OUR PURPOSE

The purpose of the Direct Selling Education Foundation is to engage, equip and empower educators to provide students with an accurate understanding of the channel as a powerful go-to-market strategy, distribution model and entrepreneurial option, and to teach the correct principles of direct selling.
Dear Friends,

DSEF leadership took a giant step forward in 2016 by making a three-year commitment to greatly increase the scale and impact of our academic program.

Over the next three years, we will forge partnerships with 200 professors through the DSEF Fellows Program and, by June 2019, we will be reaching more than 60,000 students per year through classroom content, research, campus programs and other vehicles.

This singular focus positions us to achieve what industry leaders have told us they value most:

- Creating, equipping and deploying credible third-party validators
- Delivering on ambitious academic partnership and student reach goals set by DSEF’s Board of Directors
- Producing significant research and content created for classrooms and making it available to companies for use with external audiences and their field

As you read this report, I believe you will see a vision that will produce significant value for the direct selling channel, and we hope you will agree is worthy of your time and support.

We thank all of those whose engagement and financial contributions fuel this important work. Your support makes a real and lasting impact on the future of direct selling.

Sincerely,

Dave Wentz
Chairman, DSEF Board of Directors

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Dear Friends,

Thanks to your support and the great work of the DSEF team, the Foundation has made significant progress toward the ambitious goals established by the Foundation’s Board of Directors in 2016.

The academic community responded enthusiastically to our ambitious new path. In the first six months of the DSEF Fellows Program, more than sixty professors from leading institutions all over the country have stepped up to participate. This growing group of influencers have launched multiple studies that address important issues that define our channel, including how direct sellers measure success, quantifying the economic and social impact of direct selling in the U.S., how the channel creates opportunity in underserved communities and many others.

We have reached more than 5,000 students to date with our classroom content, curriculum, campus events and other resources. Survey after survey has made clear that millennials value the flexibility and independence inherent in entrepreneurship. Now is the time to ensure that the next generation is well aware of the economic impact of the channel as well as the significant opportunities it provides as a path to market and micro-entrepreneurship.

As you read through the pages of this report, we hope you will find your path to engage and participate in this important work.

Sincerely,

Gary Huggins
Executive Director, DSEF
A Time for Bold Moves.

2016 was a pivotal year for DSEF. The Foundation launched a bold new strategy to significantly increase the scale and impact of its academic program. A retreat in Dallas that included Foundation leaders from direct selling companies and academia produced a highly-focused new vision to seize an important moment of opportunity for the industry.

The Foundation has a long and proud history of educating various audiences on how direct selling empowers individuals through entrepreneurial opportunities. We know the most meaningful and enduring way to ensure that today’s influencers and tomorrow’s leaders understand the opportunities and benefits of direct selling is to create deeper partnerships with the academic community. The DSEF Fellows program was launched to equip a group of highly-credible academics who will explain and validate the channel.

The time was right for a bold mission and audacious goals. At the end of the two days of strategic planning, the group emerged with a firm resolve.

The purpose of DSEF is to engage, equip and empower educators to provide students with an accurate understanding of the channel and to teach the correct principles of direct selling.
GO BIG OR GO HOME

In early 2016, DSEF began to devote all of its resources to grow its academic programs. Our vision is to partner with 200 professors as DSEF Fellows to reach 60,000 students a year by June 2019. The phrase "Go Big or Go Home" became a rallying cry, capturing the reinvigorated commitment to the work of the Foundation.

200 Professors by 2019

61 Professors are already active members of the DSEF Fellows Program.

60K Students by 2019

In 2016, DSEF reached more than 5,300 students. As we continue to add academic partners and produce classroom resources and research, our student reach will grow exponentially.
WHAT WE DO

OUR APPROACH

DSEF partners with members of the academic community to support research and education programs that expand knowledge and understanding of the fundamental principles of direct selling. The Foundation works with professors in a variety of disciplines—including entrepreneurship, marketing, ethics, business, consumer studies and economics—to develop and deliver multi-faceted programming and classroom content that addresses business issues facing direct selling companies and consumers in a global marketplace.

DSEF also sponsors Campus Events to help students and faculty better understand direct selling as a channel of distribution and a pathway to micro-entrepreneurship, and to introduce them to career opportunities at direct selling company corporate headquarters.

DSEF FELLOWS PROGRAM

In 2016, the Foundation launched the DSEF Fellows Program as a vehicle to expand and sustain productive partnerships with leading academics.

In the first year of the program, we partnered with more than 60 professors in multiple disciplines from institutions throughout the country. Through participation in the Fellows Program, our academic partners have access to a rich offering of resources and benefits.

These include:

- Access to data and research opportunities
- Teaching content on multiple platforms
- Networking with business leaders
- Industry executives to speak in classrooms and at Campus Events
- Participation in DSEF and DSA events
- Experiential learning for professors and students
Collaborating with our Fellows in developing and incorporating compelling teaching content further establishes the direct selling channel as a key component of mainstream business curriculum. Leveraging these partnerships and growing our array of resources positions us to greatly expand our reach to academics and students in coming years.

DSEF and our Fellows are reaching thousands of students with accurate information to counter misconceptions about the opportunities and impact of the direct selling channel through our in-person Campus Events. When our network of senior executives speaks in classrooms, students have the opportunity to learn directly from these leaders about their companies, the direct selling channel and the corporate challenges companies face that are relevant to students’ fields of study and future goals.

**Key objectives of DSEF’s Campus Events include:**

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- Helping students better understand direct selling, a global channel of distribution with annual revenues of more than $183 billion worldwide.
- Bringing “real-world” examples of marketing, entrepreneurship, sales management, ethics, consumer behavior and other aspects of direct selling to the study of business.
- Making students aware of the channel’s corporate and entrepreneurial opportunities.
- Enriching and broadening academic knowledge about the direct selling channel.
- Advancing relationships with academics and institutions to fuel achievement of Foundation academic priorities.
- Demonstrating that direct selling companies are mainstream businesses that have the same business challenges as their traditional market counterparts and, in turn, develop innovative solutions in response to those challenges.

The Foundation is also collaborating with our academic partners to develop direct selling-driven classroom content and video resources to significantly expand our reach in educating students about the channel. As our library of resources continues to grow, we will increasingly leverage our partnerships with national academic organizations that represent thousands of professors to ensure that direct selling-related content is included in all relevant disciplines.
A LOOK BACK AT 2016

DSEF made significant progress toward our goals in 2016. Here are some of the highlights.

A group of Board Members develop bold new goals to engage hundreds of academics and thousands of students, which were approved by the Board of Directors.

In partnership with Board Member and University of Georgia (UGA) professor Dr. Brenda Cude, DSEF held a multi-campus event at UGA and Athens Tech on entrepreneurship and social responsibility, reaching nearly 1,000 students. The event featured Chelsie Antos and Elisabeth Huijskens, Trades of Hope, and Calvin Jolley, 4Life.

DSEF hosts its first Fellows Learning Journey, providing special programming and educational opportunities for academics at Direct Selling Association (DSA) events.

DSEF Board and Academic Advisory Council Members Drs. Linda and O.C. Ferrell are joined by Lori Bush, former CEO, and Will Rinehart, American Action Forum, at Belmont University for a Campus Event on direct selling, micro-entrepreneurship and the gig economy.
Dr. Anne Coughlan, Professor of Marketing Kellogg School of Management, Northwestern University, presents initial findings of the Join, Stay, Leave study of the salesforce at DSA’s Annual Meeting.

DSEF hosts a golf tournament and silent auction at the DSA Annual Meeting in Phoenix, raising funds and awareness about the work of the Foundation.

Through DSEF’s newly-launched Speaker’s Bureau, Nu Skin CEO Truman Hunt, invited by Dr. Elizabeth Davis, led a discussion with students in an Executive MBA program at the University of San Francisco about the direct selling business model and the challenges of managing a global company.

At a Campus Event hosted by Dr. Larry Chonko at the University of Texas at Arlington, nine direct selling executives representing seven DSA Member Companies spoke about business ethics to more than 700 students.

DSEF Board Member Dr. Elizabeth Davis, Dean of the School of Management, University of San Francisco, hosts the Big Data panel at the DSA Annual Meeting, later leveraged as a highly-valued video teaching tool.

DSEF holds its 7th Annual Pack a Present event at the DSA Communications & Marketing Conference in Las Vegas, benefiting local military families.

DSEF ends the year with six research projects underway and more slated for early 2017.
The Direct Selling Education Foundation is committed to helping today’s students understand the benefits and business principles of direct selling. We do this by equipping professors and other educators with the knowledge and materials they need to provide students with an accurate understanding of the channel. As more professors produce data and research, and incorporate direct selling content into their courses, our next generation of leaders will have a true understanding of what direct selling is about.

In 2016, we released many new resources, including video content for classrooms and expert commentary on ethical entrepreneurship and the impact of direct selling.
RESEARCH

Advancing a Data-Driven Case for Direct Selling

DSEF’s academic partners are providing data-driven validation of the business model through research and publishing.

Research is an important vehicle through which DSEF builds relevance and credibility to advance understanding of the direct selling channel. The Foundation’s growing research agenda offers numerous opportunities for studies and other publishing, produced by DSEF Fellows. These studies, along with our video content, can also be valuable resources for company use with key external audiences, as well as for educating the field. The following six research projects are currently underway:

- Join, Stay, Leave: A Study of the Salesforce; Northwestern University and Muenster University, Germany (Complete)
- U.S. Direct Selling Socio-Economic Impact Study; University of Texas (Spring 2017)
- DSEF International Grant: Women Entrepreneurs in Direct Selling and Social Media/Digital Marketing; Babson College and Northeastern University (Fall 2017)
- Student Attitudes and Knowledge of Direct Selling: A Survey of Sales Programs at U.S. Universities; University of Texas at Arlington (Fall 2017)
- Satisfaction Rates of Direct Selling Independent Contractors Compared to Franchising Entrepreneurs; University of North Carolina Greensboro (Summer 2017)
- Success Drivers of High Performers in Direct Selling; Northwestern University and Muenster University, Germany (Fall 2017)

A LEADER IN DEFINING THE CHANNEL

As DSEF continues to cultivate productive relationships with leading academics, the Foundation will provide access to an ever-increasing cadre of credible subject matter experts who can speak to critical audiences on behalf of the channel to address opportunities, challenges and misperceptions.
Campus Events bring the story of direct selling to life in a very clear and compelling way. Fellows, direct selling executives and DSEF staff plan and present educational seminars to students. These events not only introduce hundreds of students to direct selling at once, they can be leveraged to reach thousands more through video teaching modules we create from these gatherings.

“The best way to grow a positive image of direct selling is to have executives visit with students and show them, first hand, what direct selling truly is all about.”

- Dr. Larry Chonko, Professor of Ethics, UTA

MORE THAN 5K STUDENTS REACHED in 2016
DSA EVENTS

DSEF leverages Direct Selling Association events to bring the expertise of thought-leaders to DSA audiences, highlighting research and providing engaging opportunities to support the work of the Foundation.

PACK A PRESENT

Over the last seven years, direct selling company executives, suppliers and academic partners have generously donated thousands of toys for children in need across the country during DSEF’s Pack a Present toy drive, held each year in conjunction with DSA’s Communications & Marketing Conference.

GOLF TOURNAMENT

2016’s Golf Tournament and Tailgate at DSA’s Annual Meeting definitely put the fun in fundraising. Not only were participants able to golf on a world-class course, DSEF raised significant funds to support its programs.

PANELS & WORKSHOPS

With the help of our DSEF Fellows, this year the Foundation offered a variety of panel discussions and workshops at DSA events, on topics ranging from Big Data to the gig economy to the latest DSEF research study.
Created in 1988, DSEF’s Circle of Honor recognizes individuals who’ve made extraordinary contributions to the Foundation through personal efforts, involvement and commitment to the mission and purpose of DSEF.

In 2016, the Circle of Honor recipient was John Parker, Chief Sales Officer, Amway, and past Board Chairman, for his ability to stand on the shoulders of leaders who have come before and drive a vision for a future where DSEF will make an even greater impact.

Past Circle of Honor recipients are:

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<td>1989</td>
<td>H. Thomas McGrath</td>
<td>2002</td>
<td>W. Alan Luce</td>
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<td>1990</td>
<td>Mary Kay Ash</td>
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<td>Michael L. Lunceford</td>
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<td>1991</td>
<td>Richard H. Bell</td>
<td>2004</td>
<td>Dr. Lawrence B. Chonko</td>
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<td>1991</td>
<td>Dr. Robert A. Peterson</td>
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<td>Jerry Heffel</td>
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<td>1992</td>
<td>James E. Preston</td>
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<td>Linda F. Golodner</td>
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<td>Robert H. King</td>
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<td>1995</td>
<td>J. Stanley Fredrick</td>
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<td>1997</td>
<td>Dr. Morris L. Mayer</td>
<td>2011</td>
<td>Neil H. Offen</td>
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<td>1998</td>
<td>Marlene W. Futterman</td>
<td>2012</td>
<td>James A. Northrop</td>
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<td>1999</td>
<td>Erick J. Laine</td>
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<td>Sarah Baker Andrus</td>
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<td>2000</td>
<td>Brandolyn C. Pinkston</td>
<td>2013</td>
<td>Dr. Raymond “Buddy” LaForge</td>
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<td>2000</td>
<td>Dr. Thomas R. Wotruba</td>
<td>2014</td>
<td>Elizabeth Owen</td>
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In June 2016, the DSEF Board of Directors authorized the Foundation to operate at a temporary deficit, spending limited Capital Campaign funds to invest in programs and additional staff. In 2016, this deficit was $356,304.

**FINANCIALS**

DSEF relies on voluntary contributions from Direct Selling Association Member Companies, Suppliers and individuals to fund its programs. Below is a snapshot of the Foundation's 2016 financial results.

**REVENUE**

- **Contributions - $713,123.00**
  Contributions are funds to support DSEF's mission and programs.

- **Transfers - $45,000.00**
  Transfers includes restricted and designated funds.

- **Interest - $48,901.00**
  Interest is funds accrued from Foundation investments.

- **Other Revenue - $481,077.00**
  Other Revenue includes long term investment earnings and gains/losses on investments.

**Total Operating Revenue - $1,288,101.00**

**EXPENSES**

- **Program Expenses - $1,184,972.00**
  Program expenses include the cost of research, teaching content, and delivery of DSEF programs and events.

- **Administrative Expenses - $459,433.00**
  Administrative activities include finance, legal and other services that support DSEF's business operations.

**Total Operating Expenses - $1,644,405.00**

**Total Change in Net Assets - ($356,304.00)**
As of January 31, 2017, there are more than 60 professors from a variety of higher education institutions who actively serve as DSEF Fellows.

Dr. Jorge Jaramillo  
Dr. Lawrence Chonko  
Dr. Raj Agnihotri

Dr. Greg Marshall  
Dr. Bonnie Canziani  
Dr. Dianne H.B. Welsh

Dr. Tracy Lynn Tuten  
Dr. Tina Facca-Meiss

Dr. Cesar Zamudio  
Dr. Mark David Groza  
Dr. Derek Hassay  
Dr. John “Andy” Wood  
Dr. Eric Liguori

Charles B. Ragland, DBA

Dr. Anne Coughlan  
Dr. Anthony Patino  
Dr. Elizabeth Davis  
Dr. Monika Hudson

Dr. Jay Mulki  
Dr. William (Bill) Crittenden

Dr. Lou Pelton

Dr. Linda Ferrell  
Dr. O.C. Ferrell

Dr. Murali K. Mantrala  
Dr. Haya Ajjan

Dr. Angeline Godwin, JD  
Dr. Khadija Al Arkoubi

Dr. George T. Solomon  
Kathy Korman Frey

Dr. Caroline Glackin  
Dr. Wendy Ritz

Dr. Francisco Lara  
Dr. SherRhonda R. Gibbs

Dr. Joseph Hair
THE DSEF TEAM

GARY HUGGINS
Executive Director

NANCY LAICHAS
Chief of Entrepreneurship Initiatives

KIMBERLY HARRIS BLITON
Senior Director, Academic Initiatives

TAMARA INGRAM
Program Manager
Without the generous financial support of companies and individuals, the Foundation's work would not be possible. With your help we can continue to provide you and the public with programs that foster an understanding of how direct selling empowers individuals, supports communities and strengthens economies worldwide.
DONORS
($5,000 - $14,999)

CONTRIBUTORS
($1,000 - $4,999)

FRIENDS
(Up to $999)
## Executive’s Circle

($1,000 to $2,499)

- Dr. Traci Lynn & C.B. Burton
- Drs. Linda & O.C. Ferrell
- Marjorie L. Fine
- Robert Henry
- David Holl
- Chris Hughes
- W. Alan & Carolyn Luce
- Jennifer Anderson
- Jim Bailey
- Alfredo Bala
- Paul Beldham
- Jennifer Bennett
- Michael Bennett
- Joan Bernardo
- Kimberly Harris Bliton
- Brennan Boyajian
- Laura Brady
- Joan Hartel Cabral
- Robert Cavitt
- Alisa Cessna
- Jade Charles
- Jay Cheng
- Mike Christensen
- Andy Collins
- C. W. Tom Collins III
- Mike & Laura Collins
- Deanna Conn
- Michael Connelly

- Michael MacDonald
- Joseph N. Mariano
- Bruce A. Miller, Jr.
- John Parker
- Mark Schiro
- John & Karen Whelpley

## Foundation Circle

($25,000+)

- Doris K. Christopher

## Director’s Circle

($2,500 to $4,999)

- Lori Bush
- Phil & Angela Chrysler
- Charles L. Orr

## President’s Circle

($5,000 to $9,999)

- Joey Carter
- James A. Northrop
- Kenneth Rawlins
- Dave Wentz

## Builder’s Circle

(Up to $499)

- Colby Allen
- Eric Alpert
- Jennifer Anderson
- Jim Bailey
- Alfredo Bala
- Paul Beldham
- Jennifer Bennett
- Michael Bennett
- Joan Bernardo
- Kimberly Harris Bliton
- Brennan Boyajian
- Laura Brady
- Joan Hartel Cabral
- Robert Cavitt
- Alisa Cessna
- Jade Charles
- Jay Cheng
- Mike Christensen
- Andy Collins
- C. W. Tom Collins III
- Mike & Laura Collins
- Deanna Conn
- Michael Connelly
- Brian Connolly
- Sonya Cooper-Turner
- Patrick Croson
- Dave Crowder
- Martin David
- Randall Decker
- Michael DePaolo
- Edward Dion
- Kate Donovan
- Jeremy Doty
- Kim Drabik
- Brett Duncan
- Danane Dustin
- Michael Edwards
- Steve Elshoff
- Lee Finkelstein
- Paul Finley
- John Fleming
- Michelle Flick
- Kurt Flygare
- Bill Foley
- Jen & John Fong
- Kimberly Foss
- Willie Fox
- Landen Fredrick
- Katharine “Kate” Gardner
- Francisco Ortega
- Gaxiola
- Evan Gekas
- Chris Gelder
- Keith George
- Ashley Good
- Jason Grovers
- Ben Gruettner
- Matthew Hanan
- Lauren Lawley Head
- Dayan Henson
- Matthew Herrera
- Jason Hess
- Dean Hoerlein
- Barry Hoffman
- George Hou
- Gary Huggins
- Thomas Jaramillo
- Will Johnson
- Calvin Jolley
- Lindsay Jones
- Scott Kerr
- Wendy Kinney
- Nancy Lalichas
- Brian Landrum
- Christopher Little
- Deborah Luscomb
- Charles Marriott
- Nicole McCue
- James McLain
- Mike & Stephanie McMillan
- Walter Noot
- Scott Orlinski
- J. Oswood
- McKinley Oswald
- Rodrick Pauley
- Adam Pollock
- Shad Pyper
- Steve Raack
- Mike Ramsey
- David Rayment
- Jeremy Redd
- Lisa Reitz
- Jamie Rice
- Shawn Robinson
- Lindsey Sanders
- Marti Schottelkotte
- Jonathan Shapiro
- Dave Siembieda
- Scott Smith
- Sean Smith
- Debbie Squier
- Linda Sullivan
- Jonathan Swick
- Natalia Tango
- John Thomas
- Lee Thomas
- Kassandra Timm
- Jonathan Tanel
- Mike Tyson
- Stephen Wade
- Hanna Wagari
- Romney Williams
- Tanya Wolfe-Curran
- Cesar Zamudio, Ph.D.
- Dan Zintsmaster
2016 RED RIBBON CONTRIBUTORS

DSEF values its 2016 Red Ribbon Contributors! Each year, DSEF recognizes DSA Suppliers that contribute $500 or more with a Red Ribbon. Contributions from DSA Suppliers show strong commitment to the direct selling industry by funding the DSEF programs that engage and educate the public on the ways direct selling empowers individuals, supports communities and strengthens economies worldwide.
The DSEF engages and educates the public on the ways direct selling empowers individuals, supports communities and strengthens economies worldwide.

Special Thanks to Our Leadership Contributors*

*Leadership Contributions equal one third of DSA membership dues.
As of December 31, 2016

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