

Setting Yourself Up for Success

MARY KAY INVENTORY

You have the choice in Mary Kay to service your customers in one of two manners. Inventory is personal and based on your goals. Keep in mind all successful consultants have inventory:

Option 1:

Stock Inventory: The less time you have the more products you will want on hand. 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. You are in business & can start taking profits right away and have disposable income!

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 a bulk order to the company for the products your customers pre-order. The orders get shipped to you and you deliver the products to your customers. At this level you may want to reinvest your profits into having products on hand so you can better service your customers in the future. You may not see your profits right away and this will take more time and energy.

A decision to purchase inventory depends on two factors:

Resources—can you come up with some money to purchase inventory? You will want to explore all options. Goals—what amount of inventory you choose should depend on your own personal business goals. (see next page) 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. Either way, make a decision and be happy with your decision. **Regardless, continue to book, coach, hold parties, and share the business with everyone!**

Advantages of NOT Stocking Inventory

No Up-Front Investment

Disadvantages of NOT Stocking Inventory

Lower Sales

You will sell about 60% less if your clients have to wait on their product

Lower Profit Margin Having to place multiple orders will lower your profit margin in that you are paying additional shipping charges and not receiving the free product bonuses from the company for ordering in bulk. We pay \$8.75 in shipping regardless if you order \$200 worth of product or \$2000 worth of product.

If you have to place orders, it takes long to see profit.

Higher Chance of Losing the Sale Women who have to wait on their order have a higher chance of changing their mind about their order due to lost enthusiasm for the product, money, stress, or husband.

Lack of Commitment Consultants who do not invest in inventory often feel less committed to succeeding in their business than woman who carry inventory

Lack of Customer Loyalty If a customer has to wait for their product, they may look for another consultant that stocks an inventory to replenish their supply.

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.

Advantages of Stocking Inventory

Higher Sales Women are impulse buyers. They want their products as soon as they fall in love with them. Your sales will be approx 60% higher if you carry inventory to give immediately to your customers.

Higher Profit You will see a profit sooner from carrying inventory because you are not investing your profits to build inventory. In addition, **First time ordering bonuses for new consultants are about 20% in Free product on your first order!!!!** Plus, you will see a higher profit level from your sales because you will be able to order in larger quantities and less often thus saving on shipping and getting extra free product called "Biz Builders" every time you reorder in bulk.

Less Chance of Losing the Sale Women do not usually change their mind once they have the product in their hands.

Higher 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.

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.

Company Referrals AND Delivery Service as a STAR Being a STAR consultant will allow you to receive customer referrals from the company and be able to utilize the customer delivery service.

Disadvantages of Stocking Inventory

Up-Front Investment Using your savings or borrowing money for a business can cause some people to be afraid. However, when you look at your inventory from a business standpoint, most businesses take out a loan so they can invest and be at profit level immediately. This is an investment, because you double your money each time you sell a product. There is no savings or stock that can guarantee that. When you treat this business like a business it will pay you like a business.