

DIRECT SELLER

MALAYSIA

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ELKEN

FORGING AHEAD: THE RISE OF THE NEW ELKEN

*Falko Leonhardt,
Chief Executive Officer of Elken*

DSAM VIRTUAL CONVENTION 2020
Reimagine. Reinvent. Redefine
Your Direct Selling Business





ENRICHING OVER 1 MILLION PEOPLE'S LIVES AND COUNTING



"Enriching lives together" is the mission statement of Elken, to provide exceptional products and services in personalised nutrition & wellness, beauty & skincare, home appliances, and FMCG. **25 years** and counting, Elken has enriched the lives of many, and has grown numerous successful entrepreneurs through its range of award-winning products and rewarding business model.

Healthcare

Our award-winning Elken Spirulina and the rest of the healthcare products are halal certified, and mostly organic, to help you fill the nutritional gaps in your daily diet.

Beauty

Our advanced range of skincare products give you glowing skin at any age, whether you're looking to cleanse, rejuvenate, hydrate, or brighten your skin.

Home Appliances & FMCG

We bring the highest quality water purifiers, cleaning solutions, and food & beverages to your home.

TrueYou

State-of-the-art DNA profiling service that enables you to access and understand your genetic information to make informed decisions about your health and lifestyle.



ELYSYLE

ELKEN
BIO PURE®

ELKEN
everyday

trueyou





Cover
Falko Leonhardt,
Chief Executive Officer of Elken

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DIRECT SELLING ASSOCIATION OF MALAYSIA OFFICE BEARERS 2019-2021



DATUK TAN CHONG GUAN
PRESIDENT

Executive Director,
Vice President of Asia
Forever Living Products (M)
Sdn Bhd



MOHD ZAIHAN ARIFFIN
VICE PRESIDENT

Head Corporate Government Affairs
Amway (Malaysia) Sdn Bhd



FIONA KHOO
SECRETARY

Legal Director & Company Secretary
ELKEN Sdn Bhd



KHOR LEE FAN
TREASURER

General Manager, Malaysia &
Singapore
Mary Kay (Malaysia) Sdn



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BOARD MEMBER

Chief Executive Officer
CNI Corporation Sdn Bhd



WINSTON CHEN
BOARD MEMBER

Chief Executive Officer
PHHP Marketing (M) Sdn Bhd



THAM YOKELON
BOARD MEMBER

General Manager
Sahajidah Hai-O Marketing Sdn Bhd



VIVIEN YAP
BOARD MEMBER

Director of Finance & Operations
Unicity Marketing Sdn Bhd



HELEN LAM
BOARD MEMBER

President
Shaklee Products (Malaysia) Sdn Bhd



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PRESIDENT'S MESSAGE



Datuk Tan Chong Guan, President of DSAM

Dear esteemed DSAM members,

The new normal has made many realise that we have to change, improvise and adapt quickly to survive. The Direct Selling industry remains resilient and strong for those who react quickly enough. This is the time for the industry players to ReInvent, ReDefine and ReImagine in order to exploit and excel in these trying times while providing a proven sustainable and achievable financial entrepreneurial options for millions globally.

In 2019, the Direct Selling Association of Malaysia (DSAM) was ranked 7th globally in Sales and 4th in Asia Pacific by the World Federation of Direct Selling Associations (WFDSA). This is a monumental achievement considering the sales per population ratio in relation to other nations globally. The Ministry of Domestic Trade and Consumer Affairs has announced that the Direct Selling industry is on track, and in 2019, achieved RM21.4 billion, exceeding the projected RM18.5 billion. Despite the current pandemic, revenue for 2020 is expected to equal or exceed RM21 billion.

Direct Selling has been in existence in Malaysia since the early 1900s. The industry has shown resilience and growth in the past 120 years bringing unique products and producing many successful entrepreneurs. DSAM was established in 1978 as a national trade association aimed at promoting the Direct Selling industry on a national and international level, as well as act as the de facto voice of the industry. As the country's bearer of ethical direct selling, our mission is to support direct selling companies in the areas of governance, consumer protection, ethics, education, and communications.

DSAM currently has 126 Member companies and in 2020, they generated almost RM11 billion in sales. Our Members are made up of about 50% local and multi-national Direct Selling companies.

This industry also prides itself in providing the ease of entry to business with very little capital outlay. One of its biggest contributions is providing regular training to the distributors on having a positive mindset and attitude. We are constantly using the latest sales tools to help the distributors achieve better results, the latest being online tools. However, the unique essence of Direct Selling is still the personal touch and the relationship building with the consumers.

With the onset of the pandemic and implementation of the Movement Control Order, the industry ReInvented itself where Direct Selling companies quickly moved their activities and events online and managed to continue to support the distributors.

The positive impact of the pandemic on the industry is that many people realised the importance of good health. Health supplements, which is 60% of the sales of the Direct Selling industry, became a staple food supplement in addition to regular meals and exercise. With the lockdown, many people also realised the importance of the need to have an additional stream of income. Direct Selling became the best way forward for many.

As the heart of Direct Selling has always been on relationship building, the industry had to ReDefine its core values to remain relevant with the global winds of change.

With digitisation comes a rapidly-reducing need for a person-to-person sales relationship. We have to embrace the technology to use it as an effective and efficient tool of communication to reach out to hundreds of people by using online social media tools and positively touch the lives of many more people daily through personal messages of encouragement, concern and care.

Direct selling distributors who are able to play their role in the new norm continue to break new grounds and prosper. With better awareness of the need for an additional income stream, the industry has created a ReImagining of what working from home means with a direct selling business. The industry has become a beacon of hope for many as a platform and option to many who are financially affected by this pandemic. It is time to ReImagine Direct Selling as an option for many.

Direct Sellers play an important role in sustaining many households with a business income as our country slowly but surely regains its footing economically. All direct selling distributors must stand up to do our national service to help as many people as possible regain their footing while we fight the pandemic. Together we can all come out of this with a better understanding of Direct Selling and its role in nation building.

Stay Safe!

FORGING AHEAD: THE RISE OF THE NEW ELKEN

Elken Sdn Bhd has had an illustrious journey spanning 26 years in providing global citizens with award-winning products. The company shares its blue-print into the future with its brand new premises, the Elken Campus.



armed with a vision to enrich lives, Elken Sdn Bhd, is a homegrown Malaysian brand that is globally recognised, delivering award-winning health, beauty and home products. In April 2020, Elken celebrated its silver jubilee or 25th anniversary, in an industry that has tremendously evolved over the last few decades. Built on a long-term

commitment to be the “100-year Elken”, the company has provided distributors, partners, consumers and employees a stable home with a view of an exciting future. A mature company yet constantly evolving to meet the demands of the changing marketplace, Elken is driven by its core values of Innovation, Quality, Integrity, Respect and Passion, or iQIRP in short.

“The ‘100-year Elken’ signifies

our commitment for a lasting company. Because of this, Elken continues to reinvent and refresh itself to stay relevant in the market and to our partners,” says Falko Leonhardt, Chief Executive Officer of Elken.

Elken’s secret to success is the company’s ability to create income opportunities for its distributors through its award-winning products and its duplicable business model.

THE ELKEN CAMPUS

As the world battles COVID-19, Elken took a bold yet wise move in consolidating its operations under a single roof. Moving from its old premises in Jalan Klang Lama in Kuala Lumpur, Elken has marked its rise into the digitalised world through its new headquarters located in Subang Jaya’s industrial hub. Dubbed the ‘Elken Campus’, the new premise houses the company’s corporate office, manufacturing facility, distribution hub as well as research and development labs.

The new office has received Gold Standard certification under the Green Building Index (GBI). Designed to reduce carbon footprint,



the building comprises rain-water harvesting system, solar panels to meet its energy needs, and an eco-friendly office design that promotes natural cooling, sunlight and a refreshing interior with green walls and plants.

Explaining the rationale behind the Elken Campus, Falko says, “We call it our Elken Campus, mainly for 3 reasons, that include uniting the Elken family under a single roof; providing a learning and mentoring environment where we grow together; and driving a collaborative way of working, with easy access to each other, more transparency and without hierarchies and walls.”

Talking about the inspiration behind the Elken Campus, Falko shares, “This green building stands for our constant effort in improvements in sustainability, which has always been important to us. It is a core strategic thrust for Elken.”

“In short, the Elken Campus is home for all Elkenians across the world – a home where our brand promise strongly resonates, that is, “BUILDS YOU TO BUILD OTHERS,” he adds.





● **“The ‘100-year Elken’ signifies our commitment for a lasting company. There have been a lot of disruptions, where everything has gone faster, and become digitalised.”**

The new fresh, open concept layout of Elken’s new office premises promotes a collaborative and productive working culture with alluring common discussion spaces, green pavilions and unobstructed view across the work space thus connecting people and breaking psychological boundaries.

“This promotes more effective communication, encourages innovation as well as a faster, and more agile learning and decision-making environment. Working together has become much easier and definitely more productive,” says Falko.

“The Elken Campus is a symbol of diversity and strength of Elken in its home country Malaysia, as well as Internationally. With this, synergies between online and offline will also increase. Our new building has a studio for photo shoots, and cool places to take Tik Tok videos and Instagram photos – all on the same floor as our meeting rooms with large LED screens and prospecting space,” beams Falko.

The nutraceutical manufacturing plant based in the Elken Campus provides business solutions comprising from product

conceptualisation to development, registration and mass manufacturing services. The facility has a strong in-house team of expertise ranging from nutritionist, food technologist, pharmacist to regulatory personnel and engineering expertise. The main focus of the plant is on the production of functional food, traditional medicine and health supplement productions with GMP, HACCP & ISO 9001 Quality Management System certifications. All products are also HALAL certified.

Also within the premises is the Research and Development facility led by qualified scientists pioneering molecular genetics in Malaysia. The ISO 17025 accredited labs use state-of-the-art technology called Illumina Infinium DNA microarray platform with big data analysing various types of genetic variants called SNPs. With the continuous commitment in driving innovation and technology, it enables Elken to introduce more innovative services in the future.

Elken’s global distribution hub





located on the ground floor of the building uses modern warehousing technology with temperature and humidity control systems to ensure efficient and effective storage and movement of goods. The highest record of stock value at any one time held at this facility totalled RM348million. Sporting 12-meter high racking with 6 levels and 12 aisles, the hub is the heart of Elken's inventory and logistics management.

COVID-19 AND THE BUSINESS LANDSCAPE

Speaking about the COVID-19 and the business landscape, Falko expresses, "The pandemic was a wake-up call for all of us and the entire industry. It teaches us to always be prepared for crisis management and Plan B and C. Was Elken sufficiently prepared? In some

parts we managed rather well, while other parts came as a shock and we needed to improvise fast."

"Moving into the new office has a lot of advantages. In hindsight, it was the right time to move as it definitely helped us to come out of this pandemic even stronger," he adds.

Elaborating on the investment into its premises amidst the pandemic, Falko explains that it was important to stay relevant both offline and online during these critical times. "Direct selling is and will always remain a 'people business'. Offline meetings and face-to-face interactions have the power to build an essential part of our business, particularly around deal-closing. So online and offline capabilities do complement each other, and we need both," he stresses.

In the wake of the pandemic, Elken has been a ray of hope to many as an avenue for income generation after episodes of job losses, income reduction and other resource challenges.

INTO THE FUTURE WITH ELKEN

True to its long-term commitment to build a brand that can withstand a 100 years and forging forward to cater for a younger and lifestyle driven community. Elken strengthens its "Heart to Heart" culture fostering an even more UNITED community locally, regionally and globally. The company is set to keep the wheel of innovation moving fast to cater to the dynamics of a constantly evolving business landscape and global changes.



DIRECT SELLING ASSOCIATION OF MALAYSIA VIRTUAL CONVENTION 2020

REIMAGINE. REINVENT. REDEFINE YOUR DIRECT SELLING BUSINESS.



The Direct Selling Association of Malaysia (DSAM) Virtual Convention 2020 held in December 2020 presented the new dynamics of direct selling amidst the new norm and digitalisation. The convention was graced by Dato' Sri Alexander Nanta Linggi, the Minister of Domestic Trade and Consumer Affairs Malaysia. The event which was themed, "Reimagine. Reinvent. Redefine Your Direct Selling Business", featured prominent speakers from the direct

selling industry on topics related to empowering members to embrace digitalisation in the new norm.

In his welcome address, Datuk Tan Chong Guan, President of DSAM, said that when met with unprecedented challenges such as the COVID-19 pandemic, “We adapt and we become better. From here, we learn from this situation and take advantage of the new opportunities created by the pandemic for us.”

He added that amidst the pandemic, consumers have realised that health and wellbeing are extremely important, which translates to new opportunities for direct selling companies offering health food and nutritional supplements.

Datuk Tan reminded the delegates that while many people have lost their jobs during this trying period, direct selling offered them an avenue for an additional or alternative income stream. At the same time, he urged the delegates to leverage on the power of technology and digitalisation to reach out to their target markets. He assured the delegates that DSAM is striving to address issues in the industry while ensuring regulatory compliance and governance to create a safe and conducive environment for both consumers and direct sellers.



Addressing the delegates during his keynote address, Dato’ Sri Alexander said, “I must congratulate the Direct Selling Association of Malaysia for embracing the changes that have been put forth to us with the onset of the pandemic this year

by organising a virtual convention. This sets a good example to the people and shows that players in this industry respect the need to practise social distancing and the adoption of new norms in daily activities.”

Dato’ Sri Alexander said that the virtual conference was an excellent platform to reach a wider audience. He noted that the direct selling industry in Malaysia has seen healthy growth in the last few years with sales in 2018 hitting RM15.9 billion, higher than the targeted RM15 billion; and RM17 billion in 2019. As at September 2020, the sales figures hit RM17 billion, ranking Malaysia’s direct selling industry 7th in the world in terms of sales generated, and 4th in Asia Pacific by the Federation of Direct Selling Associations.



He stressed that the Ministry of Domestic Trade and Consumer Affairs is fully committed to supporting the industry especially during these difficult times. In line with that, the Ministry has embarked on initiatives to make it easier and more efficient for industry players to renew their licenses in accordance with the Direct Selling Act.

Dato' Sri Alexander also pointed out that under Budget 2021, the government is committed towards the full recovery of the economy through various assistance schemes and tax incentives offered to companies adapting to Industry 4.0 (IR4.0). "We are currently formulating a direct selling industry plan and we hope to work closely with the industry to set clear directions towards industrial empowerment and meaningful social economic development," he added.

DATO' DR LIM SIOW JIN, CHIEF EXECUTIVE OFFICER AND FOUNDER OF DXN HOLDINGS BERHAD

Speaking from Langkawi, Dato' Dr Lim reminded the delegates how rapidly the industry was evolving in the midst of digitalisation. "During the recent Bachelor Day Sales on 11



November in China, one day of sales superseded the whole year of sales of the top Direct Selling companies," he noted.

He explained that young Direct Sellers now prefer to shop online and are reluctant to attend physical meetings and training sessions. Recognising this trend, his company started holding virtual meetings and webinars, which turned out to be more cost-effective and well-received.

With this, the company was able to bridge geographical barriers and expand its operations rapidly. To-date, DXN has branches in over 80 countries and its products are promoted in more than 100

countries. However, challenges encountered include the actions of members undercutting prices of products when selling online, while counterfeits sold openly also continue to threaten the market.

Dato' Dr Lim also said that the direct selling business is also able to bring hope to families whose income have been affected by providing an alternative source of income through the sales of products.

"In Malaysia, FELDA and LADA (Langkawi Development Authority) have engaged DXN to help to provide training and processing of products, as well as marketing for farmers, B40 groups and single mothers," he added. Many members participated in this initiative and bought the products to show their support.

As the world evolves, Dato' Lim advised direct selling companies to go online and produce their own core products. He stressed that when products are unique, and sales increase, Direct Selling companies can enjoy economies of scale leading to higher profit margins. He added that the key to success in the Direct Selling industry today is to "go online, go social media and go product services".



LAM YU, MANAGING DIRECTOR OF INFINITUS GLOBAL

Streaming from China, Lam Yu said that the new year has brought about the new normal for the global economy and all industries, including direct selling. "Under this new normal, some doors have been closed temporarily, such as cross-border exchanges, cross border travel, as well as offline activities," he added.

Lam Yu stressed that these are only temporary limitations, however, the industry has to press on to continue to deliver products and services to customers.

ROGER BARNETT, CHAIRMAN & CEO, SHAKLEE CORPORATION AND CHAIRMAN OF THE WORLD FEDERATION OF DIRECT SELLING ASSOCIATIONS

Speaking from California, USA, Roger Barnett congratulated the direct selling industry players of Malaysia for a sterling 20-year track record that has stood the test of time and survived economic recessions and the pandemic as well as other unfortunate incidences.

He added that the direct selling industry is at a moment to rise and shine as well as to play an incredibly important role during this pandemic situation as people become more concerned for their health and wellbeing.

Roger Barnett stressed that as unemployment increases, especially among the younger generation, this is where the direct selling industry can help. With the pandemic situation and the closure of physical premises, consumers have begun to embrace and accelerate the transition to digital. "I strongly encourage every one of our member companies to accelerate and advance



your own digital platforms," he added.

SAM HEIN, DIRECTOR OF AUXANO MARKETING AUSTRALIA – SOCIAL MEDIA CONSULTANT AND DIRECT SELLING COACH

Sam Hein shared tips with delegates on how to reach outside their familiar social circles to expand their direct selling business. She advised that in connecting with people over social media, one has to "be yourself" and connect with other people on a personal basis.

She advised to make small positive changes to the way direct sellers do business which can go a long way in building the business.

"You don't have to be great to start, but you have to start to be great." She added that "the only impossible journey is the one you never begin".

The Direct Selling Association of Malaysia also announced at the virtual convention that it will donate RM60,000 to the Ministry of Health to combat COVID-19.



ELEVATING THE IMPACT OF GLOBAL DIRECT SELLING

BY TAMUNA GABILAIA, EXECUTIVE DIRECTOR AND CHIEF OPERATING OFFICER,
WORLD FEDERATION OF DIRECT SELLING ASSOCIATIONS



These are unprecedented times we are living in, with the current pandemic. It has profoundly affected the lives of millions of people around the world disabling entire communities and forever changing our lives. However, through the many video meetings and conference calls, I feel we have remained just as close, reaching into each others' home offices and living rooms, while working through these unprecedented times shared by everyone in every country. The main issues range from supply chain issues to maximising the customer experience, new tools and training for distributors, to name a few.

Since our industry is a relationship based, face-to-face industry, the social distancing measures which were implemented all around the world made in-person meetings impossible for the time being. At the same time, despite unprecedented challenges, we saw that our industry has not only been resilient but has also seen a wave of inspiring new ideas, innovations, adaptability and creativity even more than ever before.

We saw that our companies in just a matter of weeks have managed to move big, holding in-person meetings online while delivering amazing online events which allowed more people to participate than

during in-person events. Online parties also brought more sales. We will see that moving forward, our companies will utilise a hybrid model of online and in-person meetings and concentrate even more on enhancing seamless customer experience.

Due to the economic downturn caused by the pandemic which have resulted in massive layoffs and job instability, more people are turning to our industry for alternative sources of income.

We see that brick-and-mortar and online retailers are struggling in several ways including dealing with customers' growing desire to have personalised buying experience. Our industry provides personalised buying experience better than anyone else, and moving forward, we will continue to do that.

While in-person meetings have stopped due to the pandemic, we saw that the demand for training, product demonstrations and mentor relationship have increased. Some companies experienced unprecedented growth more than ever before due to increased demand for their products.

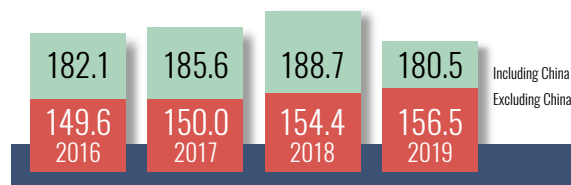
As WFDSA Chairman Roger Barnett noted, this is the right moment to Reimagine, Reinvent, and Redefine the role and contribution of direct selling for the next decade and elevate the reputation of our industry and expand our impact.

2019 GLOBAL DIRECT SALES RESULTS

THE WORLD FEDERATION OF DIRECT SELLING ASSOCIATIONS ANNOUNCED THAT IN 2019 THE GLOBAL SALES FORCE OF 119.9 MILLION GENERATED AN ESTIMATED RETAIL SALES OF USD180.5 BILLION.

GLOBAL DIRECT RETAIL SALES GROWTH 2016-2019

(USD Billions – 2019 Constant Dollars)



IN USD BILLIONS

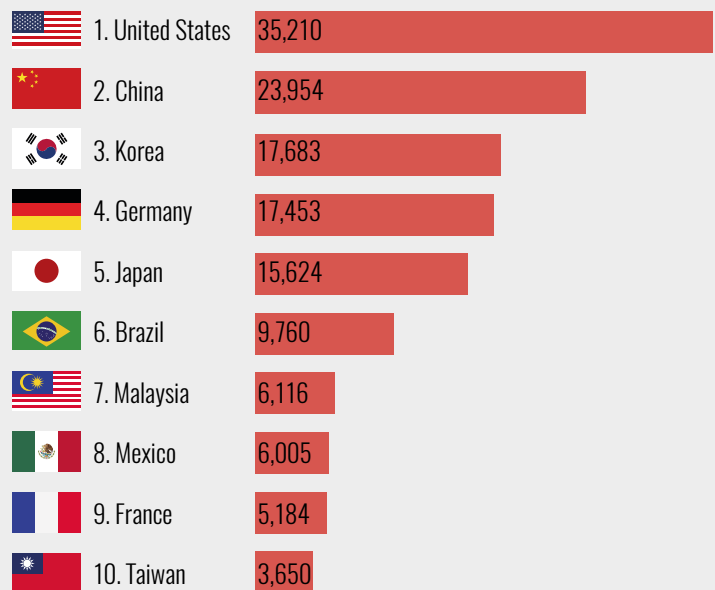
Excluding China sales, the industry continued growth with a three-year compound annual growth rate of 1.5% for the 2016-2019 period. (CAGR including China was -0.3%)

(Sales figures are expressed in 2019 Constant USD at estimated retail, less value-added tax.)

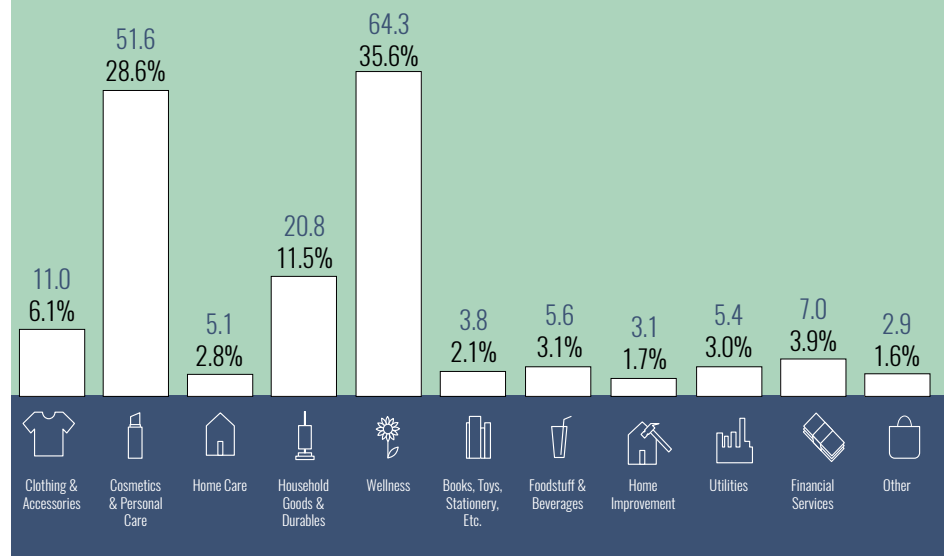
78% OF GLOBAL SALES
ARE GENERATED BY THE TOP 10 COUNTRIES

TOP 10 MARKETS – 2019

IN USD BILLIONS



GLOBAL DIRECT SALES SALES BY PRODUCT



IN USD BILLIONS

119.9
MILLION
PEOPLE INVOLVED IN
DIRECT SELLING

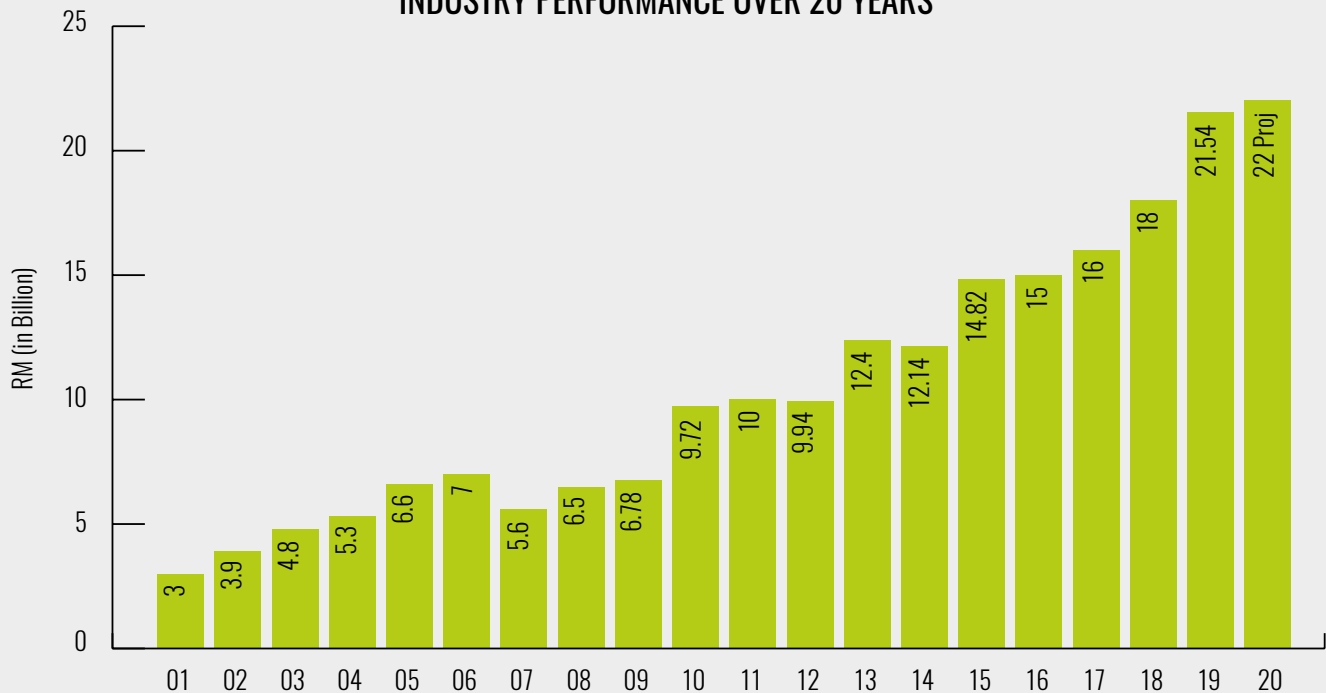
Of these,

74% are women and
26% are men



THE DIRECT SELLING ASSOCIATION OF MALAYSIA (DSAM) SHARES STATISTICS FOR 2020

INDUSTRY PERFORMANCE OVER 20 YEARS



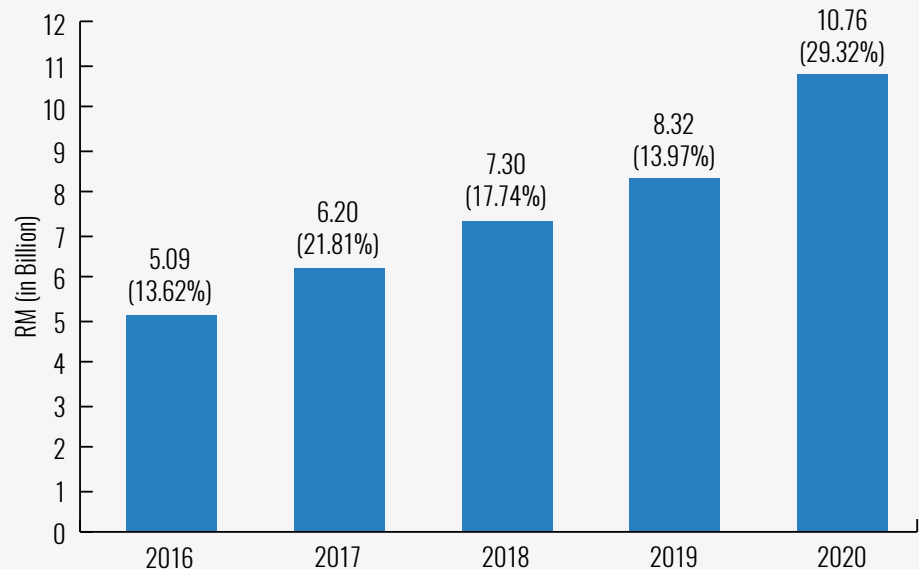
Source: MDTCC

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SAM's 123 members (as at December 31st 2020) recorded an annual sales turnover of RM10.8 billion in 2020, an increase of 29.32% compared to RM8.32 billion in 2019. Figures released by DSAM show that member companies' revenue have been on the rise since 2016 from RM5.09 billion.

The 2020 projected industry sales turnover provided by the Ministry of Domestic Trade and Consumer Affairs (MDTCA) was RM20 billion. From DSAM's long term trend analysis together with MDTCA's projection, sales were

DSAM ANNUAL GROWTH



Source: DSAM

expected to increase in 2020. In 2019, the direct selling industry as a whole achieved RM21.54 billion in sales, exceeding the RM18.5 billion targets.

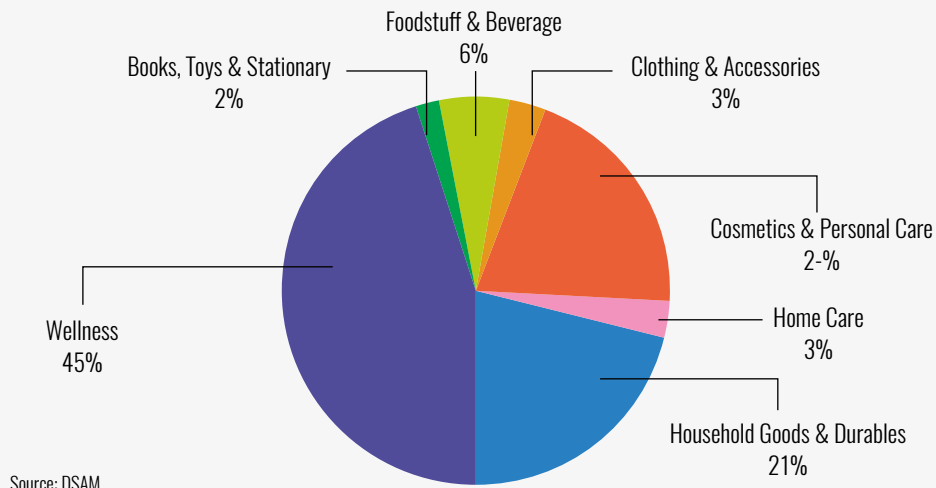
Statistics gathered by DSAM showed that wellness products continued to be the bestsellers in the country making up 45% of total direct selling products sold by member companies. Taking the second spot was household goods and durables at 21% while cosmetics and personal care products took the third spot at 20%. This was followed by foodstuff & beverages at 6%, home care, and clothing & accessories at 3% each. Last on the list were books, toys and stationery at 2%.

In the breakdown of sales methods, the traditional 'Person-to-Person' was the preferred method (41%) last year. However, the on-line sales method recorded a 34% increase compared to 22% the previous year while the party plan sales method took a dip from 33% in 2019 to 25% last year.

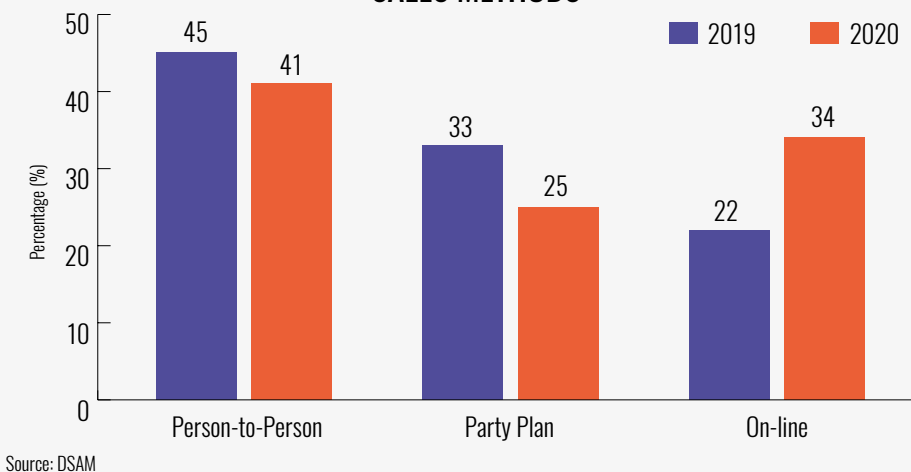
As for orders received, the preferred choice was online via computer and physical location with both tied at 30% each, online mobile accounted for 23%, phone 12%, traditional mall 3% and fax 2%.

Meanwhile, DSAM aims to increase its membership to 130 by the end of 2021.

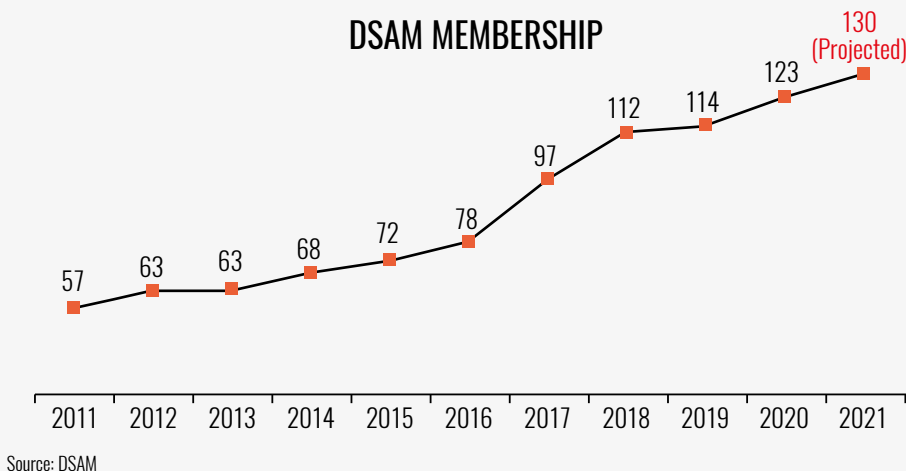
% OF SALES TURNOVER BY PRODUCT



SALES METHODS

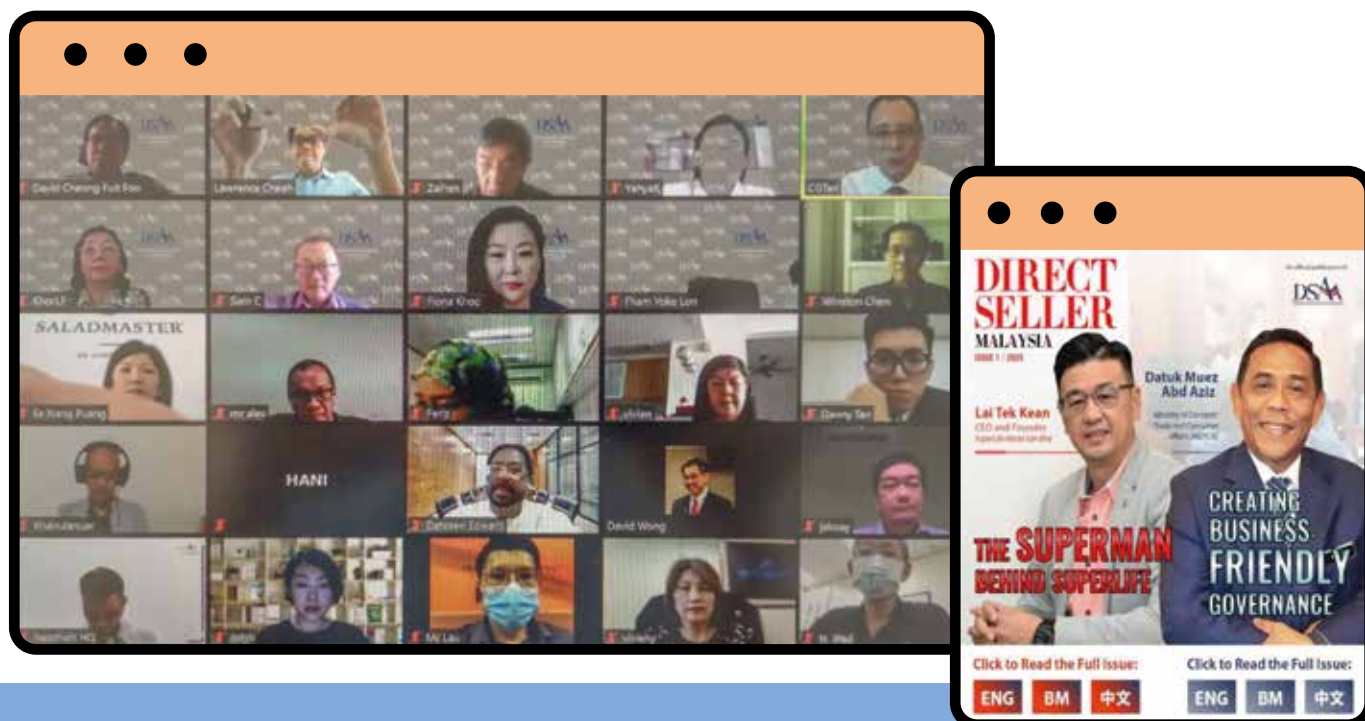


DSAM MEMBERSHIP



ANNUAL GENERAL MEETING & CEOs MEETING

Both meetings were held online due to MCO restrictions.



about 72 Members attended the virtual Annual General Meeting 2020 held on 11th June. The meeting began with the President of DSAM Datuk Tan Chong Guan's introduction of Fiona Khoo of Elken Sdn Bhd as a new Board Member. She replaces Ling Chai Fan who has since left Perfect Pentagon (M) Sdn Bhd. DSAM thanked Ling Chai Fan for her many contributions to the Association and the industry.

Treasurer, Khor Lee Fan then presented the Financial Report where it was announced that there would be a 30% discount on the 2020 Membership Fees for all Members. The Financial Report was duly passed and approved.

Secretary, Khairuddin Yahya then presented

the Board Report for 2019/2020. The election of Auditors for the ensuing year proceeded after the presentation of the Board Report. As there were no other matters raised, the AGM was adjourned.

The CEOs meeting began after the AGM where 10 new Members were welcomed to DSAM. Among the matters discussed included the rest of the year's activities in light of the ongoing pandemic.

The meeting ended with the announcement of the latest issue of DSAM's publication 'The Direct Seller', which was delayed due to the MCOs. The magazine can be obtained in bookstores and the links to the English, Bahasa Malaysia and Mandarin e-versions can be found in DSAM's website. Members can forward these links to their Independent Distributors.

ALL IT TAKES IS A DREAM

THIS IS THE FIRST IN A SERIES OF SHORT ARTICLES ABOUT DIRECT SELLING TOP LEADERS, DESCRIBING THEIR LIFE JOURNEYS, SUCCESS AND CHALLENGES IN THE INDUSTRY. IN THIS ARTICLE JURAIDAH MOHAMAD, INDEPENDENT DISTRIBUTOR IN THE DIRECT SELLING INDUSTRY SHARES HER STORY.

not many can believe that Juraidah Mohamad is one of the more successful women entrepreneurs in the Direct Selling industry. Juraidah, or fondly known to her peers as Kak Ju, began her career as an insurance agent. She was in this line of work for 14 years and had been earning a decent income with a comfortable lifestyle. One day, all of this was robbed off her as she had made a bad non-career related life changing decision. At one point, she was even on the verge of being declared a bankrupt. Penniless with a family of six to take care of, Juraidah had to act quickly to regain her footing in life.

She had heard of Direct Selling but had doubts whether to participate. After learning more and witnessing her husband's passion for the opportunity, she believed and took the plunge. It wasn't a bed of roses initially, and there were times where she felt like giving up. However, like many others in Direct Selling, she knows the only way is to push forward and to adopt a positive attitude to succeed. Using her skills from experience in the insurance industry proved to be handy as she was able to prospect for more customers and grow her business day by day.

Recalling her early days in Direct Selling, Juraidah shared that when she was at her most dire situation, she realised who her real friends were. Things also took a

sweeter turn for her as she found a mentor who wanted to help her succeed even further. Now, inching into her 8th year in the industry, Juraidah has no regrets. She is tougher and more resilient than ever with a goal to help as many people to achieve success.

In today's fast-paced environment, Juraidah knows the value of personal development. Hence she took the initiative to enrol in part-time classes for her Masters degree. Having graduated recently, Juraidah now has plans to pursue a Ph.D degree. Sharing her experience in learning new things at her age, she admitted that it wasn't easy. However, she often tells herself that learning doesn't stop at any age. As long as she has the will to learn, she'll keep doing so.

When asked about social media, she admits that social media plays a role in expanding one's business in Direct Selling. However, as a Direct Seller, it is still very important to have a 'personal touch' and connect with each customer personally through face-to-face meetings.

Through Direct Selling, Juraidah shares that she has experienced many beautiful memories. Some of them include her achievements of being recognised on both the local and global stage. To her, being recognised on a global scale proves that Malaysian Direct Sellers are equally as good as those from abroad.

Her goal now is to help as many



Juraidah with Rex Maughan, Founder, President, and CEO of Forever Living Products.

“At one point, I really didn't know what else to do – we couldn't even afford to purchase milk for our son.”

– Juraidah Mohamad

people as possible. She believes in always making an impact, and now with her greater influence, she hopes to be a role model and change the lives of thousands of downliners. Her greatest joy as a top leader in Direct Selling is coaching others to live their dreams. It makes her feel like a proud mum!

Reflecting on her experiences, Juraidah notes that being proactive, having an eye for detail and always looking forward to the future are some of the good qualities that an excellent Direct Seller should have.

“Today, I realise I am really living my dreams as I am earning the income needed for my retirement and for my children. You can do this as well. There are many opportunities in Direct Selling that are available now and this is the time for people to enquire more about this industry. Join Direct Selling and discover the new you!”



DIFFERENCES BETWEEN DIRECT SELLING AND ONLINE E-COMMERCE PLATFORMS

DIRECT SELLING METHOD

Direct Selling companies are engaged in the business of manufacturing, marketing and selling of skin care products, health care products, nutrition and supplements and other related products and services.

Direct Selling companies sell these products through a system where the products are sold through Independent Distributors authorized with a Distributors' Contract. Distributors undertake to market, distribute and sell the company's products and provide services thereafter, directly to consumers. These Distributors are provided training periodically to carry out these tasks.

The Direct Selling industry in Malaysia is governed by the Direct Sales and Anti-Pyramid Schemes Act 1993 (DSAPS). DSAPS was enacted in order to regulate the Direct Selling industry and in the interest of consumer protection. DSAPS defines what Direct Selling

is and has certain limitations to safeguard the industry and consumers, particularly the following:

SECTION 19A SALES THROUGH ELECTRONIC TRANSACTION

(1) No person shall supply by sale, or advertise for the supply of, through electronic transactions, any goods or services except in accordance with this Act or the Regulations.

SECTION 4 DIRECT SALES BUSINESS TO BE CARRIED OUT ONLY UNDER LICENSE

(1) Subject to sections 14 and 42, no person shall carry out any Direct Sales business unless it is a company incorporated under the Companies Act 1965 and holds a valid license granted under Section 6.

Direct Selling companies also sell through online channels via their websites and other social media sources.



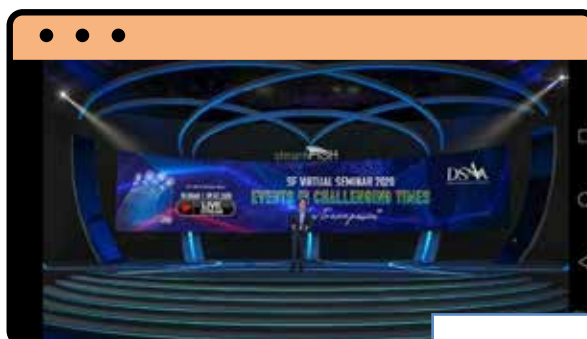
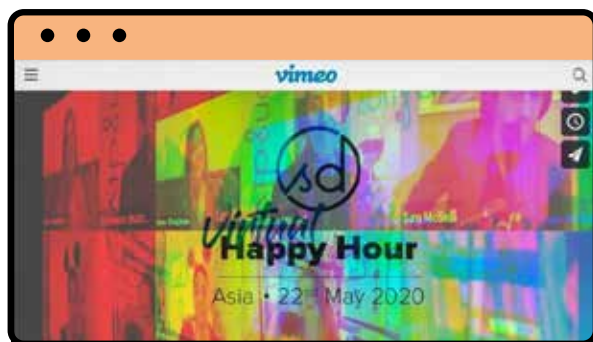
ONLINE E-COMMERCE PLATFORMS (OeCP)

Online e-Commerce Platforms (OeCP) are platforms provided for individuals to market and sell their products. Direct Selling products are sold on these platforms without authorisation from the Direct Selling companies.

OeCPs provide logistical support, delivery services, payment services, collection gateways, listing of the products, promotion of products and a percentage of all sales transactions. This makes the OeCP an integral part of every sale.

	Differences	DS company Online outlet	OeCP
1	Products sold are fully compliant with conditions set by the DSAPS and other relevant authorities thus making the sale legal.	Yes	No
2	Product prices are approved by the Ministry of Domestic Trade and Consumer Affairs (MDTCA) and cannot be changed without prior approval from the Ministry.	Yes	No
3	Products sold are approved for sale in Malaysia by MDTCA, Ministry of Health, Halal, SIRIM, etc.	Yes	No
4	Follow-ups, product explanation, product usage, etc, are given for all purchases when required.	Yes	No
5	Trademark and Logo infringement on every product sale.	No	Yes
6	Products are sold by Registered Distributors of the Direct Selling company.	Yes	No
7	Products could have been tampered with, repackaged, etc.	No	Possible. There are reports of such actions.
8	Consumer Protection granted by the Distributor and Company.	Yes	No
9	Protects the livelihood of more than 4 million Independent Distributors in Malaysia.	Yes	No

WEBINAR – HIGHLIGHTS IN 2020



The onset of the Movement Control Order (MCO) announced by the Government effective 18th March 2020 crippled almost all businesses in the country. DSAM, however, thanked the Ministry of Domestic Trade and Consumer Affairs (MDTCA) for its swift action in granting approvals for DSAM Members to conduct business via e-commerce which is one of the sectors recognised under essential services during the MCO. Arrangements between DSAM and MDTCA began the same day the MCO was enforced with the first approval received on 24th March.

Throughout the various stages of the MCO, the progressive introductions and amendments to the Standard Operating Procedures (SOPs)

were also conveyed to Members through emails. These SOPs ranged from the initial approvals for essential businesses to the latest SOP for hosting meetings, trainings and seminars.

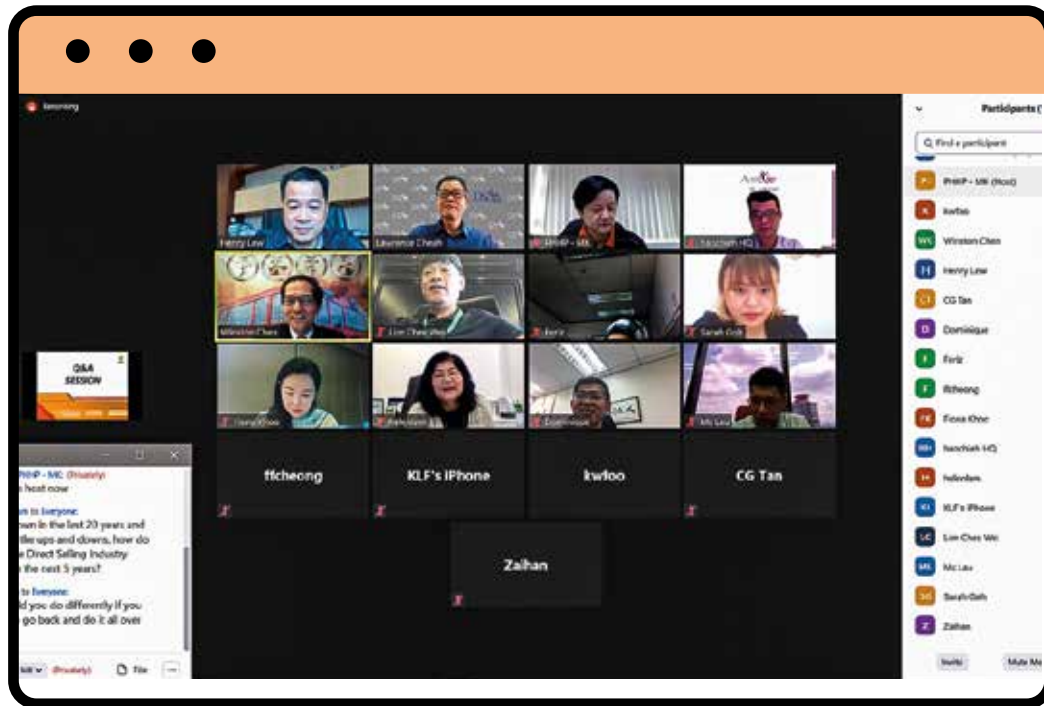
In preparing DSAM Members to navigate through the various MCO stages, more than 20 webinars were held in collaboration with Wong & Partners, Deloitte, and Ernst & Young. The professionals from these companies shared with DSAM members their interpretations of the SOPs and gave insights into adjusting to the varying conditions of the MCOs.

Several webinars were also organised by DSAM to provide alternatives for Members to help them adjust to the new norms post-COVID-19. These webinars began with an online meeting with Members on 8th May.

SOME OF THE WEBINARS CONDUCTED WERE:

- **Virtual Happy Hour by Song Division**
June
- **NEW NORMS FOR SOCIAL MEDIA, VIRTUAL PARTIES AND EVENTS FOR DIRECT SELLING COMPANIES**
by Auxano Marketing
June
- **MOVING FORWARD POST COVID-19: LEGAL ISSUES TO BE CONSIDERED**
by Wong & Partners
July
- **ORGANISING LARGE SCALE EVENTS IN CHALLENGING TIMES**
by Steam Fish
July

VIRTUAL FOUNDER SERIES



The Founder's Series is a platform for founding members of Direct Selling companies to share their years of experiences, events that made them start the company, motivation for keeping the company going, and challenges that they encountered along the way, among others.

On 27th August 2020, DSAM organised a virtual event via ZOOM, where Winston Chen, founder of PHHP Marketing (M) Sdn Bhd was the focus. In keeping the numbers of participants to a small group conducive for discussions, 17 participants attended the event. Among the areas that Winston spoke of included the values and beliefs of PHHP, its history and the challenges.

PHHP was founded in Johor Bahru, in 1996 and is a natural-based healthcare company with a corporate philosophy that stresses "People

Happily Helping People, Together We Share Peace, Harmony, Health and Prosperity". With its headquarters located in Taman Desa Cemerlang, Ulu Tiram, Johor, the award-winning company has since grown and now has 15 branches throughout the country to fully serve their distributors and customers in the fastest and most efficient way.

It has also set up a Good Manufacturing Practice (GMP)-compliant health food products manufacturing factory to produce high quality products.

PHHP also has its offices in Singapore, Thailand and Indonesia, and plans to expand its footprints steadily to other countries in Asia.

There were also many questions of interest raised by the participants about PHHP and Winston Chen's journey within the Direct Selling industry.