Matrix MLM Plan

A Complete Guide



Contents

1. Introduction : Matrix MLM Plan 3
2. Structure of Matrix MLM Plan 3
3. Working of Matrix MLM Plan 4
4. Spillover Preferences, Guidelines, and Scenarios 5
5. Different Scenarios in a Matrix Spillover 6
6. Weaker Leg Spilling 7
7. Compensation Structure 7
8. Bonuses in Matrix MLM Plan 8
9. Pros of Matrix MLM Plan 9
10. Cons of Matrix MLM Plan 9
11. Matrix MLM Calculator 10

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Matrix MLM Plan - Introduction

The Matrix MLM plan is a compensation scheme that has a predetermined genealogy structure from its birth. Unlike others, this plan has precise clarity on both the width and depth of the genealogy structure it would adapt. This plan is also called Forced Matrix Plan and is represented by the formula Width * Depth. Matrix Plan limits its width more compared to its depth and motivates to hire more members in the downline. It has a pyramid structure arranged into a fixed number of width(row) and depth(column) that restricts the number of distributors you can sponsor on your first level.

Structure of Matrix MLM Plan

Matrix Genealogy tree is the network structure adopted by MLM firms that choose Matrix MLM plans. Though Matrix MLM plans have fixed width and depth, which will be decided in advance by the MLM. These widths and depth shall be depended on the product, its sale, and distributor network prospects. The most commonly used matrix MLM plans are 2×2, 4×7, 5×7, 3×9, and 2×12.

Working of Matrix MLM Plan

MLMs that choose to deploy Matrix Plans would primarily decide the fixed number of members it is best to accommodate at each level. They also determine the number of genealogy levels that could bring them the best benefits. Concluding on both, they decide - members at each level under a parent “Width” and the Number of Levels “Depth” they should have in their Matrix plan.

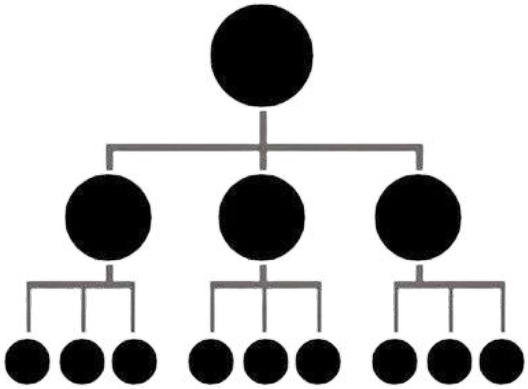
Matrix MLM plan have a fixed/predetermined depth and width and strongly reject placing any member in a position that is at odds with the predetermined depth and width. Such members are spilled to the next level.

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The distributors must help their downline members for the growth of their organization because there is a limited width to this MLM compensation plan. In the Matrix MLM compensation plan when the front line becomes full the distributors have to sponsor new recruits deeper into their downline. Consequently, these new distributors are placed into the next available position. As time advanced the plans have been advanced to allow the distributors to decide where they want to position these new distributors.

Working Of Matrix MLM Plan With An Example

Let us consider a 3*2 matrix MLM plan, where 3 is the width and 2 is the depth or height of the matrix. Below shown is the 3*2 matrix.



Width (3) is the maximum distribution allowed in each level of the matrix and height(2) is the number of levels in the matrix. Once the 3 distributors are added to the first level of the matrix, the first level is finished and the new 3 members are added to the next level i.e 2nd level. Here the matrix contains only 2 levels.

Under each member in the first level i.e under 3 members in the first level again 3 members are added to the second level. Altogether there will be 9 members on the second level. Adding distributors to the second level is called a spillover in the Matrix MLM plan. In the 3*2 matrix, the total number of distributors will be 13(Sponsor-1, First level-3, Second level-9=13 members). The matrix 3*2 will be completed once it forms these 13 members.

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As the width is restricted in the matrix plan, only 3 members are added in each level and so it is called the forced matrix plan.

Different MLM companies follow different Spillover preferences as per their MLM business strategy.

Spillover Preferences, Guidelines, and Scenarios

Sponsor: The distributor who introduced the new member to the Matrix network.
Parent: The distributor, who is the direct upline of the new member introduced to the Matrix network

When does Spillover Happen?

In the Matrix MLM plan, spillover happens when the frontline under a sponsor is completely filled and a new individual joins under him. In such a case the new joiner will be spilled over to the next levels of the genealogy tree whose parent would be a downline of the Sponsor.

Guidelines for Spillover

Spillover can be done in many ways as per the preference of the company, but generally, spillover has a framework when admitting new joiners to the genealogy tree.

Normally by default new joiners spilled over are filed from left to right positions in the genealogy tree.

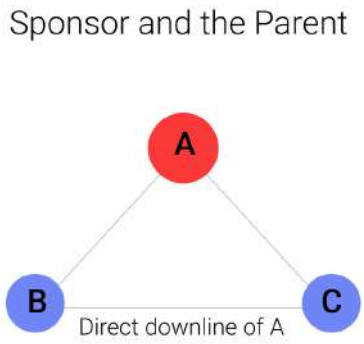
As per the sponsor preference or the owner privilege, the new members can be added to any available position in the matrix plan.

Listed below are a few of the scenarios that can happen when sponsors place new Joined at different positions in the genealogy tree.

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Different Scenarios in a Matrix Spillover

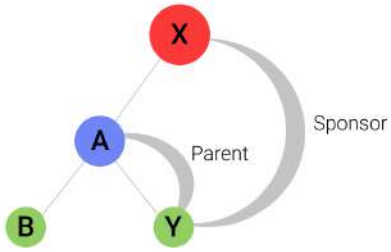
1. The Sponsor & the Parent of downlines are the same



If distributor X sponsors A and If A introduces a new member B to the left leg of A in the matrix tree, then B is the direct downline of A. If again A sponsors a new member C, then it is added to the right of A since it was the vacant position.

Now B, C are the direct downlines of A. A is the sponsor as well as the parent of B, C.

2. The Sponsor and the Parent of the downline are different



Here X sponsors A and Y, where Y is placed under the right leg of A. A sponsors new member B, and B is placed under the left leg of A since there is no vacant position at the left leg.

Now For Y, A is the parent and X is the sponsor. Here the sponsor and the parent are different for the Y. The matrix of A is formed from their own effort and the upline's (X) effort by spilling over the member Y.

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Weaker Leg Spilling

Here the newly introduced members are placed under the weak leg of the matrix structure. The weak leg may be the left or the right leg of the matrix and it depends upon the lowest sales volume acquired by the left or the right end so that the new member will be able to increase sales volume on the weaker leg.

Compensation Structure

In a matrix, plan members can be compensated in various ways in relation to the rank, recruitments, and sale of MLM products. Common MLM compensation schemes include Sponsor Bonus, Level Commissions, Matching Bonus, Position Bonus, and Forced Matrix Bonus.

Let's use the 3 x 7 matrix as an example: you are on top and have 3 on your frontline. Your second level is 9, the third is 27, and eventually, your seventh level is about 2,187. If filled up, your entire organization will compensate you for a total of only 3,279 people. Many of the top leaders in this industry have organizations of tens or hundreds of times larger than this. This is literally a case of converting an unlimited opportunity into a limited-income position.

Generally, sponsors of a new joint are compensated with a sponsor bonus when the new individual joins the company under his referral. With the joining of the same member, those in the new joiner's upper lines would be compensated with Level Commissions.

Once the matrix gets completely filled by members, it is a general trend in most MLMs following a Matrix MLM plan to compensate them with Forced Matrix Bonus.

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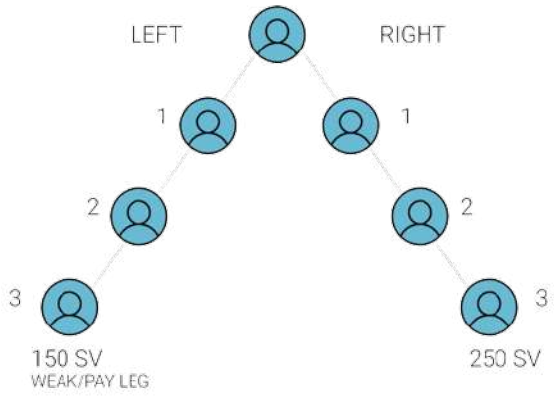
Bonuses in Matrix MLM Plan

Sponsor Bonus

The Sponsor bonus is the amount earned from adding the downline members on the front line.

Level Commissions

Level commissions are the compensation earned by upline members when a new joiner is placed on their downline. The upline levels up to which Level commission can be earned varies according to the compensation schemes of the MLM.



Matching Bonus

A Matching Bonus is a commission received by the sponsors based on the earnings of downline distributors whom they have sponsored.

Forced Matrix Bonus

All the members of a Matrix Genealogy tree will be eligible for a Forced Matrix Bonus when the matrix is complete.

Know more about MLM Bonuses, check link below:
https://infinitemlmsoftware.com/blog/types-of-mlm-bonuses

Pros of Matrix MLM Plan

The Matrix MLM Plan has the potential to be very fulfilling to both beginners and experts. This plan increases the prospect of generating a very huge income if you are willing to work hard for it.

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How Matrix Plan Is Beneficial For Distributors & The Company

The matrix plan provides a limited income position from unlimited opportunity.

For example, let us consider the 3*2 matrix. As per the distributor, it is only a 3*2 matrix plan with limited depth. However, for the company, the view will be like a 3*unlimited height plan. You may think why is it so?

Many distributors exist in the matrix network and the tree will go big when you look at the members above the sponsor. The matrix tree looks small at the distributor's view but it goes big as per the company's view. The MLM companies decide the compensations when the distributor completes the matrix cycle

Other Advantages of Matrix MLM Plan

- Matrix plan promotes self-growth and support team growth.
- Since levels are limited ambiguity in distributor training, payout and compensation calculation are removed.
- Fixed width and depth helps to manage organization smoothly.

Cons of Matrix MLM Plan

A prospective setback of the Matrix Plan is that usually the amount of income compensated on each level is varying. Therefore there is more motivation for suppliers to help some stages of their network but not others. Furthermore, some programs are quite extensive and may need you to complete 6 or more frontline roles before helping your frontline to create their company.

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Matrix MLM Calculator

Matrix MLM Calculator will help to predict your monthly income while exercising the Matrix plan based on your recruitment, sales volume, and so on.

In the Matrix MLM Plan, there are different types of compensation that are used to increase the stability of the Matrix structure and to make the team active.

The all-inclusive report generated by the Matrix MLM calculator helps to single out realistic details in choosing a Matrix MLM plan with a given width, depth, commission, tax, and other charges and expenses.

Matrix MLM Calculator helps to measure the wealthiness of Matrix MLM plan for a given account of income and payouts. This way MLM companies are able to choose the most ideal compensation plans that benefit the MLMs and their members equally.

Following are the inputs that need to be given for the calculator to generate its results.

a. Joining Fee

The joining fee should be decided by taking into account an estimate of how much a distributor in a demographic sector will be willing to pay while joining an MLM company.

b. Product /Service Expense

Every MLM should have a clear idea about how much expenses would accrue on the company in making the MLMs product or services available for sale. This needs to be properly budgeted for running the company profitably.

c. Matrix Commission

MLM companies have to decide on the commission they will be able to pay to their distributors by taking into account the budget around which reasonable profit can be made for the company.

d. Number of Levels

The number of levels in an MLM plan is scalable. MLM companies need to decide wisely about how many levels they need in their MLM plan.

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e. Admin Charges

Administration charges normally range between 2% to 4 %. MLM companies should estimate it accordingly.

f. Tax Deduction

Shall depend on the country of the MLM Company.

Check our free Matrix MLM calculator:
https://infinitemlmsoftware.com/calculator/matrix-mlm

Related Topics:

1. What is Multilevel Marketing?
2. Best MLM Plans To Consider
3. Binary vs Matrix MLM Compensation Plan

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Get in Touch

Website: **www.infinitemlmsoftware.com**

Email: **support@ioss.in**

Skype: **Infinitemlm**

Phone Number:

 **+91 9544931055**

 **+1 530 350 5657**

 **+44 1905 57 1298**

 **+971 52 349 0374**

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