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BUILT ON Community

by Jennifer Workman Pitcock



The Dead Sea, which lies on the border of Jordan and Israel, provides some of the most concentrated, natural mineral salts and mineral-rich mud in the world.

Izhak Ben Shabat says coming to the United States and building a multimillion-dollar company began as an accident. That accident has turned out to be fortuitous for thousands of people around the globe. With his brother Moty, his family, and a close-knit community of friends and partners, he founded SEACRET in 2005. The company manufactures and sells high-end skincare products that combine Dead Sea minerals and other nutrients with new technologies and scientific breakthroughs.

COMPANY PROFILE

Founded: 2011

Headquarters: Phoenix

Founders: Izhak Ben Shabat, President and CEO; Moty Ben Shabat, Managing Partner; and Betty Perez, Co-Founder and Vice President of Sales and Training.

Products: Dead Sea mineral skincare



Spotlight on Recover

One of SEACRET's most exciting products is Recover. Using nanotechnology, it actually unfolds the skin in the wrinkled areas and keeps it that way for several hours each day. Over a period of several months it triggers skin restoration. But it doesn't take that long to see results—Recover has an amazing wow factor. In clinical studies, both fine lines and wrinkles were visibly reduced by as much as 66 percent after one 15-minute treatment.

The Sudden Entrepreneur

The Ben Shabat brothers' story begins before SEACRET, in 2000. Moty had come from Israel to the United States to save money for medical school. But he caught the entrepreneurial bug and ended up staying. He bought his own ice cream truck and dreamed of having his own company. When Izhak came to visit, Moty mistakenly thought he had come to join the business. "The first night when I landed, my brother called my parents and told them we were going to do the business together," Izhak says. "He didn't have enough money, so he told them we needed some support from them."

By the time the two brothers cleared up the confusion, their parents had sold all their possessions and put the entire family on a plane to the U.S. Izhak was in a bind. He had recommitted to the Israeli military, but now his whole family was here with less than \$60,000 in assets. His brother's ice cream truck wasn't going to support them all. His goal was to make enough money to get his family back to Israel. So he called his friends, begging them to come and help—even though he couldn't buy their plane tickets or pay them.

They struck upon the idea of selling toys in kiosks during the Christmas season—and over the next four months they made \$4 million in revenue. They then split the profits evenly among the group. But by that time, none of them wanted to return to Israel. "We were able to create a culture of people and friends coming together, standing behind one mission, and achieving success," Izhak says. So they pooled their resources again. "By that time, 120 more people had heard of our success and showed up to be part of it," Izhak says. "That's how we got started."

A Unique Product

The Dead Sea, which lies on the border of Jordan and Israel, provides some of the most concentrated, natural mineral salts and mineral-rich mud in the world, according to SEACRET's website. Dead Sea cosmetics have gained an international reputation for their many beneficial qualities for maintenance of the skin's youthful appearance and protection of the cell nucleus against early aging.

So when Izhak and Moty realized that there were no Dead Sea products for sale in the United States, they began selling a variety of Israeli brands out of kiosks in malls. By 2005 they had saved enough money to formulate their own products. They wanted to create something that would deliver immediate results. They had Israel's best formulators create products so effective that people could see results on the spot. That was the beginning of SEACRET.

Manufactured in Israel, SEACRET products offer mineral combinations found only in the Dead Sea. The Dead Sea boasts 26 minerals, and the unique combination of 12 of these is exclusive to these waters. SEACRET products also include other natural elements, such as essential oils and plant extracts. These elements are combined with some of the latest technologies in skincare, such as peptide technology, nanotechnology and biomagnetism.

A New Distribution Model

Over the next five years, SEACRET continued to grow. Izhak took on the role of company President and CEO. Moty became Managing Partner. The company had retailers in 30 countries. By 2010 SEACRET was a \$100 million business. The year before, SEACRET

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had struck a deal with the world's largest manufacturer of cosmetics to make their products. SEACRET's partners were making plans to move out of kiosks and open 500 stores worldwide. "We wanted to be the Apple of skincare," Izhak says.

Then Betty Perez arrived on the scene. She had been brought on by SEACRET Vice President Robert Meirovich to help spearhead the development of a local salesforce. To understand the products and the business, she went to work in a kiosk. At 19, she had already been successful in two direct sales companies. Her first day, she could see the quality of the products. "SEACRET is known for its wow factor," she says. "With virtually every one of our products, you'll see and feel a difference on the spot. We call it turbo cosmetics."

She soon realized that SEACRET could find the right fit within direct sales. It had all the elements: a high-quality product, the story of the Dead Sea, an already-established customer base, and credibility as a company.

She set up a meeting with the company's partners. They were eager to meet her because, unbeknownst to Betty, she was breaking all of SEACRET's sales records. They were going to offer her the position of Global Sales Manager. But instead, she told them, "You need to change your business model." At first, Izhak wasn't convinced, but Betty's passion inspired him to look into it further. After a series of meetings, the partners gave her the green light to run a small pilot program in Phoenix, where the company was based. That was at the end of 2010. In a few short months they had developed nearly 1,000 distributors, or SEACRET Agents. SEACRET officially launched in 2011. In 2012 SEACRET did \$12 million in direct sales. By 2013 that figure had grown to \$71 million. This year, SEACRET has continued to prosper, and has grown to more than 40,000 Agents and customers worldwide.

"I believe Betty saved us by showing us network marketing," Izhak says. Betty is now a partner in the business and SEACRET's Vice President of Sales and Training.

Culture of Community

SEACRET's transition from kiosks to direct sales has been gradual. When considering changing business models, the Ben Shabat brothers' first concern was the impact of the change on the SEACRET community. "This company doesn't belong to me," Izhak says. More than 600 families had invested in the company, and the final decision rested with the community, not just Izhak.

"The entire drive of our business is our community activity," Izhak says. That's perhaps best illustrated through the weekly meal that Izhak and Moty's parents host each Friday night at their home, spending several days each week preparing the food themselves. It's been a tradition since the first group of friends came over to help the Ben Shabats 15 years ago. "No fewer than 60 people are there each week," Betty says. "It's not a time that we talk about business, but it's a time of

getting to know each other." SEACRET Agents fly in to be part of the dinners. Even people who pack the products at the warehouse show up. These dinners help create strong bonds among all members of the SEACRET community.

The Agency and the Cabinet

SEACRET employs all the training tools typical of a direct sales company. Along with printed materials and webinars and simulcasts, they have weekly vision calls open to the entire company. Additionally, Betty and Izhak spend much of their time on the road, doing everything from WOW! parties to regional events. They feel it's important to be in the field as much as possible. "That's essential for us to truly understand how well everything is working, and it allows us to make better decisions," Betty says.

To make sure the field has a voice in every decision, SEACRET has created two leadership groups. At the highest level are the Cabinet Ambassadors. Selected annually, this group is made up of five members. Membership is not based solely on production, but requires development in many different sponsorship legs. "If you develop leaders you have influence, so the five cabinet members have the deepest level of influence in the company," Betty says. Cabinet members meet with the executives in a weekly conference call and twice annually in person. They are part of every important decision that the company makes.

At the next tier is the Agency, which currently has over 20 members and is open to all Agents who reach a certain level of production. They participate in monthly conference calls with the executives.

Additionally, both leadership groups are highly involved in companywide training. "Our videos are not only done by me or the other executives," Betty says. "We do all types of training with the Cabinet and the Agency. They are just as much the face of SEACRET as our founders."

Direct Sales in the Digital Age

SEACRET believes in utilizing all tools at the company's disposal to help people grow their organizations. When they join, Agents receive a website that serves as their storefront where they can send family and friends to see the products or become Agents. Agents can track their sales and watch helpful videos using the back office.

SEACRET uses social media channels to communicate with Agents as well as to help them market using Facebook, Twitter and other social media platforms. The company recently developed a calendar that allows Agents to easily search events by location or person. When they sign up for an event, Agents can have the event automatically post to their social media sites if they choose.

At the same time, Izhak is careful to emphasize that social media cannot replace face-to-face contact. He believes that to build a community, physical interaction is critical. "Our business is built on

“We’re looking to expand our product offerings, but skincare will always be the pillar.”
—Betty Perez, Vice President of Sales and Training



home parties,” he says. “In an era where people are detached from one another because of technology, they want to connect more, to touch more.”

Black Friday

Before becoming a direct selling company, Black Friday was SEACRET’s biggest sales weekend of the year. So the partners decided to continue the tradition as a direct seller. “In order to build your customer loyalty, you have to treat your customers and give them incentives to buy your products,” Izhak says. On Black Friday, SEACRET offers its biggest sales of the year, slashing prices on products by as much as 60 percent. The results have been phenomenal. In 2011 the company made \$160,000 in sales on Black Friday. By this year, Black Friday sales reached a whopping \$3.1 million.

Not only does the Black Friday sale bring in new customers and make existing customers happy, but it also raises morale among the Agents, who often make thousands of dollars in a single day. “It comes right before Christmas. We hear stories of Agents who didn’t know how they were going to have a holiday season, and all of a sudden it’s taken care of because of our one day of huge sales,” Betty says.

The Future of SEACRET

Because SEACRET products were already being sold in so many countries before the company adopted the direct selling business model, the company is in prime position for international expansion. Moty leads this effort, traveling extensively to do so. SEACRET is open for direct sales in Canada and the Dominican Republic. Already this year, SEACRET has opened in Australia and South Korea, with plans to open in Mexico and two to three more countries over the next few months.

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—Izhak Ben Shabat, President and CEO

With over 40 products and 26 more in the product development pipeline, SEACRET has every intention of continuing to grow. “We’re always enhancing our products and looking for new technologies,” Betty says. The partners envision new lines, such as hair products. “We’re looking to expand our product offerings,” she says, “but skin care will always be the pillar.”

First and foremost, SEACRET is about building a wealthy community. “By that, we don’t just mean monetary success,” Izhak says. “I’ve fallen in love with what the industry has to offer: personal development, positive attitude, and the ability to change people’s lives,” he says. “To me, making an impact is the best part of it. I want to do this for the rest of my life.” *DSN*

For more information, please contact: