



# Money Management

Your Mary Kay Career gives you unlimited earning potential. You determine your own paycheck. Since you are the CEO and the Treasurer of your own business, it is important that you learn wise money management skills. One of the #1 reasons people fail in the business world is they fail to manage their money well. By developing good habits immediately, you'll avoid that dilemma.

The business is just that, a business. Treat your business like a business. A basketball in my hands is worth about \$29; however that same basketball in Michael Jordan's hands is worth millions! The same goes for that \$100 Starter Kit you purchased. You decide what is going to be worth, \$100 or millions! Be disciplined to work and make the most of your time. Here are some tips that will make your Mary Kay business profitable.

1. **Get on a profit-making basis as soon as possible.** Inventory— you should have at least \$3600 wholesale on your shelf before taking a profit if you want to grow this business. If you are strictly personal service, your profit-taking numbers will vary. Do not take a penny from your business earnings for yourself until you have reinvested and built up your inventory. The easiest and most practical way is to begin from the get go with full inventory. There is nothing more frustrating than to get lots of orders and not be able to fill them. It's just as frustrating for the customer who has to wait to receive her cosmetics.
2. **Once on a profit basis, operate on the 60/40 rule.** From the total retail sales in a week, calculate 60% of that total and put it back in your business. You'll need 50% to buy and restock more products and 10% for miscellaneous business costs (demos, postage, PCP, etc.) Keep 40% for yourself when you are ready.
3. **Receipts-**Be sure to keep track of all business costs. Get in the habit of asking for receipts for everything. Be sure to check the consultants guide for a list of all acceptable deductions. Then keep 2 envelopes for each calendar month— label them “incoming” and “outgoing” expenses. Keep your weekly summary copies and pink tickets in the “incoming” envelope. Keep the receipts for all expenses in the other. This will make taxes and any paperwork much easier if you do it monthly and keep on top of it. It is very simple, don't complicate it by procrastination.
4. **Business mileage log-** Be sure to keep track of all your mileage on your car for business related trips.
5. **Be sure to have a separate business checking and savings account.** Do not mix your personal family budget with MK funds. It will become very confusing and increase the chance of embezzlement. Keep a separate savings and checking account for MK business. You can order MK checks through the company to promote your business.
6. **Realize the difference between Wholesale and Retail.** Wholesale is what we buy the product for. Retail is what we sell the product for. I.E. we buy the product for \$1 and sell it for \$2. All orders, bonuses, Star Consultant Contests, qualification, etc are based on **Wholesale**. Thus, in order to have a \$600, you should make sure retail is \$1200. Tax is based on the retail cost of the product you buy from MK.
7. **Weekly Accomplishment sheets should always be filled out at the end of the week.** Our weeks go Sunday to Saturday. To save aggravation for both yourself and your Director **do not let these pile up**. You must turn these into your Director for your recognition in our newsletter, meeting, and for your taxes.
8. **Try to keep your business costs to a minimum.** Do not be afraid to invest in your inventory, seminars, trainings, breakfasts, Etc as these are things that will make you money. Do be afraid to spend money on things less needed such as fancy stationary, elaborate office equipment, too much stock on Section 2 items, etc.
9. **Give yourself time to build a profitable business.** The average business takes at least 3 years of 24/7 to be on a profit basis, and thank goodness MK is a different type of business with a proven and precise marketing plan! How quickly you start making money is based on how quickly you get to a full level inventory. **NEVER** get discouraged in your first year.

**Remember, no one could walk into your job today and be great at it. It takes time to be great at something. YOU are greatness in the making!**