

Coles Comets

MARY KAY INVENTORY

You have the choice in Mary Kay to service your customers in one of two manners:

- Option 1:** **Stock Inventory:** Deliver the product to your customers as soon as they place their order. You stock product in your home, which you have purchased in advance to sell to your customers.
- Option 2:** **Do Not Stock Inventory:** Customers place orders to you and pay for their order in advance. You accumulate orders and the money to place an order to the company for the products your customers pre-order.

A decision to purchase inventory depends on two factors:

- Resources—can you come up with some money to purchase inventory?
Goals—what amount of inventory you choose should depend on your own personal business goals.

The single most important issue involved in your inventory decision is that you make a decision that you are happy with so that you are able to focus on succeeding in your Mary Kay business. Either choose to carry inventory, or place orders to the company to service customers, but either way, make a decision and be happy with your decision.

Advantages

- **Higher Sales**
Women are impulse buyers. They want their products as soon as they fall in love with them. Your sales will be 57% higher if you carry inventory to give immediately to your customers.
- **Less Chance of Losing the Sale**
Women do not usually change their mind once they have the product in their hands. However, if they have to wait for the product, they may change their mind about their order due to money, stress, or husband.
- **Your Confidence**
You are more likely to actively work your business if you have product on your shelf. You will feel like a professional and have more confidence in your sales ability.
- **Motivation**
Your inventory will motivate you to do your business when you lack self-motivation. Product sitting on your shelf will motivate you to get on the phone and out there selling.
- **Profit**
You will see a profit sooner from carrying inventory. If you have to place orders; it takes longer to see profit. Also, you can see a higher commission level from your sales because you will be able to order in larger quantities and less often.
- **Higher Reorders and Less Drop off**
If you are able to immediately service your customers with product as soon as they run out, they will learn to depend on you. If you have to place an order to the company, they may look for another consultant that stocks an inventory.
- **Less Frustration**
Consultants who do not carry product tend to get frustrated with their business....sometimes to the point of quitting. Not carrying inventory is one of the most common reasons for consultant dropout.

Disadvantages

- **Fear of Debt**
Some consultants look at borrowing money for an inventory as "debt." This can cause fear. However, when you look at your inventory from a business standpoint, it's really an "investment." You double your investment each time you sell a product.
- Remember also, you have a 90% buy-back, guarantee for an entire year from the date you placed your inventory order. (This guarantee is printed on your Beauty Consultant agreement.) You really have everything to gain and nothing to lose by purchasing an inventory to begin your business.

Financial Options/Suggestions

1. Apply at more than one bank or credit union.
2. Select the option that offers the best interest rate.
3. Consider a co-signer, if you are initially turned down for your loan.
4. Consider borrowing against a CD.
5. Do not request a "business loan." They are much more difficult to obtain than a "personal loan" and require more paper work. They are usually charged additional fees and a higher interest rate as well.
6. Place your initial order using Visa/MasterCard/Discover. Your order may be split over four credit cards. And, any interest incurred on a loan or credit card is 100% tax deductible.

Listen to NSD Pam Fortenberry-slate 1(212)-461-2732 at anytime.

Building a Million Dollar Unit

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