The Business Ethics Forum
College of Business
The University of Texas at Arlington
October 18, 2016

Our thanks to the Direct Selling Education Foundation for all their efforts and support with this event.
The Business Ethics Forum

The Ethics Forum is a program in the College of Business at The University of Texas at Arlington. The Forum emphasizes to our students the importance of ethics in business, providing an opportunity to bring the UT Arlington community together through a dialogue about this important topic. Our featured guests provide expertise on current issues facing leaders in the business world every day.

The Ethics Forum offers an ongoing venue to identify and understand critical ethics, corporate social responsibility, and sustainability issues. It's also an opportunity to review changing public policy, assess public expectations and contribute to the preparation of students for effective ethical decision-making and community involvement. Participation allows business professionals to lead discussions with a focus on questions such as:

- What are the most critical, emerging ethical challenges occurring in the area of corporate community involvement?
- What are the key opportunities for organizations seeking to increase their impact on these key challenges?
- What are the key drivers of these issues for society and for business?
- How can companies prioritize and focus ethics in business decision making efforts around these issues?

The business environment is changing dramatically. Global competition creates a marketplace in which the need for ethical business decision making has never been greater. Public confidence in business’ ability to solve social problems is weaker. Yet the public demands that businesses take a more prominent role in solving those social problems. In this paradoxical environment, the Ethics Forum helps business students understand the need for ethical decision making and effective community involvement strategies for a dynamic world.

*One goal of education is to provide a learning environment that illuminates the circumstances that students may confront after graduation. Students who believe that they should make ethical choices may find that making the best decisions sometimes prove to be difficult, complex and challenging….and the most rewarding.*

The Fall 2016 Business Ethics Forum

The Fall 2016 Ethics Forum features business executives from the direct selling industry that represent companies that promote ethical practices in the marketplace. As co-creator of this program, the Direct Selling Education Foundation has been instrumental in developing and very generous in its support of the Fall 2016 Business Ethics Forum
**About DSEF**

The purpose of the Direct Selling Education Foundation is to engage, equip and empower educators to provide students with an accurate understanding of the direct selling industry as a powerful go-to-market strategy, distribution model and entrepreneurial option, and to teach the correct principles of direct selling, with an emphasis on ethical business practices.

DSEF partners with members of the academic community to support research and education programs that expand knowledge and understanding of the fundamental principles of direct selling. The Foundation works with professors in a variety of disciplines—including entrepreneurship, marketing, ethics, business and economics—to deliver multi-faceted programming aimed directly at the contemporary issues facing direct selling companies and consumers in a global marketplace. DSEF also sponsors campus programs to help students and faculty better understand direct selling as an industry, a channel of distribution and a pathway to entrepreneurship, and to introduce them to career opportunities at direct selling company corporate headquarters. We also sponsor and support various events, project and initiatives, like campus days, to further support our overall mission: *DSEF engages and educates the public about how direct selling empowers individuals, supports communities and strengthens economies worldwide.*

**DSEF Academic Advisory Council (AAC)**

DSEF’s AAC was formed to strengthen our connection to the academic community and advance the understanding of the direct selling business model, value proposition and the industry’s commitment to ethical entrepreneurship.

The ACC advises the DSEF leadership on the development and execution of specific project lists and timelines for studies, white papers, campus events and academic engagement materials and identifying collaborative opportunities with academic institutions, think tanks and organizations.

The Council is comprised of up to 20 academics representing a broad range of academic disciplines, including, but not limited to: Business, Ethics, Marketing, Management, Consumer Studies, Entrepreneurship and Economics.

**DSEF Fellows Program**

DSEF has long prioritized building productive relationships with leaders in the academic community to support programs that expand knowledge and understanding of business practices in the direct selling business model. By partnering with professors in a variety of disciplines, the Foundation educates academic leaders and influencers, as well as thousands of students about consumer, ethical, and entrepreneurship practices in the various aspects of direct selling business model, including manufacturing, marketing, and distribution. Importantly, this outreach also counters myths and misunderstandings about the direct selling channel of distribution. The 2016 formation of the DSEF Fellows program is an important step to deepen our connection to academic leaders who are committed to working with the Foundation to advance knowledge in their field of study and increase the impact and reach of our academic programs.
Research

Research is a primary vehicle through which DSEF builds relevance and credibility to advance understanding of the direct selling channel. The Foundation’s Research Priorities offers numerous opportunities for white papers and other research products, produced by members of the Academic Advisory Council, DSEF Fellows, via consulting firms or independent academics.

Campus Events

DSEF works with participating universities to bring senior executives from a variety of direct selling businesses—including Fortune 500 companies and high-growth start-ups, both privately held and publicly traded—to campuses and classrooms. Direct selling company executives speak to undergraduate and graduate students about their companies, the industry and the important issues and challenges relevant to most businesses. Programs are designed to be interactive and are customized to ensure that they are pertinent to participating students, faculty and institutions.

Key objectives of DSEF’s campus events include:

- Helping students better understand direct selling, a global channel of distribution with annual revenues of more than $180 billion world-wide
- Bringing “real world” examples of marketing, entrepreneurship, research, sales management, ethics, consumer behavior and other aspects of direct selling as applied to the study of business
- Making students aware of a variety of corporate and entrepreneurial opportunities

Executives involved in this program often focus on an aspect of the class curriculum from a direct selling practitioner’s perspective, while sharing “real world’ experience with students.

Begun in 1989 as part of the DSEF Academic Program, DSEF’s Campus Programs have been held at dozens of universities including: The University of Texas at Arlington, The University of Texas at Austin, Baylor University, University of Georgia, San Diego State University, California State University at Los Angeles, California State University at Fullerton, the University of Missouri at Columbia, the University of Alabama, University of Oregon, the University of Florida, the University of Louisville, Texas Christian University, Grand Valley State University, Northeastern University, Brigham Young University, Rollins College, Missouri State University, the University of Tampa, University of South Florida and the University of North Carolina Greensboro.

About Direct Selling

In many ways, direct selling captures the spirit of healthy entrepreneurship like no other business model. Over the decades, there have been misconceptions about direct selling. DSEF’s goal is simply to clarify what direct selling is, what it’s not and why it’s one of the most compelling marketing strategies in today’s culture.

At a time when micro-entrepreneurship is being embraced by major business corporations, direct selling is being sought out as a modern distribution model and vibrant go-to-market strategy. The success of
companies like Uber and Etsy demonstrate that more people today are looking for flexible entrepreneurial opportunities. Currently, direct selling is a marketing channel that services many industries and product categories, like beauty, health, home goods, and even services like energy and mobile phone plans. Some of the world's largest retailers—as well as fledgling entrepreneurs—are researching and even launching new companies that leverage direct selling as its primary marketing method.

In addition, direct selling companies offer a business platform that any aspiring entrepreneur can tap into and leverage for themselves. It's a distribution method that is gaining more and more attention from new and established business owners alike. Companies can essentially license their brand and company assets to independent distributors to amplify their own corporate activities across thousands of personal networks. Digital technology and social media enable the entrepreneur to scale at minimal cost, and leverage this business platform in a way that makes sense to them personally. Direct selling has also become a preferred method for startup companies to quickly offer their unique products or services effectively.

And the data backs up these trends, as the direct selling industry overall has experienced impressive long-term and short-term growth. Since 2015, direct selling in the U.S. alone has grown from a $28 billion dollar industry to a $36 billion dollar industry. Due to this incredible growth, traditional retailers have begun to look into direct selling in order to expand their market share. As of 2015, more than 20 million Americans are involved in direct selling, and that number grew by 11% from the previous year. And involvement spreads evenly over age range and region.
DSEF Fellows

Background/Purpose

DSEF has long prioritized building productive relationships with leaders in the academic community to support programs that expand knowledge and understanding of business practices in the direct selling business model. By partnering with professors in a variety of disciplines, the Foundation educates academic leaders and influencers, as well as thousands of students about consumer, ethical, and entrepreneurship practices in the various aspects of direct selling business model, including manufacturing, marketing, and distribution. Importantly, this outreach also counters myths and misunderstandings about the direct selling channel of distribution. The 2016 formation of the DSEF Fellows program is an important step to deepen our connection to academic leaders who are committed to working with the Foundation to advance knowledge in their field of study and increase the impact and reach of our academic programs.

Who Are the Fellows?

In the first year of the program, DSEF will partner with 75 professors from various disciplines—including entrepreneurship, business management, marketing, economics, law, retailing and consumer studies—to serve as our first cohort of DSEF Fellows.

Benefits and Opportunities

DSEF Fellows will receive the following benefits, launched in 2016-17, through their participation in the program:

- Access to industry research, data, trends and innovations to support writing, publishing and academic research
- Networking with industry executives and academic colleagues with similar interests, both in the US and abroad
- Improved connections between academic programs and the business community
- Online collaboration space, dedicated to DSEF Fellows recognition and information exchange
- Periodic communications, including the DSEF newsletter, curated articles of interest and other items of relevance in their respective fields of expertise.
- Special Interest Groups (SIG’s) within academic organizations that focus on issues relevant to direct selling
- Free subscription to Direct Selling News, an independent industry trade journal
- Teaching content (direct selling-specific online modules, industry case studies, industry data, guest speakers)
- Experiential learning opportunities for professors and students (by working with direct selling company executives to address business challenges)
- Access to the DSEF Speakers Bureau of leading executives of significant national companies
- Recognition and important resume accomplishments
- Eligibility to compete for awards to support research projects
- Career opportunities for students (internships, corporate jobs, entrepreneurship skills development)
- Business ethics and corporate social responsibility expertise
- Eligibility to serve on the Academic Advisory Council (AAC). AAC members serve as strategic advisors to the DSEF Board of Directors.
DSEF Fellows Activities Will Include:

- Developing a six-part series of online teaching modules that will serve as the core of our content for Fellows and other educators. These modules will cover direct selling as a go-to-market business strategy and pathway to micro-entrepreneurship.
- Incorporating direct selling entrepreneur content into teaching materials used in classes.
- Writing, publishing and research directly or indirectly related to direct selling, based on information gained in Ambassador affiliation.
- Hosting campus events to expose students and colleagues to the channel, micro-entrepreneurs and company executives.
- Participating in research surveys and other industry information gathering processes.
- Participating in executive roundtables on key industry issues.
- All of these benefits and others will come through participation in industry-wide events, including: DSA Companies in Focus, DSA Annual Sales and Marketing Conference, DSA Annual Meeting, Various DSA events globally, DSEF Fellow’s Dinner at an academic organization partner event (including DSEF Fellows research).

What Is the Direct Selling Business Model?

Direct selling is a $36 billion retail channel in the United States used by some of the world’s most recognizable brands to market products and services to consumers. More than 20 million individuals are involved in direct selling, which can occur in the home, at a party or online. Its defining characteristic is an independent salesforce that provides personalized service to customers and opportunity to start, manage and grow a business with minimal up-front investment. Direct selling companies provide a shared marketing platform – a business in a box – that provides a royalty-free license to use the company brand, technology and marketing to salespeople to create a scalable, micro-entrepreneurial business at very little cost. Social media and technology are driving sales and success of direct selling companies and their independent salesforce.

Who Can Join?

Membership is open to part-time and full-time university and community college faculty.

For more information, contact DSEF Senior Director of Academic Initiatives, Kimberly Harris Bliton, at khbliton@dsef.org or call 202.416.6407.

Entrepreneurship and community college faculty may contact DSEF Chief of Entrepreneurship Initiatives, Nancy Laichas at nlaichas@dsef.org or call 202.416.6438.
UTA Campus Event Speaker Bios

Alfredo (Al) Bala
CEO and President
Mannatech, Inc.

Alfredo (Al) Bala joined Mannatech in October 2007 as Senior Vice President, Global Sales. He was named Executive Vice President, Sales in June 2011 and President in 2014. Under Al’s leadership, Mannatech created a new Legal and Business Ethics Department in July of 2016 to support the company’s commitment to maintaining ethical operating procedures and business practices for its associates, customers, and employees around the world. The new department is also responsible for working closely with industry trade groups to help develop compliance best practices.

Al additionally serves as a Board member for the Mission 5 MillionSM (M5M) Foundation, which works in conjunction with Mannatech to link five million consumers of Real Food Technology® supplementation with five million children in need.

Before joining Mannatech, Al served as Chief Operating Officer of Britt Worldwide, LLC from 1992 to 2006. Prior to that, he served as manufacturing plant manager for Bose Corporation from 1983 to 1992. Al travels to the far corners of the world, speaks multiple languages, and has a deep understanding of conducting international business.

Deborah K. Heisz
President and Chief Operating Officer
Nerium International

As President and Chief Operating Officer of Nerium, Deborah K. Heisz has successfully chaired the company’s global steering committee and directed the leadership team to position the company for new growth both domestically and internationally.

Deborah also maintains her role as Chief Executive Officer of Live Happy, LLC. Deborah is the cofounder and editorial director of the positive lifestyle magazine *Live Happy* and the happiness movement. She also serves on the Board of Directors for the International Positive Education Network (IPEN) and was recently inducted to the prestigious Happiness Hall of Fame. Deborah is also the author of *Live Happy Ten Practices for Choosing Joy*. Before leading the Nerium and Live Happy teams, she served as the founding editor-in-chief of the current *SUCCESS* magazine.

With more than 20 years of leadership experience within direct selling, Deborah is driven to ensure that Nerium U.S. and international teams continue to move forward as a unique model of positivity, diversity, innovation, and integrity.
Richard “Dick” Laurin, Jr.
Director of Business Ethics
AdvoCare International, LP

Dick Laurin serves as Director of Business Ethics at AdvoCare. Dick and his department focus on maintaining the integrity of the company by liaising with the company’s more than 600,000 independent distributors.

In close collaboration with the entire AdvoCare legal team, Dick works on distributor investigations, development of best practices and evaluations and modification of policies, as well as serving as AdvoCare’s business ethics contact for the U.S. Direct Selling Association. Dick has given presentations and conducted trainings across the United States on business ethics best practices.

Dick has 30 years of experience in law and direct sales. Before joining AdvoCare, he served as the Senior Director of Compliance at Mannatech and has held several key legal positions at Dallas-area law firms with an expertise in litigation.

Rick C. Loy
Vice President of U.S. Sales Training and Field Development
AdvoCare International, LP

Rick Loy joined AdvoCare in 1998 as National Sales Director, working closely with company founder, Charlie Ragus, to build the organization. Coming from a successful personal practice in the financial services industry, Rick traveled throughout the United States to work with distributors in the field.

Today, Rick leads training content and leadership development for corporately hosted events touching 75,000 + distributors annually, and guides all training resources found at AdvoCare.com.

Rick is a natural speaker and mentor, continuing to work closely with the field to ensure AdvoCare has the best trained distributors in the industry — a guiding principle set forth by Charlie Ragus at the company’s founding.

Michael L. Lunceford
Senior Vice President, Public Affairs
Mary Kay Inc.

A thirty-five year employee of Mary Kay Inc., Michael Lunceford currently serves as Senior Vice President, Public Affairs for the company, responsible for public affairs in more than thirty countries where Mary Kay Inc. conducts business. Michael also serves as Chairman and President of the Mary Kay Foundation and Trustee of the Mary Kay Family Foundation. The Mary Kay Foundation’s twin missions are to provide grants to medical schools in the United States for research of cancers affecting women and to end domestic violence.
Michael served as Chair of the World Federation of Direct Selling Association (WFDSA) Advocacy Committee, was Chair of the WFDSA Ethics and Self-Regulation Committee, and led successful efforts to enhance the industry’s worldwide code of conduct. Michael serves as Chairman of the U.S. Direct Selling Association (DSA) Federal Trade Commission Business Opportunity Task Force and as Chairman of the DSA Government Relations Independent Contractor Task Force.

Michael serves on the Board of Visitors for the University of Texas Southwestern Medical School University Hospitals. He sits on the board of the Trinity Commons Foundation, a non-profit organization working in conjunction with the City of Dallas on the Trinity River Corridor Project, the largest public works project in the history of the city of Dallas. Michael is also a member of the Advocacy Committee of the YWCA of Dallas and was a founding member of the Texas Lyceum.

Michael has been inducted in to the Direct Selling Hall of Fame and has also received the Direct Selling Education Foundation’s highest recognition, the prestigious Circle of Honor Award for his years of service as Chair of the Consumer Committee.

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**Erin McGinnis**
Director of Compliance
Zurvita

Erin McGinnis has worked for Zurvita for almost six years and currently serves as Director of Compliance for the company.

Beginning her career in Zurvita’s Customer Service area, Erin formed strong and positive relationships with distributors. She subsequently built on that experience to develop a company Compliance Department focused on providing workable solutions.

Erin continually strives to develop her skills to better prepare and protect the company and provide increased value to leadership, devoting her spare time to studying at The University of Houston-Downtown for a degree with a Corporate Communications focus, including classes in Professional Speech, Communication Leadership, Business, and Industry Psychology.

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**Roger Morgan**
Founder & CEO
pawTree

Roger Morgan founded pawTree in 2012 with a vision of creating a world filled with unconditional love where pets and their people thrive.

Prior to founding pawTree, Roger served as President and CEO of The Retail Products Group, a division of NCH Corporation that sells pet products. During his seven-year tenure as CEO, he led the company through significant growth, achieving 10% CAGR and more than doubling the business to more than $100 million.

Roger served as the Chairman of the American Pet Products Association and also served on the Boards of PetSmart Charities and the Pet Industry Joint Advisory Council. He often devotes time to public speaking to youth groups.
Mark “Bouncer” Schiro
CEO, Entrepreneur, Advisor
Stream

Mark “Bouncer” Schiro accepted the role of President and CEO at Stream in December 2011 after serving six years as a Board member. He went on to transform this direct selling company of energy into one of the largest direct selling companies of essential services in the world, achieving 7 billion in revenue in six states before its 10th anniversary.

Before Stream, Bouncer grew a small family-owned business into one of the largest and most respected masonry supply companies in the United States, growing revenues from $3MM to $17MM, expanding its geographical footprint, and creating and implementing diverse product lines that tripled revenues.

Bouncer is also an active public speaker, presenting to thousands of people at U.S. Direct Selling Association events, Success Partners Top 100, and various Stream events. He shares certain key principles in respect to a company’s journey: the customer is at the center of everything; manage by the numbers: focus on revenue and shareholder value; people are the lifeblood: form, lead, and motivate the right teams, empower people, and drive a culture of accountability.

Bouncer has decided to retire from actively managing Stream to find his next adventure, while still continuing as a director and advisor.

Kerry Tassopoulos
Vice President Public Affairs, Compliance and Risk Management
Mary Kay Inc.

Kerry Tassopoulos is Vice-President, Public Affairs at Mary Kay Inc. During his 22-year career at Mary Kay, he has been involved in every aspect of the company’s public affairs and government relations efforts at the state, federal, and international levels.

Kerry has also provided legal and public affairs advice to the company on such issues as international, federal and state regulatory matters and the manufacture, distribution, and marketing of Mary Kay products.

From 1996-2001 Kerry served as Director, Government Affairs at Excel Communications, a direct seller of long distance and telecommunications products. He was also the first General Counsel of Jani-King International, a Dallas based franchisor for commercial cleaning businesses, from 1987-1989.

Kerry is Vice Chairman of the Direct Selling Education Foundation (DSEF), a member of the Government Relations Committees of both the U.S. Direct Selling Association and the Personal Care Products Council, and serves on the Regulatory Affairs Committee of the World Federation of Direct Selling Associations. Kerry is also a member of the Preeclampsia Foundation Board of Directors.
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<thead>
<tr>
<th>Time</th>
<th>Class</th>
<th>Instructor</th>
<th>Building and Room</th>
<th>Speaker</th>
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<tbody>
<tr>
<td>9:30am-10:50am</td>
<td>Professional Selling</td>
<td>Michael Buckman</td>
<td>Trimble Hall Building, room 115</td>
<td>Michael Lunceford</td>
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<tr>
<td>9:30am-10:50am</td>
<td>Social Media</td>
<td>Omar Itani</td>
<td>Science Hall Building, room 129</td>
<td>Erin McGinnis</td>
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<tr>
<td>9:30am-10:50am</td>
<td>International Marketing</td>
<td>Fernando Jaramillo, Proctor: Eddie Inyang</td>
<td>Business Building, room 139</td>
<td>Alfredo Bala</td>
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<tr>
<td>9:30am-10:50am</td>
<td>Principles of Marketing</td>
<td>Elten Briggs</td>
<td>Business Building, room 256</td>
<td>Mark &quot;Bouncer&quot; Schiro</td>
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<td>9:30am-11:00am</td>
<td>Marketing Strategy</td>
<td>Larry Chonko</td>
<td>Business Building, room 141</td>
<td>Dick Laurin</td>
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<td>11:00am-12:20pm</td>
<td>Consumer Behavior</td>
<td>Zhiyong Yang</td>
<td>Preston Hall Building, room 110</td>
<td>Deborah Heisz</td>
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<td>11:00am-12:20pm</td>
<td>Professional Selling</td>
<td>Larry Chonko</td>
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<td>Kerry Tassopoulos</td>
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<td>12:30pm-1:50pm</td>
<td>Principles of Marketing</td>
<td>Lauren Brewer</td>
<td>Business Building, room 245E</td>
<td>Mark &quot;Bouncer&quot; Schiro</td>
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<td>4:00pm-5:20pm</td>
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<td>Yashar Dedashti</td>
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<td>5:30pm-6:50pm</td>
<td>Sales Management</td>
<td>Larry Chonko</td>
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<td>Rick Loy</td>
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<td>Zhiyong Yang</td>
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<td>Deborah Heisz</td>
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<td>Lauren Brewer</td>
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<td>Kerry Tassopoulos</td>
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<tr>
<td>7:00pm-8:20pm</td>
<td>Buyer Behavior</td>
<td>Yashar Dedashti</td>
<td>Science Hall Building, room 129</td>
<td>Roger Morgan</td>
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The Ethics Forum will contribute to the broader goals of the Ethics Consortium at UTA. As the program journeys towards excellence it pursues the following goals:

- Promote, support, and conduct cutting edge research with actionable implications that encourages further ethical inquiry which: 1) leads to business problem resolution, 2) creates business opportunities, 3) elevates the value of a focus on business sustainability, and 4) that fosters learning opportunities across the curriculum and moral reflection about business practices.
- Participate in and initiate scholarly activities/programs, which expand the business ethics field and our understanding of it.
- Promote innovation while enriching moral imagination in teaching ethics with particular attention to approaches that strengthen critical reflection.
- Develop and deliver innovative, effective curriculum through which students are provided opportunities to develop critical skills and analytical frameworks to identify, analyze, and resolve ethical business problems.
- Develop university-community partnerships and collaborations that address ethical business challenges.
- Provide learning resources to business and community leaders.
- Assist organizations in their endeavors to create long-term success, increase customer loyalty, and improve employee retention by collaborating with ethically effective leaders and managers.
- Advocate private sector initiatives that promote and support ethical business activity.

The Ethics Consortium at UT Arlington is unique in that it provides multiple bridges for student growth and development. Successful and sustained organizations, at their cores, share a common trait. They are focused on providing value and sharing those values in the communities in which they operate. We all have an obligation to embed ethics into the fabric of everyday life through the infusion of value into our organizations.

The magnitude of the task demands a broad-based enterprise ethics approach. The challenge of achieving the widespread support and participation for business, community, and academic leaders has reached a level of urgency.

Will you accept this challenge and join our team at The University of Texas at Arlington?

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