

DSOF TEACHING NOTES

JONI ROGERS-KANTE & SENEQUENCE: THE CULTURE OF OPPORTUNITY, THE CHALLENGE OF GROWTH



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"I had no assets or money of any kind. I had nothing to lose, so I said to myself, 'This is the perfect time to figure out how to build a business,'" states Joni Rogers-Kante in this case about her humble beginnings and the creation of what is today a cosmetics empire. The Joni Rogers-Kante & SeneGence case touches on topics of skyrocketing growth, the operational and leadership shifts that accompany such growth, industry ethics, home-based business, family business, legacy and succession planning, goal-setting, the "mom market," the metaverse/VR (as a corporate strategy, accelerated due to the COVID-19 pandemic), competing priorities (aka work-life balance), entrepreneurship and ideation, overcoming adversity, company culture, corporate social responsibility/social impact/ESGs, and the rules of engagement for working with family members. See "inside scoop" sections below for notes by Joni Rogers-Kante.

DISCUSSION QUESTIONS

1. What is the SeneGence "special sauce?" What makes the company unique and successful?

- **Advanced:** Search and find examples of other companies or organizations with similar unique cultures.

Possible discussion points initiated by reader/instructor:

- Definition of "special sauce." Is it financial success, other? Discuss.
- Proprietary formulations.
- Mission of empowering individuals—primarily women.
- Culture—community, giving back, Best Place to Work.

"Inside scoop" from Joni:

- The fact that we could not find financing and therefore, the company could not grow with funds other than those created by sales of the products to the mass consumer base, makes the company unique. The growth of the company was literally driven by consumer demand for the product.
- When blending unique highly desirable products that really work with a unique career path for those who desire to build a business using the products as their consumer tool to earn income, that's "the special sauce." We believe this holds true for any company.

2. When Joni was starting the business, why do you think she spent time learning about DSA Code of Ethics and compliance?

- **Advanced:** What DSA Code of Ethics and compliance matters might surface with a cosmetic brand? Do an internet search and make a list of three to five possible considerations.

Possible discussion points initiated by reader/instructor:

- When Joni first started the company, she attended several Direct Selling Association (DSA) meetings and learned about compliance practices and the DSA Code of Ethics. On her May 5 calendar (Appendix 5) we see Joni is still actively involved in the DSA. What is the importance of ethics in Joni's marketing channel?

“Inside scoop” from Joni:

- Starting a business with legally sound policies avoids costly mistakes and pitfalls and increases the likelihood for success within today’s demanding business environment. Aligning with the channel’s professional association and implementing policies, procedures, and protections for both distributors and end-consumers (in accordance with industry association guidelines) gave SeneGence a strong foundation and market credibility from the start.
- If you take the time to do something, try to do it correctly. Examples might be policies for employees, accounting systems, legal issues, etc. Hire experts as soon as funds allow to correct any missteps in areas of which the founder is not an expert.
- Many missteps are avoided simply by focusing on building upon absolute truth (always—no matter what) and doing the right thing. By implementing the well-established, time-tested DSA Code of Ethics that support those efforts, policies, procedures, and communications, we’ve established a positive reputation with our employees, independent distributors and customers, giving them permission to feel good about doing business with us at any level.

3. After reading the case and Joni’s note in Appendix 4, what appears to be the top factors enabling Joni and her team to quickly pivot and grow SeneGence?

- **Advanced:** Comment on Joni’s remark that the sudden growth “broke” the company. Is growth not always positive? Discuss.
- **Advanced:** Define some of the terms and find examples that relate to concepts from Appendix 4, including the linked article, dashboards, KPIs, automated production, executive team hiring, credit card processing, etc.

Possible discussion points initiated by reader/instructor:

- Grit/Joni-infused culture—Pivoting a company may not seem stressful compared to being a single mom with very little money, no home, and trying to start a company.
- Team—Having the right team on board.
- Awareness—The before and after on Appendix 4 indicate awareness that changes needed to happen.
- Systems—Quickly upgrading systems.
- Family/Advisors—Role of family, and husband as partner, is grounding for Joni.

“Inside scoop” from Joni:

- Observation and acute awareness—An understanding and willingness to pivot.
Recent Example: SeneGence Management was in China in the early months of the COVID-19 pandemic, January 2020. I called the company’s president and told him to stock up each country’s warehouse with food and supplies for employees and their families—just in case. Miraculously, in March 2020, my executive sales team and I were completing the last day of a retreat with 150 of the company’s top distributors when news channels began to report ‘stay-at-home’ orders. I told the leaders, “Life will not look the same when we return home.” All in attendance committed to get through it together. SeneGence staff and distributors worked tirelessly to support each other and their communities. SeneGence began manufacturing hand sanitizers and continued to adjust and re-adjust as the company and its resulting growth took on a life of its own. This is just one of many examples of the SeneGence culture—committed individuals, inside and outside of the company, quickly acclimating to necessary changes and adjustments to established business protocols as the market became volatile.

- Unexpected/unplanned growth can be a challenge for any company. Although social media had already been an established way to share and express personal social interests, the evolution of social channels as a sales tool was fast and furious. Sales generated from endorsements by product advocates through their own social channels exploded, impacting every facet of the organization including:

- Distribution
- Service
- Production and Manufacturing
- Inventory
- Systems (became over-taxed; not built for the ordering traffic during growth period)
- Staffing
- Training

4. What do you view as the top factors allowing Joni to overcome adversity?

- **Advanced:** Find another story of a leader overcoming adversity and/or think about an experience of your own.

Possible discussion points initiated by reader/instructor:

- This is largely subjective and should be a lively discussion with careful readers picking up “hints” from the case, perhaps doing some of their own research, and making some hypotheses.
- Personal or Business—which is more important?
- Grit—Joni demonstrates grit and perseverance.
- Organization and Efficiency—Joni’s approach to business research prior to launching a business and her strategic time management.
- Priorities/Values—Joni has a strong sense of values in everything she does.
- Giving Back—Joni’s community activities and support of people in her organization.

“Inside scoop” from Joni. Overcoming adversity and how it transfers to the company, includes:

- Alignment of strong corporate leadership and staff, each committed and focused on supporting necessary change with a “whatever it takes to get the job done” attitude.
- A strong connection with independent distributors and extended families, working together knowing thousands are dependent upon every effort made to succeed. A “failure is not an option” mindset.
- A willingness to pivot and adjust business plans in every department as circumstances beyond the company’s control took hold during the pandemic.

5. Discuss the “metaverse” to which Joni refers. In what ways could you envision AR, NFTs, and cryptocurrency being used by SeneGence? Look up these terms if they are not familiar.

- **Advanced:** Find examples of companies using these tools in innovative ways.
- **Advanced:** Has the use of these tools been accelerated by the COVID-19 pandemic? Or was their use inevitable? Discuss.

Possible discussion points initiated by reader/instructor:

- Contrast the in-person aspect of the industry with the virtual nature of the metaverse.

- List business divisions (such as those in Joni's "inside scoop" below, and brainstorm on possible uses for AR, NFTs, and cryptocurrency in SeneGence. (If readers have a hard time, initiate a "lightning round" for 5-10 minutes prior.)
- Lightning round: Readers look up a quick example of organizations using these tools and share.

"Inside scoop" from Joni. Tools and technology have impacted every aspect of the business, including:

- Product Sales
- Distributor Rewards and Recognition
- Customer Engagement and Loyalty Programs
- Staff Rewards and Recognition
- Marketing Campaigns for free samples, free makeovers, free invitations to special events
- Gamification of Training
- Virtually every out-facing program related to product sales, internal and external training, rewards of any kind, and extension of company philanthropic efforts to a more involved audience

6. Comment on SeneGence's commitment to community.

- **Advanced:** Find examples of social impact investing and social entrepreneurship that you admire. Discuss.
Example: <https://www.cbsnews.com/video/crystal-bridges-museum-and-a-towns-resurgence/>

Possible discussion points initiated by reader/instructor:

- Discussion of Appendices 7 (Community donations) and 8 (Oklahoma investment activities).
- Lightning round: Readers look up a quick example of organizations with ESG/CSR activities and share.

"Inside scoop." Joni and a member of her executive team went to CSR class. They had no idea how extensive their community contributions actually were.

SeneGence CSR Efforts:

- MakeSense Foundation—Founded by Joni in 2003 to support women and children in need
- Employee Payroll Deductions
- Field Fundraising Efforts
- Fundraising during all corporate events
- Social Community "Give Back" program during all independent distributor trips
 - Percentage of various items sold daily funneled into foundation
- Annual staff donation programs to children and women's shelters during the holidays, toy and coat drives
- Paid time for staff to volunteer to support local charities and organizations

7. Discuss the importance Joni places on working with family, and the concept of legacy at SeneGence.

Possible discussion points initiated by reader/instructor:

- Discuss Rogers-Kante family rules of engagement in Appendix 3.
- What could go right and wrong in working with family? Readers share experiences about working with family.
- Discuss tie between Joni's emphasis on family, lack of financial stability early in career, and legacy.

- Are legacy and teaching distributors how to manage and will their businesses to heirs unique?

"Inside scoop" from Joni:

- SeneGence is one of few companies in the direct selling channel which allows their independent distributors to "will" their businesses to their spouses and/or children. This provides stability and a basis for solid long-term planning both internally and externally. This serves several purposes:

For Distributors:

- Distributors are working to create a legacy source of income for their families.
- SeneGence will always be a "direct selling" company as noted in the LLC bylaws and my sons will not have the ability to change the business model. This gives distributors much comfort and security to build their businesses without fear of their efforts being for not when it is time for their husbands/children to take on the business in the future.
- We train distributors on financial literacy and explain parts of the commission check. We tell distributors exactly how to build a business, including how—if they so desire—to start a business with a spouse.

For SeneGence:

- The ability to transfer a business to one's partner/children helps build value and interest in becoming a SeneGence independent distributor, growing an independent distributorship, creating residual income, and maintaining the distributorship over many years.



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