

# The Longaberger® Company

Dec. 21, 2004

Dear National Sales Leaders and Branch Leaders:

This is my last letter to you this year, and I want to take this opportunity to let you know how much I'm enjoying working with you and our ongoing communication through our meetings, e-mails and phone conversations. I'm looking forward to spending time with many of you and having more good dialogue in Columbus at the Buzz. We believe 2005 has great promise for you and your sales teams.

October and November were good sales months for us, but December sales were disappointing. **As you know as a leader, now is the time to establish momentum for 2005.** This letter outlines what we're doing to support your leadership by providing additional opportunities to get you and your business off to a strong start in January and to build 2005 momentum. This communication will focus on 1) Hostess Appreciation Month, 2) Hostess Early Bird Special – NEW!, 3) January Sale, and 4) January Sales Incentive – NEW!

This week, Andrea is e-mailing a letter to all home consultants to reinforce important messages. Please see that letter in the issue of *Longaberger Weekly* that follows. **We are not mailing this letter, and we are relying on you to get this good news to any of your home consultants who do not receive e-mail.**

## 1. January is Hostess Appreciation Month

There were **78,000 hostesses in October with \$250+ shows** as part of the Hostess Appreciation program. This translates to a significant opportunity for you and your team members. Let's make a special effort to get ALL of those hostesses booked in January so they can earn their Hostess Appreciation Basket. **As you know, the key leadership action is to encourage all home consultants to call every October hostess to book that January show.**

We at the Home Office know what a busy time of year it is for you, so to support your efforts, we've sent a postcard this week to the 78,000 October hostesses with \$250+ shows. **Now they're waiting for a call** from their home consultants, if they haven't heard from them already. Challenge your teams to get on the phone and book those shows with them now!

## 2. Hostess Early Bird Special – NEW

And there's even more for hostesses in January. To help everyone's business get off to a fast start, **we're adding a free, retired Longaberger Basket for all hostesses with shows of \$350+ from Jan. 1-16** (orders postmarked by Jan. 18). That means Hostess Appreciation hostesses can earn TWO free baskets... and your home consultants have even more to offer ALL their hostesses (and even their best customers). To be clear, the Hostess Early Bird Special is available to EVERY hostess (not just those who had October shows). **Again, the leadership action is to make sure your home consultants understand this opportunity and call their hostesses now.**

## 3. Momentum from the January Sale

The January flyer shows an exciting selection of products available at very special prices this month. All of us enjoy getting a great deal, and many of your customers look forward to this sale all year. In Andrea's letter, she urges home consultants to share **Three Ways to Save** with January sale customers.

First, and consistent with our recent focus, our January sale flyer **emphasizes product groupings** because they result in higher satisfaction for customers and better sales for home consultants. The flyer demonstrates those product groupings priced well and reinforces that approach. Secondly, we know some customers want traditional basket-liner-protector sets – those are built in, too. Thirdly, we know many customers want great prices on single items – while they are in the flyer, we also have developed a **special printable PDF to highlight key sale items priced under \$39** which can be used in the home show. This special PDF is available on myLongaberger.com, *Just for You*.

The bottom line is that you and your home consultants need to understand the January sale products and that there are **Three Ways to Save**: product combinations (\$15-\$44 savings), basket, liner & protector sets (\$10-\$35 savings) and great prices on single items (many priced at \$39 and less). See Andrea's letter for more details.

**The January sale makes it even easier for your teams to book those shows** and it offers a great way to turn big customers into hostesses who want to earn free baskets with their early January shows. **Again, I hope you'll challenge members of your central branch to get on the phones now and share these exciting values with their customers.**

4. January Sales Incentive

After the holiday break, it is important as a leader to get all your home consultants started back in their businesses early in January, which sets the stage for the strength and momentum of the next few months. We've designed a sales incentive for all home consultants to help everyone in your groups get started and achieve more.

**This incentive is designed to help reward high performers for outstanding selling, encourage your core sellers to do more, and help re-engage those home consultants who have not been in their business.** Our goal is simple: to offer something for all home consultants. It's a wonderful leadership opportunity for you to get those home consultants who have not been engaged in their business to the \$500 level. Those who have routinely reached the \$1,000 level can earn more by stretching to \$1,500. And those who have reached much higher sales levels will reap great rewards for their outstanding efforts in additional product and bonus opportunities. Following are the reward levels for January:

<b>January Only - Sales Incentive</b> <i>Effective Dec. 30-Jan. 31 and received by Jan. 31</i>
<b>Sales credit of \$500-\$999 earns...</b> <ul style="list-style-type: none"> <li>▪ At Home Garden Collection Blossoms™ Basket and Protector</li> </ul> <i>A \$61 value!</i>
<b>Sales credit of \$1,000-\$1,499 earns...</b> <ul style="list-style-type: none"> <li>▪ At Home Garden Collection Blooms™ Basket and Protector</li> </ul> <i>A \$102 value!</i> <i>Note: This is our all-day, everyday \$100 product incentive for January</i>
<b>Sales credit of \$1,500-\$2,499 earns...</b> <ul style="list-style-type: none"> <li>▪ At Home Garden Collection Blooms Basket and Protector, AND</li> <li>▪ At Home Garden Collection Blossoms Basket and Protector</li> </ul> <i>A \$163 value!</i>
<b>Sales credit of \$2,500-\$4,999 earns...</b> <ul style="list-style-type: none"> <li>▪ At Home Garden Collection Blooms Basket and Protector, AND</li> <li>▪ At Home Garden Collection Blossoms Basket and Protector, PLUS</li> <li>▪ 25% commission <b>PLUS an additional 2% bonus on your personal January guest sales!</b></li> </ul> <i>A \$163 value plus an additional 2% bonus*</i>
<b>Sales credit of \$5,000 and above earns...</b> <ul style="list-style-type: none"> <li>▪ At Home Garden Collection Blooms Basket and Protector, AND</li> <li>▪ At Home Garden Collection Blossoms Basket and Protector, PLUS</li> <li>▪ 25% commission <b>PLUS an additional 5% bonus on your personal January guest sales!</b></li> </ul> <i>A \$163 value plus an additional 5% bonus*</i>

**\* January Only – Sales Incentive bonuses will be paid via check after January month-end. The extra commission is not to be retained up-front when you submit orders. Please enter orders as usual.**

We believe you and your teams will find this January sales incentive extremely motivating; please note that the products highlighted are special new March feature baskets. Good luck in growing your business – I look forward to seeing your results!

Collectors Club Miniature May Series

There is a great deal of excitement about the new Miniature May Series baskets for Collectors Club. To support you, we are sending current Collectors Club members a mailing about the new series and the stunning new Compute Basket, available to members in March. We also are sending this mailing to 20,000 recent members whose memberships lapsed; they provide a great source of business to you when they rejoin.

A Successful 2005 Begins Now

Getting the year started off strong is a priority for us all. You know well that momentum follows a strong initial start. We believe in your leadership and want to support you by giving you and your home consultants the right products and the right programs to get that strong start in 2005.

For those of you coming to Columbus for the Buzz, you're going to hear much more about what's in store this year to help you build your business.

I wish all of you much happiness this holiday season. Wishing you a healthy, safe and prosperous 2005!

Sincerely,

Dave DeFeo  
President

P.S. For your convenience, we will post this communication (under *News for National Sales Leaders* and *News for Branch Leaders*) as well as Andrea's letter (under *News for Home Consultants*) on myLongaberger.com.