

Things to consider when making an inventory decision...

“You cannot open a store with a can of tomatoes and a 5 pound bag of sugar!”

It’s a known fact that you will sell more when you know you have enough inventory. When you are out of product, you are late getting it to your customers, which means they could go elsewhere to buy it (another consultant or store). You may be reluctant to call and service your clients or book classes because you’re afraid someone may want something you don’t have.

Set yourself up for success by borrowing at a zero or low interest rate to purchase inventory at a profit making level. Isn’t it easier to shop at a Super Target than a BP Gas Station.

If you’re wondering if you really need an inventory of products for your business, keep in mind that when Mary Kay started this company, she tried to eliminate the problems she had encountered in other companies.

One major problem was trying to deliver merchandise after a one to two-week lapse of time. She found that customers lost enthusiasm, and in many cases they completely cancelled the order, dismissing the hostess gift and casting a veil of gloom over the entire process. She remedied this situation by establishing delivery the day of the class, realizing that women are particularly anxious to begin using their cosmetics immediately.

One of the greatest merchandising techniques that has put the Mary Kay Business where it is today is immediate product availability, so it is very important to your business success that you have an adequate supply of Mary Kay products at your classes to deliver on-the-spot.

At your parties, your guests have a chance to try the product and fall in love with it. They are happy and excited about using it right away, while your instructions are fresh in their minds. Women also tend to be “impulse buyers,” and will often purchase more when they know they can immediately take possession. With adequate inventory, you will:

1. **Have a sales advantage.** Many sales are missed at the moment of the customer’s greatest desire if the product is not available. Clients often “cool” when they have to wait.
2. **Operate efficiently.** A well-balanced inventory ready for delivery tremendously increases the day-to-day operating efficiency of your business and saves you invaluable time.
3. **Avoid extra trips to deliver products to each of the customers who ordered at the class, saving time, money and gasoline.**
4. **Book more classes, resulting in an increase in your overall profit.** (It’s hard to book a check-up facial if she won’t be using the product for two more weeks.) Women want to continue working with women who can meet their needs.
5. **Establish your team member’s confidence in you.** If they know you have adequate inventory, they will follow your example. The results will be more confidence and enthusiasm, meaning greater success for them, too.

Remember: when an enthusiastic customer has to wait for a post-class delivery of the merchandise she has selected, her enthusiasm wanes, and she may have second thoughts. You can avoid much time and effort by making sure your customers receive their merchandise at the class, while they are “in the mood”.

As National Sales Director Dalene White has said so many times, “You cannot open a store with a can of tomatoes and a five pound bag of sugar”. Likewise, you are operating at a clear disadvantage when you do not have enough products in your Mary Kay store to service your customers.

Inventory Planning





















- Immediate product delivery at skin care classes and facials (spend less on gas, save time & less frustration)
- Consultants who have product are both more committed to their business AND pay of their initial investment more quickly because of that commitment
- Great customer service that keeps your customers coming back to you for reorders
- Anticipating the needs of new and existing customers by having all the appropriate products available
- Star Consultant Status = Star Consultant Prize (see color brochure), recognition & Star Consultant Event with the girls each quarter
- Receive up to \$800 in free product

Skin Care Department	Color Department	Fragrances Department
	\$4200 Store ALL Departments Open & Fully Stocked	Body Care Department
Supplements Department		Men's, Velocity & Sun Care Department
		Limited Edition Department

Store Departments

Skin Care & Color Products

Specialty Line Products

Level of Inventory	Skin Care Department	Supplements Department	Color Department	Specialty Department Options	Fragrance Department	Body Care Department	Men's, Velocity & Sun Care Department	LTD Edition Department
\$4200	FULL Department	FULL Department	FULL Department	4 Specialty Department Options				
\$3600	FULL Department	FULL Department	FULL Department	3 Specialty Department Options				
\$3000	FULL Department	FULL Department	FULL Department	2 Specialty Department Options				
\$2400	FULL Department	FULL Department	Most Popular Colors	1 Specialty Department Options				
\$1800	FULL Department	FULL Department	Sample Package/ Limited Color	0 Specialty Department Options				

The Business Power Plan

Regardless of the reasoning behind your decision to become a Mary Kay Consultant, you'll want to take a very logical, rational approach in making your inventory decision as your time management, immediate profit, and cash flow depends on it! Now follow the next 5 steps to make your business decision:

Step 1: Who Do You Know...

Make a comprehensive list of 75 women who know your name and face...family, friend, work associate, acquaintance, neighbor. Also put a * by every name you think would be great in this business-they can help you with your first 5 practice interviews. (Make this list using the "MK Contact List" provided to you in your Welcome Packet)

Step 2: It's Your Time, Invest It Wisely...

- | | |
|---------------------------------|-------------------------------|
| I. Facial Party/Skin Care Class | II. The Facial |
| - \$300 average sales | - \$100 average per face sale |
| - 3 to 6 people attending | - 1 to 2 people attending |
| - Takes 2 to 3 hours | - Takes 45 minutes to an hour |

By Holding Weekly....	Gross Profit Weekly	Gross Profit Monthly
1 Facial Party & 1 Facial	\$175	\$700
2 Facial Parties & 1 Facial	\$325	\$1,300
3 Facial Parties & 2 Facials	\$500	\$2,000
3 Facial Parties & 3 Facials	\$525	\$2,100

Step 3: How many Faces...

To determine the amount of product you'll need to have on your shelf, let's take a look at the number of faces you'll be working with on a weekly and monthly basis. How many facial parties/facials are you willing to fit into your week?

Facial Parties/Skin Care Classes per Week ____X avg. of 4 Faces/Class = ____FACES
 # Facials per Week ____X 1 Face/Facial = ____FACES
 FACES WEEKLY_____

Total Faces Weekly ____X 4 Weeks = ____FACES MONTHLY

Step 4: How much inventory do I need?

This decision is made by how many FACES per week/month you will be doing.

The GOAL is to have A ROLL UP BAG to sell for each face.

\$4200 Order of Excellence* = 10 Roll Up Bags, Full Color + 4 Specialty Line Items	[40 faces/month]
\$3600 Emerald Star* = 10 Roll Up Bags, Full Color + 3 Specialty Line Items	[35 faces/month]
\$3000 Diamond Star* = 8 Roll Up Bags, Full Color + 2 Specialty Line Items	[30 faces/month]
\$2400 Ruby* = 6-7 Roll Up Bags, Most Popular Color + 1 Specialty Line Item	[25 faces/month]
\$1800 Sapphire Star* = 5 Roll Up Bags, Limited Color	[20 faces/month]

*1800 is the FIRST level where every woman will have the option to take a Roll Up Bag home, plus you are likely to have most of what each woman orders on hand to give to her immediately to run an efficient, time saving business. Remember, women buy alike, and the EYE BUYS what the EYE SEES. If each woman has the option to take home her OWN bag, chances are she will. **Star Consultants Receive:** 1. Recognition (newsletter, website) 2. Star Consultant Prize from MK 3. Invitation to Star Consultant Event with our unit 4. Wall of Fame.

\$1200 Order = 3 Roll Up Bags, very limited Color

\$600 Order = 2 Roll Up Bags, 2-3 Color Looks

Step 5: Make a Decision!

Let's talk about your decision, and find a package that's right for YOU and for your Business!

- There are many ways to invest, but here are my favorite options you can use to make your investment:
 - Get a small personal loan. Credit Unions & small banks usually have the lowest rates.
 - Apply for a **USBANK Card**.
 - Cosigners allowed
 - 0% for 6-9mos.
 - No annual fees
 - Apply for MK Chase Visa (no cosigners allowed, need to be approved on your own)
 - Go to www.marykayintouch.com
 - Go to "Exclusive Savings" under "Ordering" Tab
 - Click MK Chase Visa icon & apply