

Inventory 101

adapted from Donna Bayes, Senior Sales Director

An important decision that you should make often is to decide whether or not you want to stock inventory in your store for on-the-spot delivery or take orders. Your customers will appreciate the fact that you have full inventory and can deliver anything to them at any time.

Consider the following when making your decision, you have the ability to choose in Mary Kay to service your customers in one of two of the following ways:

1) Deliver product to your customers as soon as they place their order. You carry product in your home which you have purchased in advance to sell to your customers 2) Customers place their product orders to you, and you accumulate their orders and then place an order to the company to service your customers for the products they need

A decision to purchase inventory depends on two factors:

Resources - Do you have the capability to make the purchase?

Goals - What level you choose should depend on your business goals.

Benefits of stocking inventory in your home:

>> **Higher Sales** - Women want their products as soon as they try them. Your sales will be 50% higher if you carry inventory to give immediately to your customers

>> **Less Returns** - Women do not usually change their minds once they have the product in their hands. If they have to wait for product they can change their minds about their order due to money, stress, husband, etc.

>> **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 get you out there selling! It's instant cash!

>> **Profit** - You will see a profit quicker 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, since you will need to order less often

>> **Higher Reorders and Less Customer Drop-off** - If you are able to immediately service your customers once 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 who carries inventory

>> **Less Frustration** - You do not have to wait as long for every order, which is less frustrating when you have a quick sale to make

Bottom line: Your goal is to build to a level of inventory suitable for the size of business that you intend to have and your goals.

