



## The 5×5 Multi-Level Network Marketing Business Model

(Reseller / Independent Business Owner – IBO Model)

### Executive Summary

Omotergents is a direct selling and network marketing company distributing household cleaning products through resellers or Independent Business Owners (IBOs).

The model combines:

- Low joining fee (R100 once-off)
- Affordable product pricing
- Strong retail margins
- 5-level recruitment commission
- Performance-based qualification system

The focus is on product sales first, with team-building as an optional growth strategy.

### Vision

To become South Africa's choice and most accessible household cleaning brand while creating income opportunities for thousands of families.

### 1. Membership Structure

Joining Fee

- R100 once-off
- Covers registration, onboarding, digital training & admin

⚠ No commissions are paid from joining fees.

All earnings come from product sales.

## 2. Product Model

Product: Pack of 5 cleaning detergents

IBO / Resellers Purchase Price: R150.00 per pack

Recommended Retail Price: R180.00 per pack

Retail Profit Per Pack:

$R180.00 - R150.00 = R30.00$  profit per pack

Example:

If an IBO sells 40 packs per month:

$40 \times R30.00 = R1,200.00$  retail profit

## 3. Compensation Plan (5 Levels Structure)

Each IBO may recruit 5 people.

Commissions are earned on product purchases made by recruits.

### Commission % per Level

Level 1 10%

Level 2 8%

Level 3 6%

Level 4 4%

Level 5 2%

Commission is calculated from the R150.00 IBO purchase price.

## 4. Commission Per Pack Breakdown

### Commission % per Level per Pack

Level 1 10% R15.00

Level 2 8% R12.00

Level 3 6% R9.00

Level 4 4% R6.00

Level 5 2% R3.00

## 5. 5×5 Network Structure Growth

Each IBO recruits 5 people.

Team Size Potential (5 Levels)

Level 1 → 5

Level 2 → 25

Level 3 → 125

Level 4 → 625

Level 5 → 3,125

Total Possible Team = 3,905 IBOs

## 6. Income Example Scenario

Assume:

Each IBO buys 20 packs per month.

### **Level 1**

$5 \times 20 = 100$  packs

$100 \times R15 = R1,500$

### **Level 2**

$25 \times 20 = 500$  packs

$500 \times R12 = R6,000$

### **Level 3**

$125 \times 20 = 2,500$  packs

$2,500 \times R9 = R22,500$

### **Level 4**

$625 \times 20 = 12,500$  packs

$12,500 \times R6 = R75,000$

### **Level 5**

$3,125 \times 20 = 62,500$  packs

$62,500 \times R3 = R187,500$

Total Recruitment Commission Potential:

R1,500

- R6,000
- R22,500
- R75,000
- R187,500

= R292,500 per month

Add Personal Retail Sales

$20$  packs  $\times$  R30 = R600

💰 Total Potential Monthly Income:

$R292,500 + R600 = R293,100$

(This represents full 5×5 duplication and active qualification.)

### **7. 3-Month Consecutive Sales Qualification Rule**

To earn recruitment commissions:

- ✓ IBO must sell products for 3 consecutive months
- ✓ Must meet minimum monthly purchase/sales requirement depending on your level (example: 10–20 packs)
- ✓ If one month is missed → Recruitment commissions pause
- ✓ After restoring 3 consecutive months → Commissions resume

This ensures:

- Active sellers only earn team commissions
- Focus remains on real product movement

- Long-term sustainability
- Compliance and legitimacy

## **8. Business Sustainability Strategy**

Omotergets emphasizes:

1. Retail-first mindset
2. No income from sign-up fees
3. Affordable everyday product
4. Controlled 5-level payout
5. Performance-based earning

This reduces risk of:

- Inventory loading
- Passive recruitment-only behaviour
- Unsustainable payouts

## **9. Company Revenue Model**

Company earns from:

- Product manufacturing margin
- Wholesale distribution margin
- Volume scaling

Commission percentages are structured within product margins to ensure profitability.

## **10. Growth Strategy**

- Township & rural entrepreneurship programmes
- Church & stokvel partnerships
- Youth empowerment programmes
- Bulk cleaning contracts
- Incentive bonuses for top sellers
- Monthly performance recognition