn the 5% Recruiting commission on all sells through the people he sponsors and if he is motivated to become their Coach Trainer and Customer Coach he can earn up to a total of 15%.

Example B



If John chooses to Sell products on social media to his friends and family and or in his practice he can earn between 25% and 35% as show in **Example C**

Example C



Put yourself in the example below:

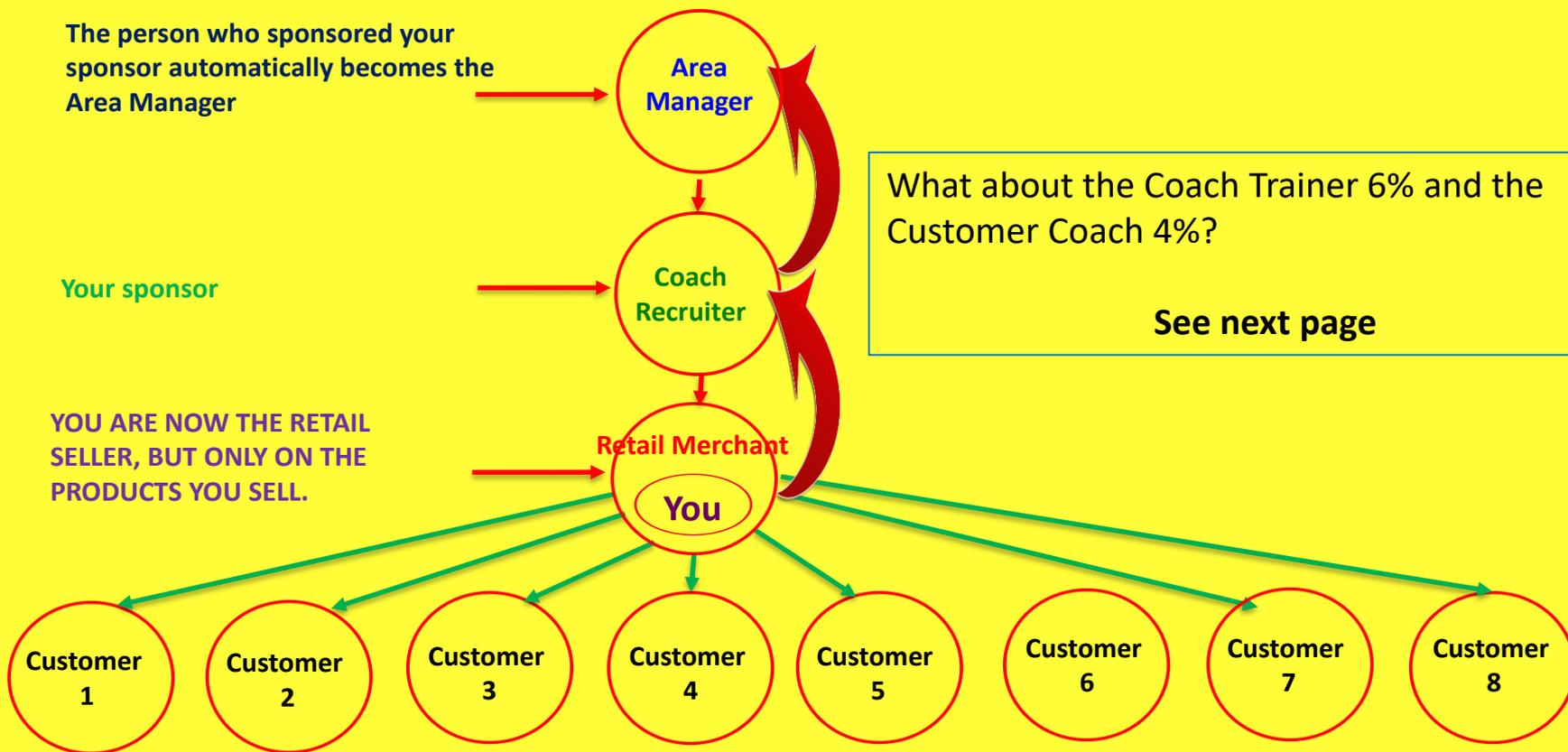
Now that it is understood how one person can participate in each of the different compensations, what happens when **you** become a **retail seller**?

When you become a seller, your sponsor will automatically earn the **Coach Recruiter** bonus of **5%** of your sales. This applies whether you have sponsored other retail sellers to earn the title of **Coach Recruiter** and **5%** of their personal sales, or not. Payments are based on who sells products below them, and at which level the affiliate is currently choosing to work. Since in this illustration you are personally selling products, then your sponsor automatically becomes your **Coach Recruiter**, and their sponsor is now automatically an **Area Manager**, earning **5%** for your product sales. To keep balance and fair compensation at all levels, sellers are not able to act as a Coach for their own sales.

The person who sponsored your sponsor automatically becomes the Area Manager

Your sponsor

YOU ARE NOW THE RETAIL SELLER, BUT ONLY ON THE PRODUCTS YOU SELL.



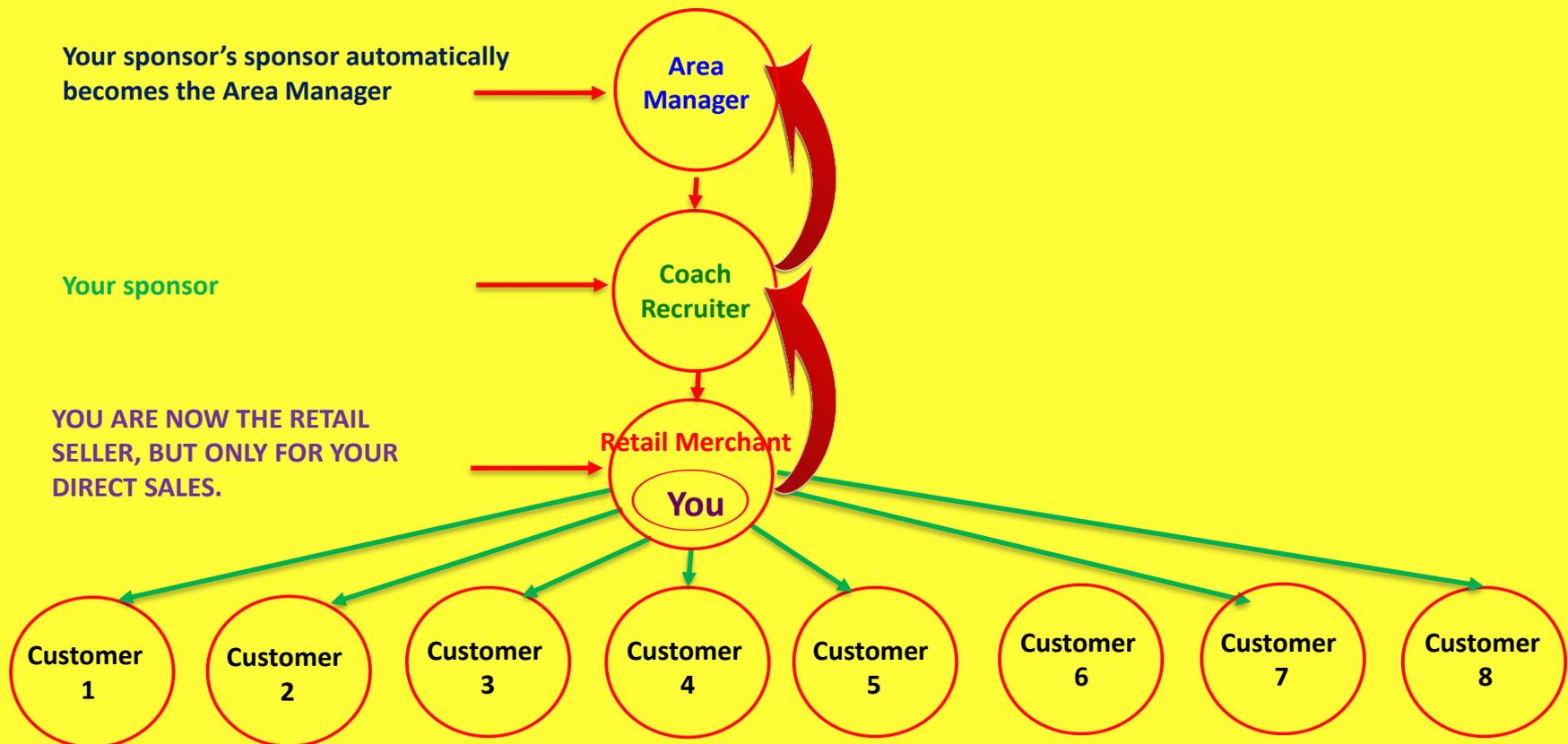
What about the Coach Trainer 6% and the Customer Coach 4%?

See next page

Coach Trainer and Customer Coach Roles and Commissions

The Retail/ Merchant Seller's sponsor (Coach Recruiter) has the opportunity to also be the **Coach Trainer** and **Customer Coach** for their sponsored seller's retail customers, and earn additional commission.

The qualifications will never change. In order for the sponsor who is the **Coach Recruiter** to earn the additional **6% Coach Trainer** income and the **4% Customer Coach** income, the Coach Recruiter/ sponsor must be certified for the roles and follow the rules of the certification(s). If the sponsor/ Coach recruiter chooses to forfeit the additional Coach Trainer or Customer Coach roles and commissions, or decides to act only as one or the other, then Ground Therapy will locate a certified Coach who is in good standing and available to fill the role and earn the extra commission.

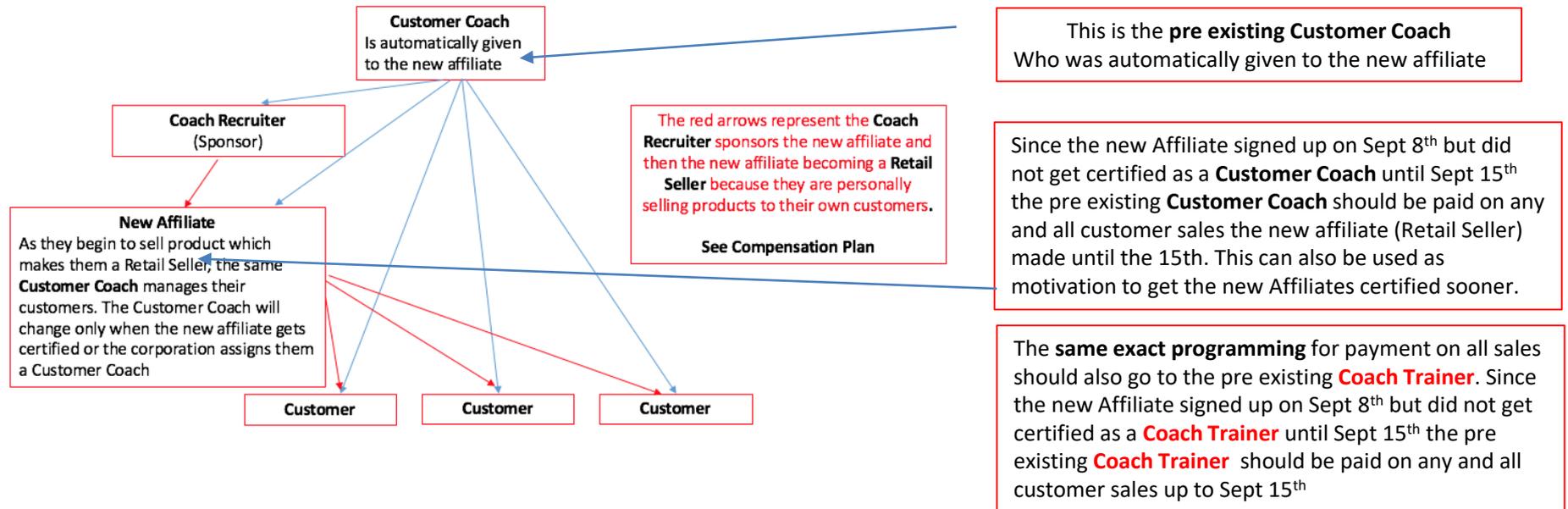


Customer Coach and Coach Trainer commissions

Timing as to when a customer is transferred to a newly assigned Customer Coach is important we address payment to the preexisting Customer Coach since they are the ones that followed through.

Example:

Lets say John signs up on Sept 8th but he doesn't get certified until Sept. 15th any 4% commissions on the sales he made between the day he signed up and the 15th should not go to him but instead the pre existing Customer Coach that was assigned to him.



Note to Programmers

The key to tracking levels is important not only for payment but so we can track who recruited who. It also allows us to change someone's status if we need to for example there are 3 different Coaches in the Coaching category.

As mentioned in previous text the Coach Trainer and the Customer Coach must go through specific certification and sign the terms and agreement. If the Coach does not get certified we cannot allow them to get paid. If they do not follow through we will have to replace with someone who is certified and willing to do the work. If we have to take a title away from someone or they just do not get along with the Retail Seller/Retail Merchant then we have to refer them to someone else to pick up the slack. That also means the money that was paid to the Coach Trainer would go to the newly referred Coach Trainer, the same thing holds true for the Customer Coach as well.

Area Manager Affiliate In addition to Area Manager, may also be a Coach and a Retail Seller.

Coach Affiliate can be a Coach Recruiter, Coach Trainer, Customer Coach, or be certified as all 3. May also be an Area Manager and a Retail Seller.

Seller Affiliate can be a Retail Seller, or Merchant Seller. May also be a Coach and an Area Manager.

Getting paid as an Area Manager is dependent on whether the Retail Seller/Retail Merchant sells products at retail or purchases wholesale.

There are three categories of Affiliates

Income Claim document must be linked on the Affiliate website and the University website

Titles may be referred to as Rank

Area
Manager
5%

Coach
5% to 15%

Retail
Seller
25% - 35%

1. **Area Manager** 5% (No Certification required)

2. **Coach** **Category** **5% to 15%** **Max Payout 15%**
 - A. Coach Recruiter 5% (No Certification required)
 - B. Coach Trainer 6% (Coach Trainer Certification required)
 - C. Customer Coach 4% (Customer Coach Certification required)

Note: The Coach who recruits the Retail Seller / Retail Merchant can earn all 3 Coach categories if they are willing to take the separate certification training courses and assist the Retail Seller as well as the Retail Merchant who owns a brick and mortar establishment with sales and events. To be paid as the Customer Coach will require availability to each and every retail customer to follow up, answer questions, and provide customer service.

1. **Retail Sellers/Merchant** **25% to 35%** **Max payout 35%**
 - A. Earns 25% on all retail sales up to \$999 (Short Certification required)
 - B. Earns 30% on all sales from \$1,000 up to \$2,499
 - C. Earns 35% on all sales volume from \$2,500 and up

Retail Sellers can:

- Purchase wholesale SKU's
- Offer their Friends and Families a 25% discount, waving their own commission.

Note: See explanation for wholesale purchases and Friends and Family discounts .

Wholesale
Purchase

Purchasing Wholesale SKU's

- Ground Therapy will offer wholesale pricing on large volume purchases. {wholesale pricing, min & max volume TBD}
- There will be no commission paid on wholesale purchases to the Retail Seller when they purchase at wholesale pricing.
- Commission to Coaches and Area Managers will be paid based on the actual wholesale price paid by the Retail Seller. {need to confirm coach's commission for seller's wholesale purchases- retail or wholesale?}

Friends
&
Family

Offer Friends & Family Discount

- This allows the Affiliate who is selling products to offer their Friends and Family a 25% discount.
- No commissions will be paid to the Retail Seller when offering Friends & Family discount.
- The affiliate simply orders the product in their back office, changes the mailing address, puts in the customer's name, and inputs the credit card to be used.
- Coaches and Area Manager will **receive their commissions based on the normal retail price of the product**. The only person not receiving commission from a Friends and Family sale is the Retail Seller when using the discount.

Coach Category

Coach Recruiter (5%)

Coach
Recruiter
5%

No certification required. The Coach Recruiter is strictly a person who would like to introduce Ground Therapy to someone interested in becoming a Retail Seller. The Coach Trainer and the Customer Coach can be the same person as the Coach Recruiter.

Coach Trainer (6%)

Coach
Trainer
6%

Coach Trainer Certification required. To be considered the Coach Trainer and be paid the additional 6% commission for the brick and mortar **Retail Merchant Seller's** sales, the Coach Trainer must live within reasonable driving distance to support the Retail Merchant Seller. Supporting the Retail Merchant Seller requires the Coach Trainer to help set up their business, teach staff and attend events. If the Retail Seller is working from their home office, there is no required driving distance. In these instances, the Coach Trainer is still 100% responsible for training and motivating the Retail Seller. ***If the Coach Trainer is not within reasonable driving distance to the brick and mortar establishment (as determined by either Ground Therapy or the Coach Recruiter who recruited the Retail Seller) and/or is not able to be 100% involved in training and supporting the Retail Seller, Ground Therapy will choose and assign the responsibility to another certified Coach Trainer who is willing and able to do so.**

Customer Coach (4%)

Customer
Coach
4%

Customer Coach certification required. A Customer Coach is who the Retail Seller's customers are referred to for help with answering questions and providing direction to the customers. The Customer Coach's responsibility is to follow up with every retail sale, direct the customer to the product-specific online tools, answer the customer's questions, or show the answers to their questions via the provided video illustrations.

Retail
Seller

What is the difference between the Retail Seller and Retail Merchant?

The Retail Seller and the Retail Merchant earn the same commissions between 25% to 35%.

- A. Retail Merchant owns a brick and mortar establishment.
 - A. Retail Merchant can purchase in bulk and receive bulk pricing (wholesale) discount, please see back office for discount.
 - B. Requires quick certification and fill out wholesale agreement documents
- B. Retail Seller works from their home office

Retail
Merchant

Notes to programmer

1. Customer Coach phone number must be placed on the website of the Retail Seller/Retail Merchant in order for them to be reached by customer and to receive the 4% commission.
2. Each Retail Seller/Retail Merchant must be able to order product from their back office that allows an immediate 25% discount and will automatically wave commission for these products purchased by the Retail Seller/Retail Merchant but not stop normal commissions to the Coaches and Area Managers based on the retail price of each product.
3. There must be a location for Customer service phone # on the website that is separate from the website owners phone number even if it is the same person to ensure customer knows who to call for customer service.
4. We may need to manually determine who the Customer Coaches are and the Coach Trainers that are attached to each Retail Seller/Retail Merchant to ensure the correct people are paid. This is extremely important since the person that sponsored the Retail Seller may not be the one that is responsible for being the Coach Training or the Customer Coach.
5. When someone signs up we need to have them answer some questions in the sign up process

Notes to programmer Continued

1. Are you going to be selling products out of a physical location? Yes No
2. Are you a professional who deals with over a 50 clients annually? Yes. No
3. Are you interested in becoming a Coach Trainer to teach those you register as an Affiliate how to put on events, etc.? Yes No.
4. Are you interested in helping your customers with their questions? Yes. No
5. Answers need to go to a central location that allows Ground Therapy and the Coach Trainer the ability to call the new Affiliate.
 1. Welcome them aboard
 2. Offer assistance to do events and answer questions
 3. Recommend they go through the certification classes and be more proactive

Additional notes to programmer

Retail Merchant who is approved by corporate we need to be able to turn on the online ordering ability for them to order in bulk as a Retail Merchant once they fill out the wholesale documents.

The compensation plan has increased the:

- Area Manager to 5%
- Coach Recruiter to 5%