

The Truth About Amway

AMWAY NEWS, AMWAY NORTH AMERICA

AMWAY NORTH AMERICA PROPOSES BIGGEST CHANGES TO COMPENSATION PLAN IN 25 YEARS

APRIL 7, 2014 | IBOFIGHTBACK | 9 COMMENTS



At the recent North American Diamond Club, Amway announced a proposal for significant changes to the basic compensation plan in Amway's oldest market. Probably the most obvious change is the **removal of the 3% and 6% bonus brackets**, combined with halving the group volume requirements for **9% down to 300PV**.

Replacing the 3% and 6% bonus levels will be a tiered "rewards" system offering discount coupons on Amway purchases the following month. For generating 100-149PV IBOs will earn a \$10 discount, for 150-199PV \$20 and for 200-299PV, \$30. This program is similar to one introduced in Amway Europe a couple of years ago, where IBOs receive a 10€ discount coupon to use the following month. Unlike North America, however, the 3% and 6% bonuses remain (albeit at the higher volume levels of 200 and 600 points).

The rationale behind the proposed changes is that the majority of people at the 3% level never build an Amway business much beyond that level. They are primarily purchasing products for their own consumption and (perhaps) earning a little from retail sales, or maybe just checking things out for a few months and then deciding it's not for them. The average bonus payout at this level is \$13, so the new coupon program will actually be a better deal for most IBOs at this level.

IBOs reaching 300PV will however have a significant increase in bonus income. Amway expects the changes will not only double the number of IBOs who reach the 9% level, but also double their bonus earnings, from around \$41 to \$81.

In addition Amway is -

1. broadening the scope of the *Fast Track* bonus program, which offers additional cash bonuses from \$50 to \$1000
2. simplifying qualification for first time Gold Producers and Platinums.
3. Enhancing the Growth Incentive Program

Overall I think these are positive changes to the compensation plan. It should significantly improve profitability for active IBOs (not to mention significantly affect the “average income” statistic).

My only concern is that there is now a 700 point gap between the first (9%) and second (12%) bonus bracket. I can envisage scenarios where an IBO builds to 9% and then a downline reaches 300PV soon after, but before the first IBO reaches 12%. Depending on the structure of the IBOs network, this may have a significant *negative* effect on the first IBOs bonus, since there's no longer a differential, ie there's no profit margin.

The changes have the approval of the IBOAI, but still have to go through final steps to get input from IBOs as a whole.

So what do you think, Amway IBOs? Tell your thoughts below.

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9 THOUGHTS ON “AMWAY NORTH AMERICA PROPOSES BIGGEST CHANGES TO COMPENSATION PLAN IN 25 YEARS”



Jeffrey

APRIL 8, 2014 AT 22:54

I think it is a positive step, but I also know Amway and the IBOAI well enough that they might possibly do some tweaking after watching it for a year or so. I wouldn't be surprised to see the 12% bonus bracket be dropped to 800 PV.



Carl

APRIL 8, 2014 AT 20:31

I think your on the right track... that would be a drawback(the PV gap) but since your sponsoring builders you should bridge the gap. With 2 builders. Also the added fast track bonus will supplement yours and there income. My strategy has always been 300 personal (150 use and 150 retail) of course you can do more or less if you like. That will be even more effective now.

Ohh and the discount looks like it would be the same or more than the check you would have gotten anyway.



Bridgett

APRIL 8, 2014 AT 04:13

Getting rid of the 100PV bonus has been talked about ever since I've been an Amway IBO. I am glad that it's finally being formally discussed. I think doing this will restore a part of the Amway business that has been lost for quite a long while, which is, that you have to do more than just personally use the products in order to get a bonus. Yes, a committed IBO (or couple, or family) can personally use 300 PV, but most semi-committed IBOs do just over 100 PV. And when you think about the roots of Amway, with the Nutrilite company, in order to get a bonus, you had to have five people consuming Double X before you got to tap in to the Performance Bonuses. In other words, you couldn't rely just on your own personal use. So I think this proposed change will more clearly define the builders from the non-builders, and reward them fairly.



Bridgett

APRIL 8, 2014 AT 04:20

Having said all that...I'm not exactly sure if we should be discussing this in public. The video from Diamond Club and the PDFs about this, say: "For IBO use only. Not for use with prospects."



howard

APRIL 8, 2014 AT 04:34

Excellent point!

Sometimes it is best to say nothing.

Patience is a virtue.



★ **ibofightback**

APRIL 8, 2014 AT 11:22

Well, this site is owned by a company not affiliated with Amway, not by an IBO, and it is not a prospecting site. It comments on news and issues about Amway, this is clearly a major issue. That aside, and not really related to this site, but shouldn't anyone looking at joining Amway North America today be made aware what they're considering joining is proposed to change quite significantly?



howard

APRIL 8, 2014 AT 15:51

If your "site is owned by a company not affiliated with Amway, not by an IBO" why are you afraid that Amway will terminate your business, as you stated in another article, If you publish anything their lawyers might object to?



★ **ibofightback**

APRIL 8, 2014 AT 19:44

I'm not sure which particular article you're talking about but (a) things change (b) after following Amway for more than a decade I have a good idea what stuff their lawyers are particularly concerned about, and why, and what they're not concerned about



★ **ibofightback**

APRIL 8, 2014 AT 11:23

Wasn't it formally discussed a few years ago to raise 3% to 150PV in North America? In many markets (Europe for example) it's 200PV. In the UK the scale starts at 6% and 600PV.