

ONLINE BUSINESS SOLUTION FOR VERIREV ENTERPRISE

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Abstract

VERIREV Enterprise is a multi-level marketing company situated in Naga City, Camarines Sur, Philippines. It is the sole marketing distributor of Ionique-CMD, a concentrated trace mineral drops which is harnessed naturally in Great Salt Lake, Utah (USA) by Mineral Resource International (MRI), Inc. Initially, all documents pertaining to sales transaction and product purchase, as well as commission computations based on product sales and personal referral were prepared and done using manual process with the help of Microsoft Office applications. Due to the increasing number of consultants joining the company, the preparation of commissions tends to become slow, inaccurate and ineffective.

To strengthen the hold of VERIREV in the direct selling business, an online system capable of disseminating the company's mission and vision, core values and advocacy, with the ability of catering the requirements of its sales force (wellness consultants and product distribution channel or PDC) efficiently and quickly; and a facility for managing the over-all marketing operations well is the target of the system requirements.

The system development process requires the use of V-model paradigm, with the inclusion of input-process-output (IPO) model to represent different modules of the system. Open-source programming language XAMPP (XAMPP-Win32-1.7.7-VC9) was used in the development of the program. HTML, PHP and JavaScript were used in the creation of front-end, while MySQL was used for data storage and manipulation. For statistical treatment of data, weighted mean was used to measure different features of the system; such as appearance, functionality, system features and user-friendliness of the system.

Key Words: concentrated mineral drops, multi-level marketing, online system, v-model, open-source

Introduction

VER1REV Enterprise is a multi-level marketing (MLM) company situated in Naga City, Camarines Sur, Philippines, and is the sole marketing distributor of Ionique-CMD in the country. Ionique-CMD is a concentrated trace mineral drops which is harnessed naturally in Great Salt Lake, Utah, USA, by Mineral Resource International, Inc. The product is being endorsed to the public together with Tubig at Mineral concept, an advocacy that teaches the importance of proper mineral supplementation as essential part of proper nutrition leading to perfect health. From Naga City, CMD is delivered to the product distribution channel (PDC), a center and retailer possessing exclusivity of business transaction to a certain locality. PDC serves the need of the wellness consultant, the sales force that introduce the product and the business to the people they knew and sell the product to these people.

Aside from generating income by selling products, most MLM companies allow their sales team to earn commissions based on referrals to new wellness consultants and product sales based on the company's marketing scheme. Initially, VER1REV uses Microsoft Office Applications and email in its business transaction. PDC submits application form of new wellness consultant and sales transaction form in Excel using email. VER1REV combines all application forms and update forced matrix genealogy manually. Likewise, all sales transactions were collected and unilevel genealogy are updated in a manual fashion. These are needed to ensure correctness in the computation of commission for forced matrix and unilevel. As more and more wellness consultants are engaged in the business, checking, tracking, and updating of records are becoming a burden for the marketing staffs. Preparation time and correctness of results for the whole business transactions are becoming an issue. Hiring of additional staff is not a viable solution, for errors in the computation is linked to human factor – redundant work leading to fatigue and loss of concentration. Creation of a system in a company-level is a solution. The company sought help for an offline solution from a group of programmers in Naga City, unfortunately, due to some technical constraints, the finished program was not delivered.

The proposed solution will be an online system where internet viewers can see the information of the company, the wellness consultant can check their performance, the PDC will make their transaction online, and the company can do majority of the business in a virtual environment. The whole system will be uploaded to a web hosting company, and the applicable domain name will be bought to be used in the business as well.

Materials and methods

An online system is divided into two parts: the first part focuses on the general information regarding the company, the product, testimonies and the process on how to become a VER1REV sales force. The second part focuses on the marketing system that requires verification and authentication through the use of username and password, and is divided into three accounts: one for the wellness consultants, one for the PDCs, and one for company's use. Each user account contains almost similar interface but different functionalities.

The proposed system was divided into three phases. The first phase concentrated on the development of the marketing scheme that the company is implementing to speed up the process of forced matrix and unilevel. Part of the task in this phase is the proper placing of consultant in the forced matrix genealogy and tracking down of sales performance from unilevel genealogy. After these requirements were finished, the next obstacles were the collections of consultant who will benefit from recruitment and product selling going to the payout summary.

The second phase concentrated on the development of web pages for consultant and PDC's use. The information system of the web site can be beneficial to consultants in introducing the company, the product, and the Tubig at Mineral concept to his/her prospects. In addition, his/her performance and genealogy can also be viewed in his/her account. Aside from the information system, the PDCs can use the system for her daily business activities and requirements. Through this, the PDC can serve the consultants under her locality effectively. User manual was created to help them in the use of the system.

The third phase focused on the business activity of VER1REV. Modules found in this account catered to the overall requirements of the company focusing on its marketing activities and inventory. Operations manual were created to help users in the manipulation of the system.

Generally, the homepage displays the greetings of the President, the testimonies of people who have used the product, some news features and a menu bar that contains the following:

- Home – link that will direct you to the homepage
- Company – link that presents the company's history, mission, vision, and core values
- Advocacy – link that shows the different medium used by the company for information dissemination
- Product – link that explains the product and some literature pertaining to its use
- Opportunity – link that describes the marketing plan of the company
- Consultant – link that gives a guideline on how to become a wellness consultant
- PDC – link that shows the application process
- News – link that displays articles relevant to the product and past events that happened to the company
- Contact Us – link that allows a viewer to leave a comment to the company

Included in the homepage is a function that allows a consultant, a PDC or the company to login in the system. The consultant account will contain a menu bar that displays the following:

- Home – link that directs you to the homepage
- Profile – allows a consultant to make some personal changes
- Genealogy – displays the genealogy needed for recruitment and sales performance
- Memo – a link that will displays memo from consultant to PDC
- Comment – allows consultant to communicate to the company by means of an email

For PDC, the menu bar will reveal the following:

- Home – displays the homepage
- Consultant – allows a PDC to add, view, edit and query a consultant
- Genealogy – shows the list of down lines of a consultant that was served by the PDC
- Sales – enables a PDC to encode the sales transaction of a consultant, it also shows sales history
- Purchase – allows PDC to purchase product to VER1REV
- Inventory – displays the PDC's current inventory
- Memo – a link that will displays memo from VER1REV to PDC
- Comment – allows a PDC to communicate to VER1REV through e-mail
- Settings – allows a PDC to change password

The company's web page will have a menu bar that contains the following:

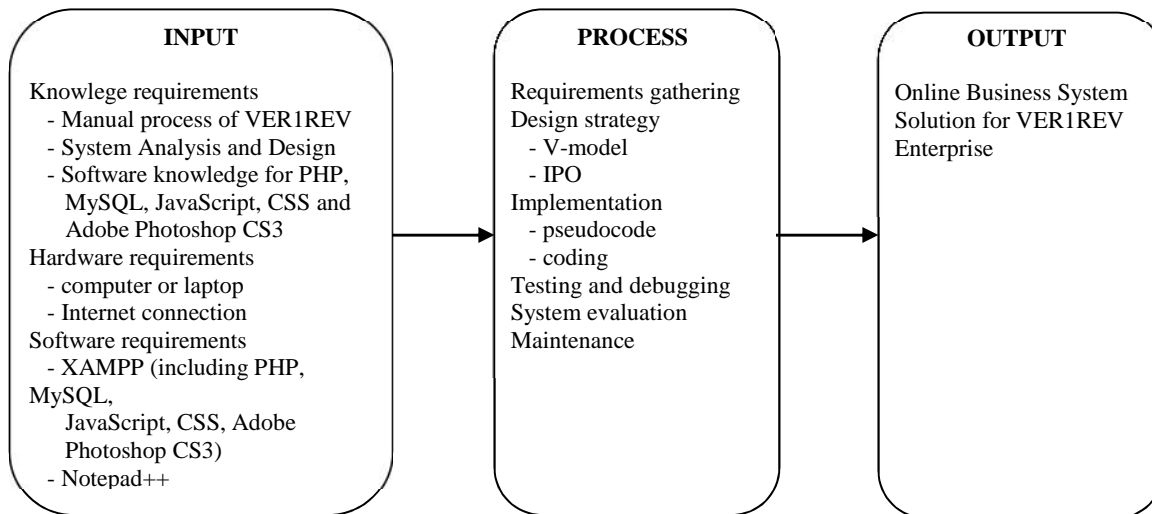
- Accounting – Accounting checks if there are purchases coming from PDC and if there is one, endorses the purchase to Sales

- Sales – Sales requests Warehouse to prepare the products purchased by PDC coming from Accounting, as well as confirming the delivery made to the PDC
- Warehouse – Warehouse expedite the products to the respective PDC who made the purchase, it also contains the company's inventory
- Purchase – allows VER1REV to make a purchase to IMRPC
- Marketing – this is where commissions in the form of payout is prepared, as well as other concerns pertaining to marketing process
- Consultant – a link that handles consultant's concern in a company's level; editing of consultant's information is done in this function
- PDC – a link that handles PDC's concern in a company's level; editing of PDC's information is done in this part
- Settings – a link that allows a company to distribute memo to its respective recipients, and also for changing password

Only one administrator account is allowed and will have a menu bar containing the following:

- Consultant – a link that allows deletion of consultant and sales transaction
- PDC – a link that allows an administrator to delete a PDC and PDC purchases
- Settings – a link that allows changes in the password of an administrator
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The materials to be used in the creation of the system is listed in the figure below, an IPO model that described how a process can transform an input to give a desired output.



Results and discussion

Manual placement of the new recruit to the over-all tree structure in the company level is advisable up to the third level. For a level lower than this, problem started to rise due to the increase in the number of consultants per level. New consultant must be placed on its proper entry in the tree structure or error will be generated. Each consultant is a node, and is able to generate its own tree. Each node must be checked up to the twelfth level. For every new recruit and new sales transaction generated, the tree needs to be updated for computation of forced matrix and unilevel payout. Incorrect update will generate an error, which will affect the information of other nodes in the tree. Updating should be done always so that when a consultant request for his/her downline performances, the report must be correct and accurate. For generation of payout, the process is redundant and tasking. Information of every node

must be gathered, checked and assembled so that correct percentage for computation will be used after checking the requirement based on the rank of the consultant. Tables below show the result of manual computation from the data generated from May 2013 to August 2013. This came from the interview conducted from the staff who worked in the payout computation during that period.

Table 1. Number of new registered consultants (con)

	May	Jun	Jul	Aug
Consultant	75	31	66	20

Table 2. Number of generated sales transactions

	May	Jun	Jul	Aug
Transaction	158	136	207	189

Table 3. Time spent of one staff in payout computation

	May – 410 con	Jun – 441 con	Jul – 507 con	Aug – 527 con
Staff	4.0 hrs	4.5 hrs	5.0 hrs	5.5 hrs

Table 4. Number of errors generated by staff in payout computation

	May – 410 con	Jun – 441 con	Jul – 507 con	Aug – 527 con
No. of errors	4	5	5	7

It is expected that an increase in the number of registered consultants and generated sales transaction will continue in the coming years as seen from the data. Manual process in the generation of payout summary will not be advisable and inefficient for the business. Solution is needed at the soonest possible time. In reference to the information found in Table 1 and Table 2, the same data was used to compare the time used by the proposed system in the generation of payout computation. Table 5 shows the amount of time used by the system in the generation of payouts. The process was reduced from hours to minutes. Table 6 shows the number of error generated by the system in the preparation of payout summary. The error generated by the system in generating payout computation is nil. Based on the results gathered, the use of a system in the generation of payout summary reduced the period needed and the error generated by more than 90% compared to the manual process. This shows the effectivity and efficiency of the system in terms of computation.

Table 5. Time spent by system in payout computation

	May – 410 con	Jun – 441 con	Jul – 507 con	Aug – 527 con
System	4 min	4 min	5 min	5 min

Table 6. Number of errors generated by system in payout computation

	May – 410 con	Jun – 441 con	Jul – 507 con	Aug – 527 con
No. or error	0	0	0	0

Implementation were made wherein the intended users took evaluation examination and rate the system using survey questionnaires. The gathered data were tallied and validated by the statistician to check the features of the system based on different categories.

Table 7. Weighted Mean and Interpretation on the Appearance of the System.

Basis	5	4	3	2	1	W.	Interpretatio
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						Mean	n
The font style and font size used	24	6	0	0	0	4.80	Excellent
Designs and colors used	18	12	0	0	0	4.60	Excellent
The over-all appearance of the system	17	13	0	0	0	4.57	Excellent
General Weighted Mean						4.66	

Table 7 shows the evaluation of the respondents on the appearance of the system. The font style and font size used was rated by the respondents with the highest mean. It was followed by the design and colors used, and then by the over-all appearance of the system. With a general weighted mean of 4.66, the data proved that the respondents were satisfied with the appearance of the website.

Table 8. Weighted Mean and Interpretation on the Functionality of the System.

Basis	5	4	3	2	1	W. Mean	Interpretation
Manner of controlling the system	11	18	1	0	0	4.33	Very good
Accuracy of the contents of the system	17	12	1	0	0	4.53	Very good
Reliability of the system	13	16	1	0	0	4.40	Very good
General Weighted Mean						4.42	

Table 8 shows the evaluation of the respondents on the functionality of the system. Accuracy of the contents of the system got the highest mean, followed by reliability of the system. It was followed by manner of controlling the system. The results proved that the functionality of the website is reliable, efficient and accurate with a general weighted mean of 4.42.

Table 9. Weighted Mean and Interpretation on the User-friendliness of the System.

Basis	5	4	3	2	1	W. Mean	Interpretation
Interaction between system and user	14	15	1	0	0	4.43	Very good
Easiness of navigation	18	10	2	0	0	4.53	Very good
Arrangement of the buttons	15	13	2	0	0	4.43	Very good
General Weighted Mean						4.47	

Table 9 shows the evaluation of the respondents on the user-friendliness of the system. Easiness of navigation got the higher mean. It was followed by interaction between system and user, and the arrangement of the buttons sharing the same mean. The data showed that the respondents were satisfied with the user-friendliness of the system showing a general weighted mean of 4.47.

Table 10. Weighted Mean and Interpretation on the System Features of the System.

Basis	5	4	3	2	1	W. Mean	Interpretation
Effectiveness in producing information	16	13	1	0	0	4.50	Very good

Accuracy in the presented information	16	14	0	0	0	4.53	Very good	
Manner in controlling the functions	7	22	1	0	0	4.20	Very good	
General Weighted Mean							4.41	

Table 10 shows the evaluation of the respondents on the system features. Accuracy in the presented information tops the list with a mean of 4.53. It is followed by effectiveness in producing information, then by manner in controlling the different functions. This proved that the respondents were satisfied with the features of the system having a general weighted mean of 4.41.

Table 11. Weighted Mean and Interpretation on the Overall Effectiveness of the System.

Basis	5	4	3	2	1	W. Mean	Interpretation	
Over-all effectiveness of the system	11	19	0	0	0	4.37	Very good	
General Weighted Mean							4.37	

Table 11 shows the evaluation of the respondents on the overall effectiveness of the system. Coming from the computation, the respondents were satisfied with the overall effectiveness of the system with a mean of 4.37 which is very good.

Conclusions

The main focus in the creation of the system is to provide reliable and accurate information about the transactions made by VERIREV and its PDC. It is aimed to save time, materials and resources in gathering of information through the use of well-controlled features and functions of the system. It would be easy for different users to navigate the website since it contains simple set of menus using commonly used terms.

Online Business System Solution for VERIREV Enterprise would serve as a viable solution for their business strategy. The proposed system will provide an improved, fast, accurate and reliable transaction processing, checking, and computing. The company, the PDCs, and the wellness consultants will benefit from the information obtained and generated by the system. Information regarding the company and the product is available online. Online viewer who may be interested to join the company can communicate with the company. It is an asset in showing the strength of the company in the field of multi-level marketing using modern technology.

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