

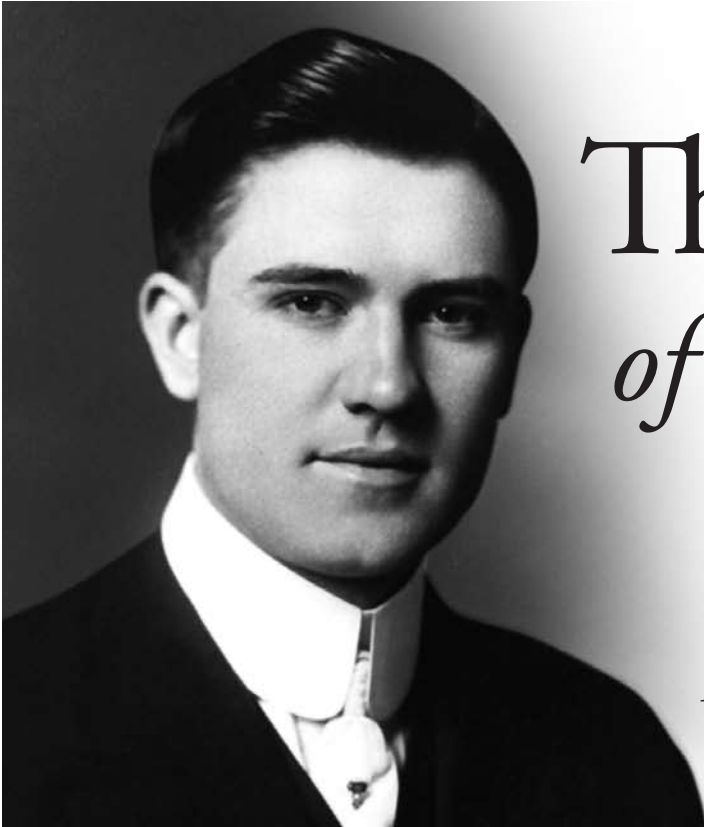
Direct Selling *News*

Serving the Direct Selling and Network Marketing Executive

Volume 2, Issue 11 November 2006

Top Desk

with Roger Barnett



The POWER *of* One Man's DREAMS

A Tribute to Dr. Forrest C. Shaklee



It all started with a thought:
We are what we think.

That thought inspired Dr. Forrest C. Shaklee to achieve many things, including creating The Shaklee Corporation. In our 50th year, it seems fitting to honor Dr. Shaklee for being a true visionary who developed a unique philosophy, which

continues to guide Shaklee to this day.

For 50 years, Shaklee Corporation has been leading the way in natural health products and sustainable business practices. Dr. Shaklee had been leading the way even longer.

In 1915, Dr. Shaklee invented Vitalized Minerals, one of the first multivitamins in the world. Then, in 1956, Shaklee Corporation helped pioneer both the nutritional supplement industry and a distribution method that rewarded sales based on the success of a team rather than just an individual.

When everybody else was celebrating the creation of plastic and synthetic materials, Dr. Shaklee turned to nature, finding the purest natural ingredients for vitamins and making one of the first biodegradable household cleaners in the world.

When everybody else was spending their marketing dollars on advertising, Shaklee invested what would amount to billions of dollars

in rewards to people who shared our message of health. Not to mention hundreds of millions of dollars in research and development.

Today, Shaklee has grown into a multinational success with thousands of products and more than 750,000 distributors. And it all started 50 years ago from the vision of one man. What we learn from reflecting on Dr. Shaklee's approach to business and life can benefit anyone interested in, to use Dr. Shaklee's own words, "doing well by doing good."

Some of Dr. Shaklee's more famous statements, while well-known in the corridors of Shaklee, may resonate with others in our industry. In honor of Dr. Shaklee, here are a few of his words of wisdom.

"Your future will be exactly what you think to make it."

Dr. Shaklee's early prognosis for a long and healthy life was not good. As a young boy, Dr. Shaklee was in poor health, but found that through a diet of fresh vegetables and exercise he could greatly improve his health.

From the earliest possible age, Dr. Shaklee was made to understand that wellness has everything to do with good nutrition, a healthy environment, exercise and a positive outlook. He learned the importance of following your dreams and pursuing your interests—despite what others think.

In one lifetime, Dr. Shaklee mastered many professions—he was a scientist, philosopher, inventor and pioneer—yet each centered on helping people lead better lives. To those he could not personally help, Dr. Shaklee wrote books on "Thoughtsmanship," or his belief that it's

Direct Selling *News*

Serving the Direct Selling and Network Marketing Executive

Volume 2, Issue 11 November 2006

our approach to life that matters. As Dr. Shaklee said, "What you think, you look. What you think, you do. What you think, you are!"

"Progress is the direct result of service to others... the greater the service rendered, the greater the progress."

Dr. Shaklee believed in helping others become more positive so they could accomplish more. And in 1956, in his seventh decade—a time when many his age were happily retired—Forrest C. Shaklee and his two sons formed The Shaklee Products Company. The three men vowed that unless a product was the finest of its kind on the market it wouldn't have a Shaklee label. Their business credo was the Golden Rule, and they selected a person-to-person selling system for a number of reasons. First, it seemed the best way of providing information and personal service to each customer. And second, it also meant that, if the business became successful, others could prosper from it. Dr. Shaklee felt that a plan that rewarded people for lifting others to success made both philosophical and business sense. At their first recruiting meeting only six people showed up, but all six became distributors. Even as business grew, Shaklee Corporation has remained focused on the direct sales approach because it is the personal contact and services that give greater value to the customer, more than any other system of marketing. Dr. Shaklee was right. And it is a testament to his vision and business acumen that he lived to see Shaklee become a *Fortune* 500 company.

And yet Shaklee is more than just a business. Dr. Shaklee often referred to his distributors as "family" and that sentiment continues. The Shaklee family has an abiding interest in helping others. That's why we formed Shaklee Cares, a nonprofit organization founded 15 years ago in the wake of Hurricane Andrew to help people directly affected by natural disasters and emergencies. It's also why we have supported such pioneers in their respective fields as Jacques Cousteau, and his efforts to understand and preserve the oceans, and Edmund Hillary's American Himalayan Foundation, which he founded to help preserve Mt. Everest and help the region's people. Most recently, Shaklee has committed to working in concert with the United Nations to advance the quality of life in the world's poorest villages.

"I'm interested in building health."

Whenever Dr. Shaklee was asked when his interest in health began, he would answer that it began with his birth. His goal was to change the world, person by person. His approach was to offer products that improved people's health and their interaction with nature.

Dr. Shaklee understood the difference between health maintenance and disease treatment. Dr. Shaklee said, "I never belittle the medical profession, but we are in two separate fields of endeavor. They are trained to treat disease. I'm interested in building health."

In 1928, Dr. Shaklee prescribed a sensible diet regimen quite similar to that recommended by the United States Department of Agriculture today. It contained whole wheat bread, vegetables, fish, and white meat of chicken, no sugar and no fats. Egg yolks were restricted, while egg whites were permissible. He understood the impact of a healthy diet on one's health, and he presciently knew which foods were the healthiest and which to avoid.

But Dr. Shaklee did not stop with establishing dietary guidelines. His healthy respect of nature drove his passionate interest in science

and ways to formulate products that were based in nature and focused on health improvement. Dr. Shaklee's first product, Vitalized Minerals, was introduced in 1915—just three years after a Polish biochemist, Casimir Funk, coined the term *vitamins*. This first Shaklee product was a pure, unaltered, concentrated powder compounded from a variety of vegetables. In those days, the values of minerals were only partially understood. The Shaklee compound seemed to have something extra and so it was named Vitalized Minerals.

Dr. Shaklee was a curious and patient man. He understood that it often took decades for nature's creations to reach their full potential, so it was of little importance that he spent 24 years to select what he viewed was the "ideal protein source that would retain its values in a food supplement form." His answer was the soybean and, again, Dr. Shaklee predated the soy phenomena by decades.

Even as his business grew, Dr. Shaklee's interest in science and experimentation never dissipated. He cultivated an experimental garden, which consisted of organic vegetables and greenery grown in sea sand, on the roof of his office building. The sand was fertilized with Shaklee's Vitalized Minerals.

"I wanted a company that would improve the lives of everyone it touched."

Shaklee Corporation was founded on three inseparable components—products in Harmony with Nature™, a philosophy of helping others and a lucrative business plan. Today nothing has changed, and yet everything has changed.

Dr. Shaklee's love of the planet and a distributor's allergic reaction to regular soap were the drivers behind the introduction of one of the first biodegradable cleaners in 1960—decades before green became more than a color. In his mind, there was no way to separate the health of the planet from the health of the individual. And it continued with a patented, phosphate-free dishwashing detergent.

Shaklee has never changed any of its practices to become an environmentally friendly company. We always seek to use natural and sustainable ingredients, recycle and try to minimize our carbon footprint. The terminology may have changed and the direness of the situation may have increased, but an environmental focus remains a commitment of the organization. That's why we became the first company in the world to be Climate Neutral™ certified and it's also why, just last month, Shaklee was awarded a leadership position in the Environmental Protection Agency's Climate Leaders program. In our new role, we have pledged to offset 100 percent of our greenhouse gas emissions from 2006-2009.

Shaklee continues to offer products that promote the health of people and the planet. But now more than ever, Shaklee's environmental heritage, the idea of living in harmony with nature, resonates with people around the world. We're fortunate that others are coming around to appreciate Dr. Shaklee's way of thinking.

As we begin our 51st year, Shaklee's approach to health, its philosophy of Harmony with Nature, unlimited financial opportunity, and concern for others flourish across borders and oceans. To this day, Shaklee demonstrates the contagious power of one man's dreams. 🌱

Roger Barnett is Chairman and CEO of The Shaklee Corporation.