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Groundbreaking Study Reveals the Real Direct Selling

Direct Selling News

September 01, 2015

Company Spotlight

Jeunesse: One of the Industry's Youngest Companies Takes the World by Storm
by Courtney Roush



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Company Profile

Founded: 2009
Headquarters: Altamonte Springs, Florida
Executives: Randy Ray, CEO; Wendy Lewis, COO
Products: anti-aging
2014 Net Sales: \$419 million



The typical growth strategy of a direct selling company is to establish roots in one's home market, develop a brand, generate buzz, and then look to expand overseas. Jeunesse, a direct seller devoted to healthy and youthful living through a suite of skincare and nutritional products, took that approach and flipped it on its head.

"We were looking at U.S. companies who had great momentum initially, but who then would reach a saturation point around \$700 million to \$900 million. They couldn't break the \$1 billion mark," explains Scott Lewis, Chief Visionary Officer and son of Co-Founder and COO Wendy Lewis. So, while a lot of new companies might spend their first year stateside and focus their resources on the creation of a marketing brand, Jeunesse quickly turned its attention to global infrastructure in the Asia Pacific region. Taiwan was the company's first





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international market, followed by Hong Kong and Indonesia.

The result? In a matter of six years, Jeunesse has grown to have a presence in more than 120 countries, including 32 offices and 40 distribution centers, and a worldwide independent salesforce of 550,000. The company closed out 2014 with \$419 million in global sales. Eighteen of its markets post sales of more than \$1 million per month. "Our strategy of diversification has set us up for success and sustainability," Scott says. Perhaps the most exciting aspect of this growth, he adds, is that "none of our markets are anywhere close to saturation. In fact, as of last month, the company is already on a growth rate of over 190 percent compared to last year's numbers."

### Focused on Longevity

Jeunesse—which fittingly means "youth" in French—launched at 9 p.m. Eastern Time on Sept. 9, 2009. That's 9 on 9/9/09, by the way, and it's no coincidence; the number 9 signifies *longevity* in Chinese.

The company follows an "A to Z" checklist for market openings, though the details vary based on region-specific factors. "We adapt to the local market as much as possible, and the right leaders are absolutely essential," Scott continues. "Probably the most challenging aspect is working with the local DSA and regulatory ministries, presenting our business structure and compensation plan, getting approval, determining such details as whether we'll need a pay-in [cash] or pay-out system [interfacing with local banks and uploading commissions into direct deposit]."

He continues, "Rather than investing mostly in marketing and branding, we chose to invest our resources in establishing international infrastructure. It's been a full-time, behind-the-scenes effort, but by the time we refocused on the U.S. late last year, we'd already worked through most of the challenges that come with international expansion. We wanted to get all of that out of the way our first few years so we could meet the expectations of our distributors in the U.S."

Last year, during the company's annual conference (called EXPO, and held in different locations every year), executives proposed an ambitious goal of a \$50 million month—and, thanks to an army of distributors, they did just that last October. Jeunesse announced a record for monthly sales revenue in June 2015, with a grand total of \$120 million in global sales. More than 116,000 new distributors started a Jeunesse business that same month. "In 2015, we are focused on hitting \$1 billion—we're already more than halfway there," says Wendy, who was named one of DSN's Most Influential Women in Direct Selling in 2012 and 2014. She leads the company with her husband Randy Ray, who is Co-Founder and CEO.

Jeunesse ranked No. 258 on the 2014 Inc. 5000/500 list, with a three-year growth of 1,788 percent (revenue in 2010 was \$11.9 million; revenue in 2013 was \$224 million). This list measures the three-year revenue growth of 5,000 companies in the country, the first 500 being in the top 10 percent of private companies in America. To accommodate this rapid surge in growth, Jeunesse just acquired a new 130,000-square-foot headquarters in Heathrow, Florida, and on Sept. 1 opened Jeunesse West, a 40,000-square-foot facility in Draper, Utah, with 150 staff.

One significant milestone that could push Jeunesse closer to that \$1 billion goal is its March acquisition of nutritional products direct seller MonaVie and its health and fitness brand, myntTM. Although the integration process has been gradual, leadership of both companies hope the acquisition creates the perfect product experience for consumers while maximizing distributors' potential for sales.

Jeunesse isn't alone in its pursuit of the magic formula that can hit the pause button on the aging process, facilitate weight loss or otherwise promote improved quality of life. According to the U.S.-based market research firm Transparency Market Research, the global anti-aging industry is expected to exceed \$191 billion by 2019, while the global weight-management industry is said to exceed \$650 billion by the end of 2015, with the United States representing the largest share.

Wendy adds that Jeunesse's rapid international expansion gave them a competitive edge in these arenas and stemmed from the decision that "we didn't want to be at the mercy of any one country. The economy may be doing great in one market, but taking a temporary downturn in another. Tax rates are different among the markets. Spreading out to as many countries as possible, economic conditions begin to balance each other out." Jeunesse now has a presence in Africa (Nigeria and South Africa) and the Americas (Mexico, Latin America, the United States and Canada), plus an extensive presence in Europe (Israel is included in this category, along with 19 other countries) and an expanded Asia Pacific region that includes Australia, Taiwan, Japan, Korea, Thailand and Malaysia as well as others.

Recruiting the best regional management experts they can find, Randy, Wendy and Scott have taken great care to learn local business laws, establish entities, register formulas and products, and obtain licenses and proper labeling in each new overseas market. It's not an easy process by any means, but standard operating procedures and, above all, listening skills, have helped clear the pathways. "Some companies come into foreign markets and want to do things the 'American way,' but to be successful, you need to adapt to local cultures and customs," Scott says. It helps, too, that Randy and Wendy's background includes founding and later selling nationally ranked medical software and computer hardware companies, as well as providing back office solutions for startups, so they were familiar with some of the challenges inherent with any new business launch.

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**—Scott Lewis, Chief Visionary Officer**

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**Needed Treatment Opens the Door**

The concept for Jeunesse was born when Randy Ray, suffering from eroded cartilage in both knees, was seeking stem cell treatments. Randy had heard about Dr. Nathan Newman, a Beverly Hills, California, cosmetic surgeon renowned for his work with stem cells. Newman's injectable procedure was designed to regrow cartilage using a patient's own stem cells from fatty tissue.



Sales leaders take a boat excursion during Jeunesse's Emerald Experience in Hawaii.

While receiving treatment from Newman, Randy found out that eliminating knee pain wasn't the only thing these stem cells could do. Newman also had the world's only stem cell skincare facial serum that could minimize premature aging without scalpels or lasers. Randy and Wendy tried the serum, and the proverbial light went on. The couple had years of experience in the direct selling industry, first as distributors and later as company owners. Collectively, they'd taken several companies public and had no illusions about the hard work ahead of them, but they felt direct selling would be a great vehicle to get a youth enhancement system into the hands of global consumers and improve the quality of their lives.

The result was Jeunesse's flagship product, Luminesce, a cellular rejuvenation skincare serum that represented an enhancement to Newman's formula. While the company set its foundation on stem cell technology's ability to utilize growth factors to support the body's natural power to renew, restore and rejuvenate the skin, "we didn't want to just be a skin care or nutrition company," Scott says. Instead, the company set

out to create a niche with its Youth Enhancement System (YES). Following the international launch of Luminesce, Jeunesse next ventured into the nutritional arena with Reserve, a gel-based antioxidant supplement. In 2013, the company's product scope expanded with the launch of Finiti, a supplement designed to slow down the aging process by adding length to critically short or damaged telomeres, which are attached to chromosomes and are linked to aging.

Even while the company, based in Altamonte Springs, Florida, was working feverishly to develop its international infrastructure, the U.S. market has been thriving in its own right. Last year, though, is when explosive growth happened on home soil. During its Jeunesse University event in Orlando, Florida, attendees were treated to an on-stage demo of Instantly Ageless, an anti-wrinkle microcream that provides "over the top, dramatic results," Scott says. Once the product was in the hands of representatives and their customers, they began posting demonstration videos online, which went viral—so much, in fact, that "Inside Edition" and the "Rachael Ray Show" reported on the product because it was creating a stir on the Internet.

At the same time, Jeunesse launched in the United States Zen Bodi, a trio of weight-management products designed to cut cravings, burn fat and build muscle through a holistic approach that supports the youth enhancement concept. A supporting "Zen Effect" contest encourages consumers to share their before-and-after photos and transformation stories for the opportunity to win prizes ranging from a vacation to a shopping spree to cash. Collectively, Instantly Ageless and Zen Bodi have proven to be a revenue-generating powerhouse for the company and its domestic distributors. Prior to the products' launch in November, Jeunesse's U.S. market was averaging about \$2.5 million in revenue per month. In 120 days, revenue would increase to \$15 million per month in the United States. This explosive growth could be a sign of things to come; the Instantly Ageless™ and Zen Bodi lines have begun rolling out to eager audiences in Jeunesse's Asia Pacific markets.

Given the company's geographic reach, its distributor demographics are extremely diverse, though, like much of the industry, skewed toward the female population. Perhaps due in part to Wendy and Randy's expertise in the technology sector, distributors have access to technology that was tailor-made for them, including the "J-World" marketing system, comprised of back office, social and mobile components. J-Social, part of this marketing platform, is more than a connection to Facebook and Twitter. This system allows Jeunesse to build a shopping cart and video widget within any social media environment around the world. For a global company, this can be invaluable when dealing with so many individual markets. Distributors can create promotional video campaigns, sync them to the contacts in their mobile phones, and send them via MMS. The videos contain tabs that allow the recipients to call or text their



Co-founders Wendy Lewis and Randy Ray pose last year with two of the six Stevie Awards Jeunesse won for marketing, philanthropy and innovation.

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Jeunesse distributors with a single click. For training purposes, distributors also are given a "J-Drive," a bracelet synced to the J-Cloud and preloaded with presentation videos and tools, making their education completely portable. Scott credits this emphasis on technological innovation, along with the company's commitment to scientifically backed products and a family-oriented culture, for a recent uptick in Gen Y distributors in North America. "We're a truly multigenerational company now," he says. "We've broadened our reach, and now we're able to tap into ages 25 to 60-plus."

Trips are among the primary means of recognition distributors enjoy. Having just arrived home from Cancún the night before, Wendy rattles off a few of the other destinations she's visited with the salesforce over the years—an African safari, the Greek Isles, Tahiti, Dubai, Southeast Asia—"all of the things on my bucket list," she says laughing. Randy adds, "We're taking people places they've always wanted to go, but where they'd never treat themselves to a vacation."

**"As long as Wendy and I are in this industry, we'll be focused on others—helping them improve their lot in life."**

**—Randy Ray, CEO**



Through its charitable organization, Jeunesse Kids, Jeunesse has established a new collaboration with international nonprofit Free the Children.

### Joining Forces to Help Children

"As long as Wendy and I are in this industry, we'll be focused on others—helping them improve their lot in life," Randy says. That compassion and spirit of family reaches well beyond the relationships between employees and distributors. Leveraging its worldwide network, the company's own charitable organization, Jeunesse Kids, has a history of partnering with like-minded charities to deliver food and life-saving resources where they're critically needed.

In September 2014, during the aforementioned EXPO in Macau, Jeunesse announced a new collaboration between Jeunesse Kids and international nonprofit Free The Children. Through this partnership, Jeunesse Kids is working to build infrastructure in some of the world's most challenged regions, and relieve the burdens of poverty, exploitation and lack of access to education. Employees and distributors have contributed through monetary and in-kind donations to the Adopt a Village Program, which supports community development in eight countries. This support has led to the construction of more than 650 classrooms and provided clean water, health care and sanitation to approximately 1 million citizens worldwide. Construction was just completed on a school in rural China, and another project in Kenya is in the works. Distributors currently have the opportunity to earn an incentive trip to see the completed village in China, an exciting opportunity to witness and contribute to the company's greater mission to serve children in need.

What's the long-term plan for Jeunesse? The company's goal is to continue nurturing its expansive roster of global markets, enabling Jeunesse to become more deeply entrenched in the regions in which it has spent the last six years working to make a name for itself. "We've established a good footprint around the world, and we'll keep working to ensure the smooth delivery of products and a vast opportunity for those markets," Randy says.

"We're very much a company with a long-term vision," Scott adds. "We've diversified in such a manner that we have a strong global platform, a world-class brand, a sustainable infrastructure. Jeunesse has a family culture with a lot of heart and passion. We've established our culture of Generation Young, which is defined by looking young, feeling great and living life to the fullest. We have room to grow 100 percent next year due to our diversification. I believe whole-heartedly that Jeunesse is going to be one of the great legacy companies in network marketing."