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Direct Selling Education Foundation

## Making the World a Better Place for *Direct Selling*

by Lin Grensing-Pophal and Teresa Day



**DSEF** DIRECT SELLING  
EDUCATION FOUNDATION

The Direct Selling Education Foundation (DSEF) has a powerful mission:

*“To engage and educate the public on the ways direct selling empowers individuals, supports communities and strengthens economies worldwide.”*

Organizations such as the Federal Trade Commission (FTC), the National Association for Community College Entrepreneurship (NACCE), the Council of Better Business Bureaus (CBBB), the United States Association of Small Business and Entrepreneurship (USABE), the American Marketing Association (AMA), and the National Consumers League (NCL), as well as numerous marketing professors at universities across the nation and additional influential organizations and individuals are linked arm and arm with the DSEF in order to spread the word and educate the public on its mission.

“We’ve created these third-party partnerships in the hope that these credible, well-known organizations will provide us an opportunity to create a global marketplace that respects and appreciates direct selling,” says Charlie Orr, Executive Director of DSEF since 2009, and former CEO of a major direct selling company. These relationships, he says, help to combat the pervasive stereotypes that many people have about the direct selling industry.

The United States and the world may be in the middle of challenging economic times, but the DSEF is busy turning the current environment

into an opportunity for direct selling companies and their independent contractors. Through its work, many come to understand that this industry has a lot to offer as a channel of distribution. People

from all walks of life market and sell products and services, while adhering to the highest consumer and ethical standards. In fact, Elizabeth Owen, the Executive Director of the National Association of Consumer Agency Administrators, says that the dedication shown by direct selling companies to promote consumer protection “is generous, unwavering and creative, and for that the entire consumer protection community is grateful.” Owen goes on to say that “no other industry comes close to the direct selling industry’s commitment” to protecting customers from unethical practices.

Energized by the help of volunteers from Direct Selling Association (DSA) member companies, DSEF works tirelessly with these partners visiting college campuses, teaching classes, speaking at national and global conventions and funding academic research projects, all the while striving to build relationships that can change perceptions. After all,



**DSEF now has a link on the Council of Better Business Bureaus website.**



**During the DSA 2011 annual meeting in Miami, executives from direct selling companies planted flowers, painted walls, built bookshelves and worked with local kids at the Miami-Dade YWCA.**

## DSEF's Current Initiatives

### Consumer Initiative

Through its Consumer Initiative, DSEF partners with consumer advocates, educators and public policy leaders to keep consumers informed and to ensure their voices are heard throughout the global marketplace. For example, DSEF has supported the Federal Trade Commission (FTC) for 13 years during National Consumer Protection Week (NCPW) to help consumers understand their rights as purchasers, and to help them make the best decisions possible. The foundation even commits a portion of their website to the annual event, showcasing DSEF-sponsored educational events and other resources for consumers.

Trey Campbell, Director of Communications at Southwestern and a member of DSEF's Consumer & Community Program Committee, says the foundation works toward the goals of supporting national consumer movements, looking out for consumer welfare and responding to consumer needs.

"A key objective of DSEF's Consumer Initiative is to position direct sellers as good corporate citizens who are genuinely concerned about consumer welfare in the global marketplace," Campbell says. "Strong consumerism is critical to long-term economic growth and stability."

### Education Initiative

Through its Education Initiative, DSEF commissions academic research and sponsors campus programs in the fields of marketing and entrepreneurship. This work informs the educators about the direct selling business model, in turn empowering them to equip the next generation of industry leaders.

Kerry Tassopoulos, Vice President of Government Relations and Compliance for Mary Kay Inc. and Chair of DSEF's Education Committee, notes that the 2011 Edelman Trust Barometer<sup>®</sup> conducted annually by global PR firm, Edelman, to gauge attitudes about the state of trust in business, government, non-government organizations and media across 23 countries, put academicians at the top of the list. Tassopoulos says, "If consumers right now don't trust business and they don't trust government, but they trust the academic community, and the academic community doesn't know a lot about our businesses or our industry, to me, that's an opportunity to educate."

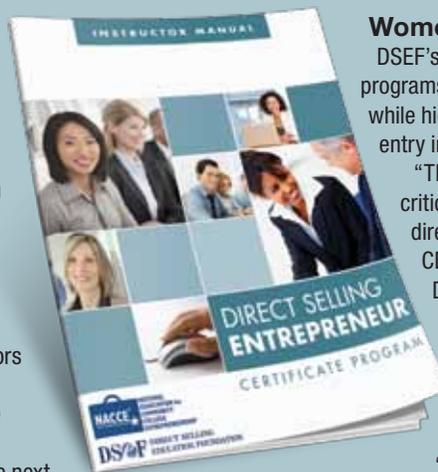
### Ethics Initiative

DSEF's Ethics Initiative shines a light on ethical leadership by providing resources to the direct selling industry and the general public. For example, the foundation produced a series of video vignettes that bring the DSA's Code of Ethics to life.

Catherine Landman, Chair of the DSEF Ethics Committee and the Chief Legal Officer for The Pampered Chef says, "We talk about

the three E's—Engage, Educate and Empower—by ensuring trust and credibility. The ethics initiative is really focused on that—to demonstrate to others that the direct selling industry does things the right way to benefit not only the people who buy our products but also the folks who sell products through direct selling."

Through DSEF's partnership with the Council of Better Business Bureaus (CBBB) the vignettes are also available on their website. The partnership with the CBBB has been important for DSEF, says Landman. "What better brand of trust and ethics and best practices is there than the Better Business Bureau?" she notes. The next step, she says, is to expand this initiative further through local BBBs around the country. It's a perfect fit, she says. "What the BBB is about is empowering and educating people. Isn't that exactly what the DSEF does?"



### Women's Entrepreneurship Initiative

DSEF's Women's Entrepreneurship Initiative develops programs that teach self-esteem and business literacy, while highlighting direct selling as a low-risk, low-cost entry into the entrepreneurial system.

"The Women's Entrepreneurship Initiative is a critical component to the DSEF and the entire direct selling community," says Jerry Kelly, CEO of Silpada Designs, a member of the DSEF Executive Committee and DSA's Chairman of the Board.

For example, DSEF partners with Women's Business Centers, a national network of business training and micro-lending organizations, to hold Direct Selling Fairs.

"Sponsoring these fairs demonstrates how our partnerships can help educate communities about the power of the direct selling industry," says DSEF Program Director Robin Diamond. "Our fairs also give field representatives the opportunity to meet new customers and prospects, and network with their peers. It's a win-win for everyone involved." This fall, DSEF sponsored four Direct Selling Fairs with Women's Business Centers in Wisconsin, West Virginia, Alabama and Florida.

Recently, the Foundation embarked on one of its most ambitious programs to date. "The National Association for Community College Entrepreneurship came to us about a year ago and asked if we would be interested in partnering with them to create a direct selling curriculum," says Charlie Orr, Executive Director of DSEF. The answer? A resounding yes!

The curriculum will be tested in three community colleges this fall and is aimed at educating and preparing entrepreneurs—men and women—with the business skills and acumen to be successful direct sellers.

"No individual company could have piloted this program alone, and it is phenomenal to have the support of the DSEF on our industry's behalf," says Kelly. "We hope that the curriculum, called the Direct Selling Entrepreneur Certificate program, will be available in 2012."

*“No other industry comes close to the direct selling industry’s commitment” to protecting customers from unethical practices.*

—Elizabeth Owen, Executive Director of the National Association of Consumer Agency Administrators

when your goal is that the entire world “appreciate and value the benefits of direct selling,” you probably have your work cut out for you.

### Reaching Out

Orr sums up the anticipated outcome of the foundation’s work this way: “At our essence, we launch and support collaborative programs that reach millions of people, give them the facts about what direct selling can be—and what it’s not—and to help them make good decisions.”

Nancy Laichas, Director of Marketing and Communications for DSEF, shares Orr’s passion for the direct selling industry and the foundation. “The work we do in terms of building relationships and developing programs goes a long way to enhance the reputation of the industry and increase awareness,” she says. “DSEF engages our stakeholders—building lasting relationships with educators, consumer and small business advocates, government agencies and others. We help those partners educate their audiences about ethics, consumer protection, entrepreneurship, the direct selling industry and more. And, thus, we empower individuals all over the world by providing them knowledge to help them make more informed decisions.”

One example Laichas points to is DSEF’s *What Is Direct Selling?* video, developed through the foundation’s Ethics Initiative. The video captures the spirit of direct selling with a fresh, simple message, and illustrates that the industry provides opportunities based on trust and integrity.

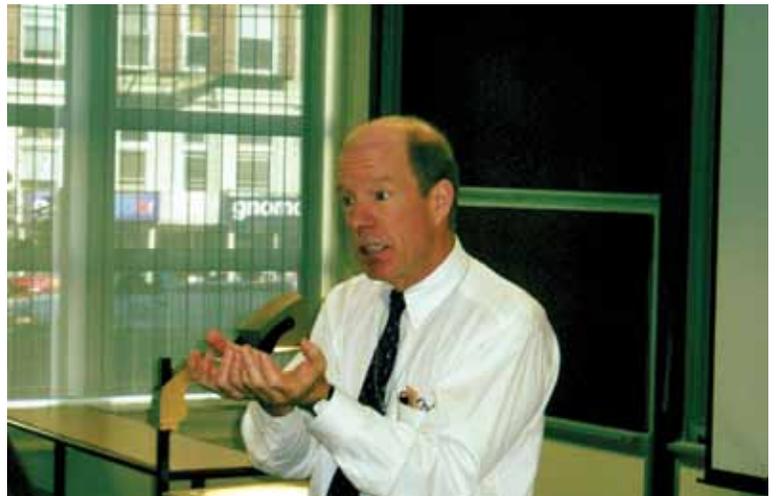
In fact, *What Is Direct Selling?* is now the most viewed video on DSEF’s YouTube channel, and its social media shares by companies and distributors alike have made it a viral phenomenon.

*“At our essence, we launch and support collaborative programs that reach millions of people [to] give them the facts about what direct selling can be.”*

—Charlie Orr, Executive Director of DSEF



College business students gather together to learn the principles of direct selling as a part of DSEF’s education initiative.



Long-time industry executive Jim Northrop, now a consultant, educates students about direct selling at Northeastern College in Boston.



An Arbonne consultant shares products and opportunity at a DSEF-sponsored direct selling fair.

Supporters of DSEF say the foundation performs critical work on behalf of the industry that no individual company could do as effectively. The foundation's programs allow companies to concentrate on growing their businesses and supporting their people with the best of products, services and training instead of dedicating staff resources to doing what DSEF does so well—creating a more favorable reception in the marketplace for direct selling.

### Going to School

DSEF has also formed many positive relationships with professors and researchers at universities across the country. Prior to DSEF's efforts in academia, learning about the fundamentals of the channel or reading a case study of a successful direct selling company wasn't likely to be available for students. Inroads have been made into courses through the foundation's efforts, and teaching the attributes of direct selling has been enlightening for both marketing professors and their students.

Dr. Susan Duffy, Assistant Professor of Strategy and Entrepreneurship at Simmons College in Boston, says, "As an entrepreneurship educator, I have found the direct selling opportunity to be an ideal model. ... Everything we want students to learn about launching, managing and growing a venture is available to them in a direct selling company." If it were up to her, Duffy says



The staff at DSEF is **Bettie L. Smith, Senior Program Director, Consumer and Ethical Leadership Initiatives; Robin Diamond, Program Director, Education and Women's Initiatives; Charlie Orr, Executive Director; Tamara Ingram, Program Manager; and Nancy Laichas, Director of Marketing and Communications.**

she would "make running a direct selling company a mandatory part of business education curriculum." Over the years, many academics have served on DSEF's Board of Directors including current board members Brenda Cude, Ph.D., from the University of Georgia; Elizabeth Davis, Ph.D., from The George Washington University; and Linda Ferrell, Ph.D., from the University of New Mexico.

Kerry Tassopoulos, Vice President of Government Relations and Compliance for Mary Kay Inc., serves as the Chair of DSEF's Education Committee. According to him, there's been a lack of understanding in the broader academic community about direct selling as a business model, "even though we have substantial numbers

## A "Hands On" Approach to Community

Over the past two years, charitable efforts that benefit local communities in concert with DSEF events have sparked enthusiasm among member company executives and proven to be a great experience for all involved—so much so the DSEF is considering adding community programs as a fifth area of focus.

Community efforts have included a clothing drive, "Outfitting for Opportunity" and "Ocean Beach Clean Up" at DSA's 2010 annual meeting in San Francisco; and a "Pack a Present" program during the 2010 DSA *Be Connected* conference in Las Vegas where attendees were asked to bring or buy on-site a gift to donate to the Boys and Girls Clubs

of Greater Las Vegas. Then, 20 children, ages five and six years old, were treated to a pancake breakfast and a visit with Santa. "These events demonstrate to the public the deep commitment to corporate responsibility shared by the entire direct selling industry," Orr says.

This June, during DSA's annual meeting in Miami, DSEF partnered with the YWCA of Greater Miami Dade for an event called *Y We Care*. "On a Sunday morning at 7:30, about 100 direct selling executives rolled up their sleeves at the Y to give it a much-needed facelift," says Laichas. The group spent the morning landscaping, painting, building bookshelves and working with

local kids on a journalism project. "When all our projects were complete, the kids gave presentations based on interviews they'd conducted with participating executives," Laichas says. "There wasn't a dry eye in the place—as diligently as we all worked, we definitely received more from the event than we gave."

The direct selling industry has always demonstrated that it is an industry with a heart. However, when DSEF organizes philanthropic events in the communities it visits, with company executives participating in the effort, the effect can be inspiring and further improve perceptions of the industry.

*“Everything we want students to learn about launching, managing and growing a venture is available to them in a direct selling company.”*

—Dr. Susan Duffy, Assistant Professor of Strategy and Entrepreneurship at Simmons College in Boston

that demonstrate the vitality of the industry.” Through DSEF’s Education Initiative, Tassopoulos says, “We’ve had the great fortune of being able to take some of our executives into the classroom and have some great sharing opportunities.”

Indeed, dozens of universities across the country have participated in a DSEF initiative called “Campus Days,” which has brought direct selling executives to campuses since 1989, providing two days of teaching at the undergraduate and graduate level. The program is designed to provide future leaders with insight into direct selling. Just a few of the participating universities include the University of Texas at Austin, San Diego State University, the University of Alabama, Oklahoma State University, Brigham Young University, Rollins College, the University of South Florida and the University of Oregon.

### DSEF Signature Programs

Orr notes that over the years DSEF has developed some signature programs, including a partnership with the Federal Trade Commission during its annual National Consumer Protection Week that offers a range of consumer education events and resources nationwide. Additionally, last year the foundation announced partnership collaboration with the Council of Better Business Bureaus (CBBB), which allows DSEF to share information about ethical business conduct on the BBB’s national website. DSEF has also worked with an Academic Research Program, which funds research of interest to both the academic community and the direct selling industry.

The foundation’s consumer protection efforts also have a significant global component. In 1999, DSEF and the World Federation of Direct Selling Associations launched the Asia Pacific Economic Cooperation (APEC) Consumer Education and Protection Initiative (CEPI) in partnership with APEC economies. The goal of the CEPI is to promote consumer education and protection and responsible business practices by providing technical assistance through planning meetings, seminars and hands-on training. The CEPI is a true public-private initiative that brings together consumer, government and business leaders to plan each CEPI program according to the needs of local markets.

As the foundation continues to establish its presence and make an impact on the industry and consumer perceptions, its focus has expanded. “For about the last five or six years we’ve grouped our program approach under four different umbrella themes,” says Orr. These are: consumer advocacy, academic engagement, ethical leadership and women’s entrepreneurship (see sidebar on p. 29).



**Bettie L. Smith with incoming President Jim Guest of the U.S. Consumers Union on stage in Hong Kong at the World Congress of Consumers International Convention.**

*“DSEF has built up enormous momentum coming into this year. It’s my hope that all direct selling companies will see the value of supporting this work.”*

—Tom Kelly, Group Vice President of Global Sales Development at Avon and current DSEF Chairman

### Maintaining Momentum

DSEF counts on the generosity of the direct selling community to further its mission. As a 501(c)(3) organization, the foundation’s work is funded by voluntary contributions. Tom Kelly, Group Vice President of Global Sales Development at Avon and current DSEF Chairman, launched the DSEF fall fundraising campaign in September with two goals—first, to exceed the annual operating contributions budget of \$775,000, and second, to significantly increase company participation in the foundation’s efforts. Kelly says, “DSEF has built up enormous momentum coming into this year. It’s my hope that all direct selling companies will see the value of supporting this work. Donations can be made by companies, by individuals and by suppliers; but we truly hope they’ll also give of their time this year.”

DSEF’s work has probably never been more important than it is today, as economic challenges provide a ready platform for discussion of the benefits of direct selling. Clearly, a foundation created to serve the public interest can be very effective at getting the attention of influential leaders and organizations, replacing negative stereotypes with positive information, changing perceptions for millions of individuals and opening wide the welcoming door of direct selling. Visit [www.dsef.org](http://www.dsef.org) for more information. **DSN**

*Nancy Laichas contributed to this article.*

## UPDATE

by Charlie Orr

# DSEF Reaches Out

The direct selling industry is made up of a rich tapestry of stories—stories about remarkable people, world-class products, unparalleled opportunities and distinctive company cultures. With the advent of social media, the industry now has a new and exciting way to share those stories and enhance the personal relationships that are at the heart of direct selling.

The Direct Selling Education Foundation, too, has recently embraced social media as a way to tell our story, cultivate new relationships, expand our reach and share our resources. In May, DSEF rolled out a comprehensive social media strategy that includes Facebook, Twitter, YouTube and a blog. From the beginning our goal was to bridge the gap between all our stakeholders—the public, our strategic partners, direct selling companies and entrepreneurs, including direct sellers. In just a few short months, we’ve built an active and vocal online community—the majority of whom are independent contractors—that is eagerly learning from and sharing the content we’re providing.

Our Facebook page (<http://www.facebook.com/TheDSEF>) is the centerpiece of our social media effort and is living testament to our tagline—Engage. Educate.

Empower. Each day we provide our community—more than 4,000 “likes” and growing fast—with links to articles, videos and other resources on topics like ethical business practices, personal finance and consumer protection. We share information from our valued partners like the Council of Better Business Bureaus, the National Consumer League and, of course, our colleagues at the Direct Selling Association (DSA). And we have some fun by engaging our community to find out who they are and what’s important to them.

Our YouTube channel (<http://www.youtube.com/user/TheDSEF>) has given new life to some terrific video resources DSEF has produced in the last few years. Our *What Is Direct Selling?* video, available in both English and Spanish, is hugely popular, and our ethics video vignettes—which bring to life important elements of the DSA’s Code of Ethics like earnings claims and product buy-backs—have found a whole new audience. In 2012, one of our strategic partners, the Credit Union National Association, will produce a series of co-branded videos on personal finance topics, which will be housed on DSEF’s YouTube channel and shared via Facebook and Twitter.

**DSEF** DIRECT SELLING  
EDUCATION FOUNDATION

Our blog (<http://www.dsef.org/blog-2/>) has quickly made our website a destination—our web traffic has tripled since it was introduced and the twice-weekly posts are frequently the most-read content on our site. Recent blog posts include, “Keeping Your Personal and Business Finances Separate,” “How to Start Saving: From Baby Steps to Retirement,” and “Tips for Maintaining Work Life Balance.” The blog is proving so popular that the BBB is now reposting our content on their website!

We’ve recently turned our attention to Twitter (<http://twitter.com/#!/TheDSEF>), where we are focused on growing an authentic Twitter community by following

small business owners, entrepreneurs and other individuals who will benefit from the content we share. Our efforts are paying off quickly as our content

is frequently retweeted and Twitter has become the No. 1 referrer to our Facebook page.

Social media has helped the foundation share its story—and its work—with more people than ever before. And it’s also helping to share the story of our industry by demonstrating to the public its commitment to ethics, education, individual economic empowerment and consumer protection.

As a 501(c)(3) nonprofit organization with a small but talented staff, the foundation is leveraging the realm of social media to be an effective way to share the transformational value of direct selling. We invite you to join the community today and take advantage of the resources that benefit you, your company and your independent business owners. Together we are changing the understanding of direct selling and showing its positive impact on society.

Thank you for supporting the Direct Selling Education Foundation! **DSV**



Charlie Orr is Executive Director of the Direct Selling Education Foundation.

# Ethics? Trust?

## In today's business world?

**You've got questions, and we've got answers.**

We all know the difference between right and wrong, but sometimes, you find yourself in a grey area, especially when there are government rules and regulations to consider.

That's why the Direct Selling Association has implemented a Code of Ethics, the cornerstone of the association's commitment to ethical business practices and consumer service. Every DSA member company has pledged to abide by the code, protecting the interests of both consumers and sellers.

The Direct Selling Education Foundation is making it easier than ever to do the right thing with a series of informative videos to help you understand the Code of Ethics—and make the most of the protections it provides.

**Any questions?** Visit <http://www.dsef.org/ethics/> to learn more.

*DSEF is proud to partner with the Council of Better Business Bureaus (CBBB) to spread our mutual message of ethics and trust in the marketplace. For more information about CBBB, visit <http://www.bbb.org/us/>.*