

"The New Wellness Revolution"

Week 1 of 2

Monday Call, March 16, 2015

- The next "Mannatech Now" meeting at Corporate Offices... is Tuesday March 23 at 7:30 PM
- Mannafest 2016... April 6-10 register today!!! Plan to be there!!! Register at events.mannatech.com Keynote Speaker: Eric Worre
- Third BP of Incentive... now is the time to focus! Build your business. See you on the Mexican Riviera!!

Paul Zane Pilzer's newest book (2007)

"My objective is to illustrate how great an opportunity there is in wellness, and to stimulate your mind to apply your own background, education, and life experiences to becoming an entrepreneur in the wellness industry."

1. The Revolution Continues

a. His first book in 2002

- 1) Missed how quickly gov't's would embrace wellness food standards
- 2) Missed the lack of voluntary conversion of many sickness and food industry providers to wellness
- 3) Missed the extent to which bifurcation in US and other developed nations would continue into wellness "haves" and "have not's"
Millions embraced wellness but even more millions turned the opposite direction (obesity numbers 65% and mounting type 2 diabetes make US medically look like 3rd world nation).

These trends..."have greatly accelerated the need and opportunity for more wellness entrepreneurs."

b. Listed many wellness revolutionaries he honors.

c. Wealth has also started distributing to more people...1991 to 2001 doubled number of millionaires in US; by 2016 predicted to be 3X 2001.

"The more people increase their wealth, the greater proportion of their income they spend on wellness."

All of the Top 10 on Forbes 400 were born poor or middle class. "Great success is now, more than ever before in human history, about making a choice."

d. Wellness trends highlighted in *The New Wellness Revolution*:

- (1) The "WR" began in the US but is growing even faster internationally
- (2) Wellness today is primarily a grass-roots movement driven by entrepreneurs and small businesses.
- (3) Some large sickness-oriented food companies have switched sides
- (4) Retailers and restaurants formerly only sickness industry have switched
- (5) This same switching did not take place among sickness industry participants

- (6) Thousands of new wellness products and services have come to market
- (7) From 2004 to 2007, enormous changes in health insurance (HSA's, HRA's) to allow employees and individuals to invest in their own wellness
- (8) In 2005 the cost of providing US employees sickness health benefits exceeded profits for the Fortune 500 threatening their existence
- (9) Despite the Wellness Industry rising from \$200 to 500 billion in 5 years, the untapped market grew (adults obesity up 4%, childhood up 10%)

The New WR explains how the population of every developed nation continues to divide itself into two opposing socio-economic groups - those who are fit and healthy and take care of their wellness and those who don't.

Terrible phenomenon has catastrophic economic and social consequences.

- (10) I've joined the wellness revolution as an entrepreneur.

2. Why we need a Revolution

a. "Entrepreneurs and revolutionaries are really the same kinds of people born into different circumstances. Both see the status quo in need of change, and both are willing to take the risks, and reap the rewards, of changing it."

Revolutionary leaders are necessary to instigate and implement reforms.

b. No longer "rich fat man" now poor is directly tied to obesity...poverty equals obesity.

c. Understanding how the food industry works today is critically important for entrepreneurs wanting to lead and/or participate in the wellness revolution. packaged food companies employ brilliant minds to manipulate consumers...and would never touch what they promote

d. "Over the short term, these vitamin, mineral deficiencies manifest themselves as mood swings, lack of energy, joint pain, failing eyesight, hearing loss, and thousands of other ailments that medical science tells us to accept with advancing age. Over the long term, these deficiencies cause major illnesses like cancer and heart disease."

NOTICE: Tobacco companies were nailed on addictive additives to cigarettes, so all they did was become some of the major food companies and use these same strategies to destroy our health! Phillip Morris is 2nd largest food company in the world.

e. Medical industry: just like obese customers are the target market of food companies, physicians are the target market of the drug companies! There are tremendous savings out there on just shifting to better drugs, generic, or most importantly getting off all the drugs!

Drug companies say price is due to research? NOT. Much research is gov't financed, and secondly, marketing is their #1 expense today not research!

Prescription costs today represent the #1 cost for most over 65 US citizens. Many are forced to choose to purchase food or medicine.

SAD FACTS: 1) it is more profitable for medical suppliers to produce products consumers need to use the "rest of their lives" than health solutions.

2) The third parties that pay for most medical treatments have NO long-term

financial stake in the health of their employees.

The \$1.3 trillion food industry creates most of the problems! The \$2.0 trillion medical industry treats only the symptoms for the most part, and it adds up to an "apparent" vast, nefarious conspiracy.

f) How about using good advice to destroy customers? Like when the 1990's advocated low fat diets: food companies added "No Fat" on many of their products that never had fat, just tomes of carbohydrates and/or sugar that created massive fat once in the body! Much fat reduced in products replaced by sugar to taste good! Were they trying to help the health issue in the country? NOT A CHANCE.

g) Why don't we know more about this? Major disinformation campaign by food and drug companies who have major ad campaigns on public TV. Our gov't is largely part of the problem today just look at their waistlines!

h) Economic solution for an economic problem: build a business in the wellness revolution in that as resources for wellness become less costly, more in the lower income levels will demand them.

i) Our wellness industry exists in large part due to the greatest revolutionary of our time: J.I Rodale founder of *Prevention* magazine

His main argument in 1954: eating large quantities of red meat and dairy products dramatically increased the risk of heart disease and that physical activity actually decreased the risk of having a hear attack. FTC went after him claiming his statements were unsubstantiated (at a time when the gov't was pushing everyone to eat more meat and dairy products). He fought this for 20 years, passed away in 1971 soon after which the gov't reversed it's position, no longer requiring advertisers of information based products to establish the efficacy of their claim.

Today *Prevention* magazine has 12 million readers.

j) Traditional western medicine rejected wellness: after scientists in the 19th and 20th centuries became heroes after eliminating certain diseases (smallpox, polio, tuberculosis), they became arrogant rejecting all other "witch craft cures."

NOTE: Today we know the critical biochemical functions performed by exercise, vitamins, minerals, and nutritional supplements, take place on a molecular versus a cellular level. And because each cell is composed of trillions of molecules, these functions cannot be detected with an optical microscope.

Led most of Western med school training to virtually ignore importance of vitamins, minerals and natural supplements. Electron microscope opened a door to understand the importance of these nutrients at cell level.

k) Economically we live in an incredible time...wealth surpassing anyone's wildest dreams. However, our plague of obesity and ill health brings more unhappiness than anything else. And we are sharing our plight!

3. The Baby Boom Generation: Understanding and Controlling the Demand for Wellness

a) The Baby Boomers are still about 28% of the population and control about 50% of the nation's wealth, and they hold their youth as most dear (this book was written in 2007).

b) By 2012 Gen X (1965-1982) will be entering their most productive and highest spending years. They will take on the wellness push made by the boomers.

c) Keynesian economics suggested to tax the rich more so as to not allow them to get too satiated and breed complacency. And the over saving seemed logical. Although wrong on both assertions, (since our economy works on spending and if any segment of our society has lost their incentive to work it is the very poor) it is something we truly can learn from.

d) Important to know that almost 95% of the things we spend money on...were not even around when we were born. The same will be true with wellness.

The reason for our unlimited demand is it is both quality and quantity demand: **Quantity demand** is wanting more of something you already have...another TV, a second car, a bigger house, etc. A savvy retailer knows that a purchase by a satisfied customer is just the beginning of the relationship.

Quality demand reflects the appetite for a different or improved kind of product. Once quantity demand is sated, quality kicks in and then after quality it goes back to quantity demand.

Ignoring quality demand is a major mistake. "The most successful wellness companies today manufacture or distribute the highest-quality (which often means the highest-priced) wellness products and services."

e) What triggers greater demand? A wellness experience.

f) Structural Unemployment is unemployment that comes from technology changes. Unemployment can lead to economic growth. He reviewed the 10 fishermen story.

Can't stop structural unemployment without destroying your economy.

g) Five distinct characteristics of pervasive industries:

- 1) affordability
- 2) legs
- 3) continual consumption
- 4) universal appeal
- 5) low consumption time

Wellness fits these perfectly.

Vitamin mineral business and nutritional supplements is one of the fastest growing sectors of the wellness industry. Until recently we used these nutrients to prevent specific diseases like scurvy, or beriberi. Today we are taking all of them because they are now clearly deficiencies in all of our lives.

"Today over 50% of Americans take some sort of nutritional supplement" this was 2007, today we know that is closer to 65%.

Once a positive response, great demand and from greater demand for quantity comes the demand for greater quality.