



Money Management

The first thing to know about inventory control and money management is that you do not need some of everything on your shelf. But what you do need is a LOT of the things that we sell often! We are the #1 Company in the nation in Basic Skin Care and Color!

You will be focusing on selling THE BAG! You will find that about one out of every three women will purchase the entire collection when you use it to demonstrate, have it to sell and develop the skill of presenting it!

When ordering your initial inventory, ideally you would want to start with the “Career Package” because it gives you Roll Up Bags and full range of what’s appropriate for you plus lots of depth on the hot items. It would be enough to complete your Power Start and your first 30 days in business. Plus, the best news is that you can pay yourself a salary your very first month.

When you are ready to place your initial order, I will help you by placing it on your behalf so the items you invest your money in are the most appropriate ones for fast turnover.

Helpful tips:

- Open a debit card account so that you have a place to deposit your money and have a way to transfer those funds electronically with your debit card so you can place your next reorder easily.
- Make sure your debit card is a MasterCard, Visa or Discover
- Deposit all of your sales income each week into your Mary Kay account (don’t ever mingle your business funds with your personal money—it’s called embezzling in the business world!)
- At the end of each week, write yourself the appropriate paycheck (according to the level of inventory you have)

Paying yourself:

With every item you sell you are *making* a profit. However, you don’t necessarily want to pay yourself that profit right off the bat. It all depends upon the level of inventory you have in your “store”.

Example:

\$3600 wholesale in your “store” - pay yourself a 40% profit each week

\$3000 wholesale in your “store” - pay yourself a 30% profit each week

\$2400 wholesale in your “store” - pay yourself a 20% profit each week

\$1800 wholesale in your “store” - pay yourself a 10% profit each week

\$1200 wholesale in your “store” - continue to reinvest all of your sales each week until you reach one of the above levels

\$600 wholesale in your “store” - continue to reinvest all of your sales each week until you reach one of the above levels.

Why 60% - 40% at Career Level?

- You want to have money to reinvest in inventory (50%).
- You want to have money for your section 2 sales aids (5%)
- You want to have money for your PCP (preferred customer program) (5%)

Please remember that nothing—absolutely nothing comes out of your 60%! It ALL goes back into your “store”.

What comes out of your 40%?

- Your loan or credit card payment
- Business expenses (office, postage, meeting fees, workshops, etc.)
- Anything you choose to spend your profit money on

It’s even better in the beginning if you will pay for your meeting room fee, workshop fee, etc. out of your household money and let your 40% pay off your loan or credit card. If you will support your business in the beginning, it will support you for the rest of your life. Of course, if your Mary Kay account is the ONLY place you have to get cash for those expenses, then it will take you a little longer to pay off your loan or credit card.

Many companies today have a six month 0% interest. That would be ideal for you to get started since you can have it paid off when the interest rate kicks in. If, for some reason, you do need to pay interest on your initial inventory don’t worry...your interest is 100% tax deductible. After your initial order, you should be using a DEBIT CARD for placing all future orders and you will soon be debt free!