

Home party plan

One of the earliest accepted business model which focuses mostly on group sales. The efforts of a consultant are not limited to a single customer, in fact, it's wide when the home party plan is considered.

Home party plan - An introduction!

Home party or party MLM plan is a compensation plan that levitates a consultant's effort by group sales. Inviting people over a salesperson's space and selling the products with proper introduction & presentation. Mostly, the product selling is set on a homely atmosphere.

Companies prefer this plan to increase the promotion of the products as well as to evoke a new marketing style - invite & sell!

The trickiest part for you will be managing the whole deal of the party MLM business. Managing the entire group sales without automation is out of the question. Consultants need it, party plan companies need it, even the guests need a profile to manage their bookings at the party. How to satisfy all these three groups?

You predicted that right. A fully compatible party plan software is the best solution. Also, the features are very much important while choosing an eminent system.

How does a home party plan work?

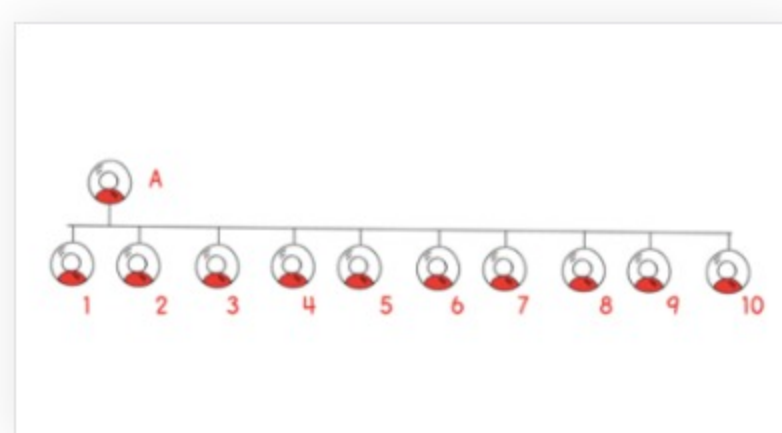
Home party business follows a simple process - 'Invite & Sell!'

Home party sales company recruits consultants (distributors of home party business are known as consultants in party plan). These consultants will use their personal circle of people or start to socialize with people. The consultant also known as salespeople use their circle and invites them over to their residence.

The consultant welcomes guests and makes them comfortable! Their comfort matters, once it is satisfied, they are introduced with products. Usually, the party plan is popular among women rather than men. However, nowadays the plan has started to gradually influence other groups too.

One who invites people over to their place is known as 'host' and the people who attend the sales party are 'guests'. The host introduces the products to his/her guests, they speak about its use, compatibility, benefits, price with offers, etc.

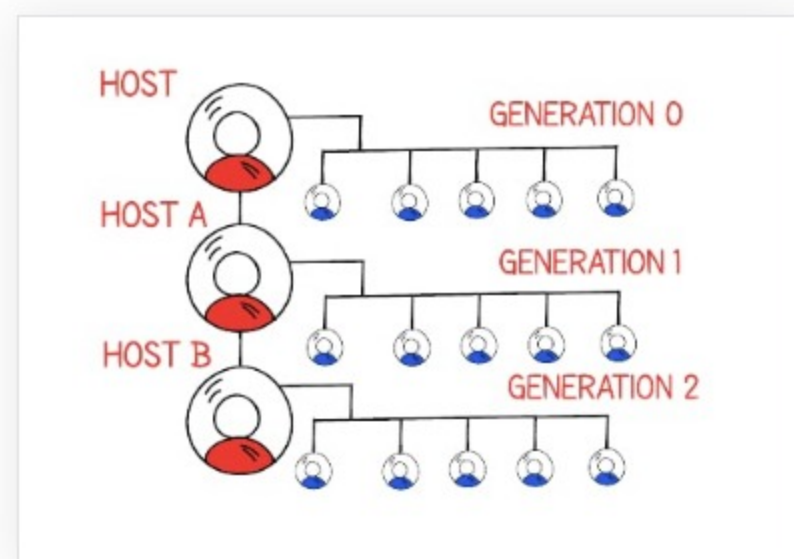
Hosts make the sales event interesting with a theme, an appealing presentation sky up sales. Guests who like the products buy them, and the sales are counted under the host's name or consultant. If the host managed to sell products to 10 members then the sales tree look like,



(Home party plan working)

Thus the sales tree will look like a unilevel tree. This tree belongs to individual sales made from the effort of the host himself/herself. So, in a single product presentation, the host will manage to find multiple sales opportunities. Thus group sales are promoted!

Apart from the sales, there exists another group who wants to host their own party. This group would express their desire to host their own party with their circle of trust. Hence home party sales is then represented as a generation tree.



(Party plan sales tree)

In this case, Host A & B are the people who become the new hosts and set sales parties. The customers under them are the result of their efforts during their home party sales. Party sales companies thus get good promotions and sales.

Compensations in the party sales plan

Compensations keep party sales more productive for companies as well as the consultants.

Direct sponsor bonus:

Bonus received for sponsoring new members to the network.

Example: Two guests who attended the sales party hosted by consultant X liked the idea of the party sales event. So they expressed their desire to host their own party. Consultant X thus joins them to the network and receives 10% of their joining package as a direct sponsor bonus.

Generation bonus:

The sponsor receives a percentage of sales made from the generation groups as a bonus.

Example: The two new hosts under consultant X are represented as generation 1 & 2 respectively. The sales made by these two hosts are \$5000 and \$4000. The party sales company is providing a percentage of their sales volume as a generation bonus and is set for 5%.

- Consultant X receives 5% commission for \$5000.
- X also receives 5% from the next generation i.e. \$4000.
- In total X gets \$450 (5% of (\$4000+\$5000)).

Fast start bonus:

Bonus received once the consultant or team achieve a specific target.

Example: Company sets 10% of sales volume as a fast start bonus.

If consultant X, the host, managed to make a sales volume of \$8000 from his first two parties then he gets \$800 as a fast start bonus.

Rank bonus:

Bonus achieved once the consultant progress to higher ranks.

Example: Consultant X upon reaching \$10000 sales volume advances from rank 1 to rank 2.

- Consultant X receives \$500 as rank bonus.

Advantages of party MLM plan

Group sales: Home party plan encourages group sales, a single presentation result in multiple sales.

Vast opportunity: Opportunities are endless as the business is open for group sales from one host to another host.

High income: As the opportunity becomes vast, the plan offers high income equally for consultants as well as party sales companies.

Hybrid party plan

Like every compensation plan, a party MLM plan can be combined with other plans.