



A Forecast of Bright Opportunities

Case Study: Young Living and Exigo

EXECUTIVE SUMMARY

In the evolving landscape of direct selling, the ability to quickly adapt and respond to the market is critical. For Young Living, this meant re-evaluating their internal systems and embracing external expertise through their partnership with Exigo. This case study explores how Young Living has begun to alleviate long-standing operational pains by transitioning from a homegrown commission engine to Exigo's cutting-edge platform. The highlights of the case study are:

1. Buy vs. Build:

Young Living's experience highlights the benefits of buying a specialized system for key operational needs, which allows them to focus on core business differentiators

2. Streamlined Efficiency:

The dramatic reduction in time required to run commission processes with Exigo's software represents a direct improvement in operational efficiency.

3. Resource Optimization:

The potential to reduce the need for developers dedicated to commission processes means reallocating valuable human resources to more innovative projects, aligning with leadership goals for growth and strategic deployment of talent.

4. Strategic Forecasting:

The 'what-if' scenario capabilities for predictive modeling and strategic decision-making are crucial tools for executives looking to future-proof their business and make data-driven decisions.

5. Reduced Technical Debt:

Eliminating accumulated technical debt is a significant advantage, as it allows companies to stay agile and responsive to market changes, which is a key consideration for maintaining competitive advantage.



INDUSTRY
Health & Wellness

LOCATION
Lehi, UT

URL
www.youngliving.com

Overview

Dedicated to changing lives through the power of pure, authentic essential oils and oil-infused products.

Ben Riley,
President

Prasad Gankanda,
COO

Melissa Bishop,
CFO

Charlie Sanborn,
VP of Software Engineering

Ron Otterstrom,
Sr. Director of Commissions

Jason Allen,
Sr. Digital Product Manager



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THE CHALLENGE: LACK OF FLEXIBILITY

In the world of direct selling and multi-level marketing (MLM), agility and adaptability are not just beneficial; they're imperative for survival and growth. For decades, Young Living, a company with a storied 30-year history, had been navigating the MLM industry with a commission system that was built and maintained in-house—a testament to their longevity and stability.

However, the system's inability to adapt quickly to changes became a significant hurdle. The weight of legacy processes and "band-aid" fixes had begun to take a toll. *"We had lost our ability to be nimble,"* Melissa Bishop, CFO, said. *"It's like being the Queen Mary and not being able to move quickly in an industry that requires the speed of a speedboat."*

Their in-house built commission engine was robust for its time but had grown inflexible and slow, taking an entire day to run monthly commissions—with no room for error or testing. This setup made even minor changes to their compensation plan a high-stakes gamble. *"We couldn't change or evolve our compensation plan because we didn't know what it would do,"* Bishop explained.

Ben Riley, President of Young Living, said the goal was twofold: to eliminate technical debt and to modernize the commission system to keep pace with industry standards. It was a classic case of being stuck between the proverbial rock and a hard place—until Exigo came into the picture.

EXIGO: THE NIMBLE SOLUTION

To find a solution, Prasad Gankanda, COO of Young Living, embarked on a search for a technology solution capable of handling their intricate commission system, with data spanning 30 years. After a rigorous search, Young Living chose Exigo. In the end, the decision was influenced not only by the software's capabilities but also by the company's transparent and honest approach. ***"They are a straightforward and no-nonsense company,"*** Gankanda said, reflecting on the integrity and transparency valued in their partnership with Exigo.

Gankanda recalls the initial engagement with Exigo in 2021, emphasizing the value of Exigo's transparency and honesty. The partnership was further solidified by Exigo's willingness to understand and work through Young Living's intricacies, a task not taken lightly given the company's commitment to accurate and timely commission payments.

Exigo provided a platform that was not just about maintaining operations but about propelling Young Living into the future with the capability to reward growth behaviors more effectively and promptly and taps into a wellspring of industry knowledge and innovative practices. ***"When you only use what you build in-house, you're stuck with only what you know in-house,"*** Bishop said. ***"You're not currently seeing what other people are doing."*** Exigo gives external perspective and allows Young Living to consider new compensation strategies they might have been unable to implement using their previous infrastructure.

PUTTING EXIGO THROUGH THE PACES

Exigo's solution was a game-changer, offering Young Living what they didn't have before—a sandbox for safe experimentation. This meant they could model changes and forecast the outcomes without the fear of unintended consequences rippling through their system. ***"With Exigo being able to run a sandbox***



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Ben Riley
President, Young Living



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and do modeling," Bishop said. ***"We could actually look at individual members and see each change did to them."*** For the Young Living team, it was no longer about making do with what they had; it was about exploring what could be.

This new partnership allowed Young Living to pivot, to make decisions with confidence and clarity. The ability to test and model compensation plans in a controlled environment heralded a new era of strategic flexibility. The essence of the Lean Startup mentality, that of rapid iteration and the freedom to fail safely, was now within reach.

MEASURING THE ROI

The notion of winning in the context of ROI is multifaceted. It encompasses not just the financial savings but also the value added by allowing the company to return to its essence. *"We're a marketing company, so we should be out there selling oils and let somebody else be calculating commissions for us,"* Bishop said, and continued, *"What can my people do now that is not running commissions or putting work into development on the system?"*

This crystallizes the company's strategic vision: to outsource the operational complexity to Exigo, thereby enabling the company to redirect its focus on what the company does best. For Young Living, the partnership with Exigo is more than a change of systems—it is a step towards a future where they can fully leverage their strengths in a competitive marketplace.

THE COMMISSION CALCULATION REVOLUTION

These improvements are not just a technical win. The ability to provide members with accurate, real-time earning data speaks to the core of what Young Living values: transparency and trust.

Bishop underscores the newfound capability, ***"Now because we have Exigo that can run a commission whenever we want, we could have it run daily if we wanted to."*** This flexibility marks a significant departure from the limitations of the legacy system and opens the door to real-time insights into commission data.

The decision to buy software rather than build in-house can often lead to transformative changes, enabling companies like Young Living to focus on their core mission while providing exceptional support to their network. For businesses considering a similar transition, Young Living's meticulous approach and successful outcome offer a blueprint for navigating such a pivotal change.

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Melissa Bishop
CFO, Young Living



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TURNING CHALLENGES INTO OPPORTUNITIES

Ron Otterstrom, Sr Director of Commissions, oversees the commission strategy at Young Living. His journey with Exigo's platform reflects a candid voyage through complexities to reach a state of streamlined efficiency.

The benefits of moving to Exigo began to materialize as they refined processes. *"We're starting using it for some modeling,"* Otterstrom said. *"We've been using it for the monthly calculations, running side by side with the old system and comparing it."* This comparison ensures the accuracy and reliability of Exigo's platform, which solidifies the level of confidence in the numbers they were presenting to their distributors.

One of the standout advantages of Exigo's system was the ability to run daily preliminaries. *"We couldn't do daily preliminaries before,"* Otterstrom notes. This capability provided Young Living with a granular understanding of their commission process, allowing them to address any infrequent discrepancies proactively.

The implementation's success was not just about overcoming technical hurdles; it was about transforming the business's operational cadence. Jason Allen, Sr. Digital Product Manager, points out a significant enhancement: ***"Our commission run on legacy was 15 hours... With the Exigo system, it takes two hours to run all commissions [including stats calculations and validations]."*** This reduction in processing time had a direct impact on Young Living's ability to pay distributors on time—a critical factor in maintaining their reputation and trust.

The time consumed by these outdated procedures was substantial, and the switch to Exigo freed up these valuable hours, allowing the team to focus on other critical areas, dedicating more time to innovate and work on new projects, enhancing their offerings and services. *"That's 15 hours of somebody who's not babysitting a process,"* Bishop said.

ELEVATING AND TRACKING EFFICIENCY

Young Living's journey with Exigo has been marked by patience and a commitment to accuracy and timely commission payments—a non-negotiable aspect of their operations.

Riley highlights the operational advancements facilitated by Exigo, particularly the ability to reward brand partners more dynamically and promptly. As they engaged with Exigo's software, Young Living discovered a more refined strategy for commission adjustments and calculations, allowing them to conduct efficient and accurate runs for adjustments, even for past periods. ***This new process replaced the laborious manual adjustments of the past with an automated, reliable system that provided a robust audit trail and reduced the margin for error.***

The transition to Exigo also opened doors to predictive analytics, with real-time



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Jason Allen
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Young Living



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calculation capabilities that were previously unattainable. **"Our predictive analytics will be so much better,"** Gankanda asserts, anticipating the strategic advantages of using extensive historical data in conjunction with Exigo's real-time processing.

Young Living's selection of Exigo as their software partner showcases the strategic foresight of choosing a specialized software solution over an in-house system. *"I think transitioning a legacy company like ours is not an easy job, especially dealing with multiple layers of data,"* Gankanda said. **"For Exigo to grab all that data, scrub it, and run commissions and get it accurate, right from the very first one ... I think that was massive."**

A TECHNOLOGICAL LEAP WITH EXIGO

Riley shares enthusiasm for the future benefits, particularly the potential to accelerate commission payments to a weekly or even daily schedule. This change, he believes, will be a considerable win for the company. Moreover, **the partnership with Exigo is a prime example of the "buy versus build" decision, where buying allows Young Living to stay relevant without accruing technical debt,** freeing them to focus on differentiators that set them apart in the marketplace.

While immediate financial returns are important, the strategic advantages—such as efficiency, speed, agility, innovation, and the ability to focus on core business differentiators—can be just as valuable, if not more so, in the long term. Charlie Sanborn, VP of Software Engineering, said, **"The Exigo commission run takes about a fifth of the amount of time that ours historically did,"** highlighting a leap in operational efficiency.

Beyond efficiency, Exigo has opened doors to strategic forecasting and planning with its what-if scenarios capability. This feature allows Young Living to explore the potential impacts of new programs and incentives by analyzing how they would have affected commissions in the past. *"What if we were to introduce this thing? What would we have paid in commissions in the past six months if we had this in place?"* Sanborn asks, underscoring the value of being able to predict and plan based on solid data.

CONCLUSION

The journey of Young Living with Exigo underscores a fundamental truth: **buying and integrating a specialized platform can provide the much-needed agility and foresight that building in-house often cannot.** For enterprise companies like Young Living, this partnership isn't just about staying current; it's about reclaiming the ability to be proactive and innovative—qualities that are essential in the ever-evolving landscape of direct selling.

The strategic enhancements improved operational efficiency, and better decision-making capabilities significantly outweigh any initial implementation challenges and prove ROI, providing a compelling argument for companies facing the build-versus-buy dilemma, particularly when it comes to complex operational systems like commission processing.

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