

# **Inventory Planning Tips**

by National Sales Director SuzAnne Brothers

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## **A Good Inventory Increases Profitability**

With a good inventory you can offer immediate product delivery at your skin care classes, which gives your customers little time to change their minds about a product purchase between order and delivery. This also establishes you as a well prepared business woman who can readily meet her customers needs. Immediate product delivery also means increases profitability. Being able to provide product at your skin care classes builds your productivity by eliminating the time consuming task of delivering after the skin care class. This extra time is better spent booking and holding classes to build your business.

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## **A Good Inventory Improves Customers Service**

By carefully planning your inventory, you can anticipate your established customers product need as well as offer new customers the appropriate product formulations at the skin care class. A successful Consultant rarely is motivated to sell from an empty shelf. The Company recommends that each Beauty Consultant begin with a product inventory and reinvest her profits in product until she has at least \$3,600 wholesale (\$7,200 retail) in product on her shelves. This inventory level will give you an adequate variety and number of products to meet average class and reorder activity, about three classes a week.

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## **Ways to Purchase Inventory**

### **Conventional loans**

Your own bank is a prime source. They prefer loaning larger amounts, usually \$3,000 to \$4,000 minimum. The rates are usually reasonable and there is usually no prepayment penalty should you decide to pay off quickly. Check with other local banks as additional options. Your recruiter will have some recommendations.

### **Financial institution loans**

Along with banks, financial institutions such as Beneficial, Morris Plan, Avco, etc., also have loans available. They offer a variety of loan packages. The advantage to getting a loan through a financial institution is that the loan application is usually processed quicker than a bank; usually within 24 to 48 hours.

### **Visa / MasterCard / Discover**

Mary Kay Cosmetics will accept Visa, MasterCard or Discover credit cards for inventory purchases. You must be sure to have enough available credit on the card to cover your purchase. It's simple to find this out by calling the bank that has issued you the credit card and asking what your credit balance is. We recommend you use a separate bank card for your Mary Kay business if one is available.

### **Refinance a current loan**

If you currently have a loan that you have made payments on for a year or so, you can often refinance the loan and get some money to work with without raising the loan payment, but extending the length of the loan.

**Credit Unions**

Credit Unions are traditionally a good source of low interest loans. Call your credit union to inquire about loan terms. Processing your loan may take two to three weeks.

**Passbook loans**

For relatively low interest rates, you can borrow up to 95% or more of the amount in your saving account.

**Family or friends**

Many times there are members of your family or close friends who are willing to help you start your career. It is recommended that the arrangements be made on a loan basis where you pay the money back with monthly installments.

**Rummage Sales**

Other people will pay you good money for items you no longer use such as household appliances, sports equipment, etc.

**Borrow against another persons savings**

Ask someone to put a portion of their savings into certificates of deposit, then borrow against that. Their money is safe, guaranteed, and they're still earning interest.

**Co-signers**

If you do not have a lengthy credit history or have not been employed long enough a co-signer such as a parent, relative or friend may help you qualify.