

# Report of NUS Visit, 6-6-2012

Our contact asked Li, what the bare minimum amount that I have to spend in order to become a NUS distributor and Li told her she needed to spend 15,000 RMB. Li told her she is required to buy 4 spa machines if she wants to become a Nu Skin distributor. She also told our contact that she would not have to take a test in order to become a Nu Skin distributor.

Our contact recorded over three hours of audio during her visit to this location. Below is a partial transcribed translation of our contacts visit to the Nu Skin location.

## Transcribed Translation of Audio Recording

### Multi-level commission

(08:50) Li Shanshan: because no matter how much is your sales, 1,000,000 or 10,000,000, company would only give you a 5% commission.

(08:58) Sasha: is there 6 people higher than me could get 5% commission from my sales?

(09:05) Li Shanshan: Right! Within these 6 levels, they can get 5% from your sales, no matter how much it is.

(09:15) Sasha: Does a higher result (commission) come with a higher sales figure?

(09:21) Li Shanshan: Of course. For example, our Mr. Chen, (teacher Chen, Chen Jiajun) he has earned more than 3,000,000.

(09:28) Sasha: RMB?

(09:29) Li Shanshan: RMB. This month maybe drop down, but still 1,000,000. His monthly income maybe more than most people's income their whole lives.

(09:39) Sasha: yes. I am doubt about if I could make 1,000,000 with my whole life.

(09:43) Li Shanshan: No matter if you joined NUS or not, NUS will be widely known to everyone in 5 years.

(09:53) Sasha: Is it a top-500 brand?

(09:57) Li Shanshan: NUS is more than top 500. You know, there are 8 companies which developed super rapidly, including APPLE, IBM, DELL, REEBOK, etc. To be a member of this, demands a company's annual turnover reaches 1 billion USD. NUS will take the position of one of these 8 companies. Amway used 24 years while NUS used only 7 years and 9 months. In the meantime, so you can see that NUS is at the same level as APPLE.

(34:38) Li Shanshan: Only if you can find 4 other people who would like to sell NUS with you, then your monthly income won't be less than 10,000. If you only sold by yourself it would be very tiring.

(34:54) Sasha: Is 10,000+ means i need to sell 4 spa machines every month?

(35:09) Li Shanshan: Let me explain how to get 10,000+. If you sold it by yourself, your monthly income would be 3,000~8,000, it won't be 10,000. It will only be 10,000 if you sold 10 or tens of spa machines. But it's really tough. If I only relied on myself to sell then I wouldn't be here today. Why did I transfer into selling cosmetics after selling medicine? We are a developing business. Selling is only a process. Everyone needs to go through it. But if there are people who work with you then your team will contributes the majority of your income. Your profit of own sales is 10~25% , and 5% commission.

(35:40) Sasha: Isn't my own profit 30%~40%?

(35:45) Li Shanshan: 10%~25% on most stuff. 30%~40% is the commission on the spa machine. Profit of spa machine is 40% after being a formal employee.

(35:54) Sasha: Is only the spa machine 40%?

(35:57) Li Shanshan: Yeah ,only the spa machine.

(35:58) Sasha: How about this (Sasha picked up a different product)?

(36:00) Li Shanshan: This is 10%~25%, depends on your sales.  
(36:02) Sasha: But I can enjoy a 20% discount with it (ARO card).  
(36:06) Li Shanshan: Yes, it's 30% adding this.  
(36:08) Sasha: Ah, I need to add this(ARO CARD). Am I really lucky to get this card that day?  
(36:13) Li Shanshan: Indeed.  
(36:15) Sasha: I've never thought this card would be this good! I didn't even want to take it then . Fortunately, you told me to do so.  
(36:20) Li Shanshan: Of course (it is good)! You know the profit will be 30%~40% with this card. You can sell products at its original price to your friends. Give a 10% discount if they buy a lot. If they don't buy much then just give them the original price. We all sell products like this unless it's relatives or close friends.  
(36:42) Sasha: You also told me you only give discounts to customers who you are familiar with. But later, when I asked you, you wouldn't give me a discount.  
(36:49) Li Shanshan: True, that was your first time visiting. We always give labeled price to a new customer. Nobody would give a discount to a first time customer.  
(36:57) Sasha: I am so lucky!  
(36:59) Li Shanshan: You are really lucky.

(40:24) Sasha: How much is the profit of spa? 10%?  
(40:27) Li Shanshan: 10% add that (ARO Card discount) ,it's 40%, oh ,30%.  
(40:33) Sasha: 30%. Is it 40% after the first 30,000 sales?  
(40:36) Li Shanshan: Yes.  
(40:38) Sasha: How about the second 30,000 sales? Is it still this much?  
(40:39) Li Shanshan: There is only one 30,000. You will only become a formal employee after you pass the 30,000 and then your profit will be 40%.  
(40:46) Sasha: Forever?  
(40:47) Li Shanshan: You can get 40% from your sales and 5% from others forever. The qualification of getting 5% from others comes after 30,000.  
(40:55) Sasha: Is there any limitation? For example, if my sales this month is 50,000. I can get 30% from first 30,000. Then I can get 40% from 40,000 ~50,000(30,001 ~50,000).  
(41:10) Li Shanshan: Yes! Yes! Yes!  
(41:11) Sasha: Will I need to start over again from zero the next month or will I get 40% for the rest of my sales?  
(41:16) Li Shanshan: It's impossible that the company could give you profit of your 50,000 sales this month. Or the company would close. It must be...  
(41:24) Sasha: So I need to start from zero next month?  
(41:25) Li Shanshan: Yes, from zero.  
(41:26) Sasha: Will my sales be counted from another 30,000?  
(41:29) Li Shanshan: No, our monthly task is only 12,000.  
(41:31)Sasha: Only 12,000? Isn't it 30,000?  
(41: 34) Li Shanshan: 30,000 is a threshold. You could be our formal employee only after you reach 30,000 and then you will enjoy the formal employees' treatment. After being a formal employee, your task is 12,000 every month.  
(41:46) Sasha: What if ,what if....  
(41:47) Li Shanshan: selling 2 spa machines is enough.  
(41:52) Sasha: Haha, 2 spas.  
(41:53) Li Shanshan: Oh, 2 spa machines are not enough.  
(41:53) Sasha: Do I need to add something else?  
(41:54) Li Shanshan: Right, add something else. Customers will buy other products along with these 2 spa machines. Give yourself a 4-spa task. You will exceed the task. You know, our company offers bonuses to those employees.  
(42:10) Sasha: For example, what could I get if I reached 12,000?

(42:13) Li Shanshan: For instance, a bonus. Different positions have different bonuses 500, 1000, 3000.

(42:19) Sasha: Different positions are different? 500, 1000, 3000?

(42:23) Li Shanshan: Right! Right! Right!

(42:25) Sasha: For example, my bonus will be 500 after reaching 12,000.

(42:27) Li Shanshan: depends on which position you are at. Maybe there are 2 people that also passed the 30,000 thresholds in your 30,000 process. Then you will be a director as long as you become a formal employee. You already have 2 directors under you. Bonus for a new director is 2,000. If you could exceed your task your bonus is 2,000. Then add your other profit.

(42:51) Sasha: That's too much.

(42:52) Li Shanshan: Too much? Foreign companies are like this.....

### NUS has teacher employees

(01:49:30) Li Shanshan: There is only one disadvantage---too rational and with strong independent ability (referring to Sasha). Could be a little flexible sometimes. Sometimes girls need to be impulsive in front of good things. I knew a teacher in Xinin Primary School when I was in Baima (a clothing mall). Public servant, huh (in china, teachers ≈ public servant).

(01:50:13) Li Shanshan: I am shopping and she is also shopping. Both of us were trying clothes then we asked each other what the other one thought. She is also a vivid and lively girl. Then I found something wrong with her face.

(01:50:57) Li Shanshan: She (the primary school teacher) bought a spa machine immediately. I even tried to get her to buy 2 spa machines. I can help you sell these to your friend. But she only took one and she paid with a credit card. She said I took only one card, I will come here few days later and buy few spa machines. Then she could start .with 3 more spa machines.

(01:51:18) Sasha: Is she going to be a part-time employee?

(01:51:19) Li Shanshan: Yes, she does it part-time. She is a public servant. (In china, teacher=public servant)

(01:51:24) Sasha: She is going 2 reach 30,000. So she can also be a full-time employee. Whatever, this job hasn't any limitation (on working time).

(01:51:28) Li Shanshan: The contractor is a non-full-time employee.

(01:51:30) Sasha: She can still go to work as usual and come (to NUS) when her friends need to buy products.

### Degree

(02:30:27) Sasha: Seems I have heard that you said you graduated from a college, right?

(02:30:28) Li Rong: I graduated from a college. (she said "我专科", this is different from university , 本科 )

### No voucher and invoice & didn't introduce refund system.

(02:31:45) Li Shanshan: Let me calculate it (my bill). She didn't introduce refund system to me

(02:34:49) Sasha: Does your company offer an invoice?

(02:34:50) Li Shanshan: Do u need an invoice?

(02:34:51) Sasha: I want one.

(02:34:52) Li Shanshan: If you want me to then I will write an invoice for you in the boutique next time. OK?

(02:35:15) Sasha: Could I get a voucher?

(02:35:17) Li Shanshan: I will give a price list, that's ok.

(02:35:18) Sasha: ok ok ok.

(02:35:23) Li Shanshan: I see you look a little concerned.

(02:35:24) Sasha: ok. I couldn't make it clear.