

## Ways to Purchase Inventory

### WAYS TO PURCHASE INVENTORY

1. **Personal funds.** If you have it and want to begin your business that way—great idea!
2. **Conventional loans.** Your own bank is a prime source. They prefer loaning larger amounts, usually \$2,500 to \$4,000. The rates are usually reasonable and there is usually no pre-payment penalty should you decide to pay off your loan quickly.
3. **Visa/MasterCard/Discover.** Be sure to have enough available credit on the card to cover your purchase. We recommend using a separate bankcard for your Mary Kay business if one is available. Many new consultants put their inventory onto their family credit cards then transfer it to a separate credit card or loan for bookkeeping purposes. This allows for immediate inventory purchases.
4. **Refinance a current loan.** If you have a loan and have made payments for a year or more, you can often refinance the loan without raising the payment but extending the length of the loan. This method works well with car loans.
5. **Credit unions.** Credit unions are traditionally a source of low-interest loans. Call your credit union immediately. Processing your loan may take a few weeks.
6. **Family loans.** Many times there are members of your family willing to help you start your career. It is recommended that the arrangements be made on a loan basis where you pay this money back in monthly installments.
7. **Co-signers.** If you don't have a lengthy credit history or have not been employed long enough, having a co-signer (parent, relative, close friend) may help you qualify.
8. **Hidden treasures and rummage sales.** Unneeded and unwanted jewelry, sports equipment and household appliances can be a hidden source of funds, as well as the little odds and ends you can sell in a rummage sale. Your junk may be another's treasure, and \$2 for an item is \$2 you can put into Mary Kay.
9. **www.nextcard.com and www.capitalone.com.** These are sources of quick approval for credit, along with National City Bank @ (330) 723-3602.

### REASONS TO STOCK INVENTORY

1. **Customer Service.** Women want to use their products the moment they get home, and they purchase immediately when they know they can take their products home on the spot. They also buy more. In addition, inventory is also important for customer retention. Often times, when a woman runs out of products, it's already too late and she needs it now! You want to be able to deliver immediately.
2. **Personal Use.** You are the best advertisement for your products. You want to wear them head to toe, and you'll want to stock your home with them too! You can actually save an average of \$600 a year just by using Mary Kay for all your personal needs!
3. **Time and Money Management.** Having product on hand enables you to maximize your time and simplify your money management. Transactions are complete at the moment of purchase, allowing you to avoid timely demands for deliveries. The goal is always to have a profit-level inventory, whether you start with one or build to it. Building to profit-level requires reinvesting profit into your inventory. Starting at profit-level allows you to immediately take profit and use a portion to pay back your loan.
4. **Professionalism and Commitment.** Mary Kay prides itself on being a company that offers exceptional quality products and professional service. Stocking an adequate inventory is important to your customer. She knows you are serious about her and your business. When you invest in an adequate inventory, it also causes you to have a higher level of commitment to work your business consistently.
5. **Guarantee of Success.** Mary Kay has found that consultants who begin their businesses with inventory achieve the most success. The company even offers a 90% buyback guarantee to ease the inventory decision.
6. **Payment Plans.** You can increase the options you can offer customers, increasing her buying power. Payment plan options should be offered only when you have reached Profit Level inventory to allow for proper rotation and ordering to take place.