**Understanding Inventory**

**Inventory as a mindset**

Inventory is a critical component of a successful Mary Kay Beauty Consultants business. Imagine a painter without paint or a carpenter without wood. Little or no possibility of success. The most successful retail stores provide their potential customers with the products their customers purchase. As a Mary Kay Beauty Consultant, you are providing your customers and potential customers with cosmetic guidance and consultative services while managing a cosmetics store. It is important to remember that the purpose of a store is to provide or stock a supply of product for future use. Imagine yourself at the counter of a Starbucks, or favorite coffee shop, ordering your future drink. Imagine yourself at the counter apologizing for being out of the ingredients needed for your drink. The ingredients have been ordered and it may be a week or so before they are back in stock. Starbucks would not have grown as a business if there was no commitment to inventory or to maintain the level of inventory needed for their reocurring business.

Mary Kay’s primary products are consumable and are considered a need not a want. Regardless of economic conditions, women will continue to wash their face, wear makeup, shave their legs, and smell good. Cosmetics have been documented to be a recession proof product. Statistics show that women actually do more with cosmetics in lesser economic conditions.

The overwhelming majority of women are impulse buyers, thriving on instant gratification. As a customer, which would you choose?

1. Walk out of a store with product on hand.

2. Walk out of a store with a piece of paper in hand and two weeks to anticipate delivery wishing you did your shopping somewhere else.

Yours customers are not much different than you. Inventory provides major points in customer satisfaction and keeps customers coming back. Do what it takes to keep your customers happy.

Inventory alone does not define the consultant or the potential for success. A consultant running a Mary Kay business for six months with fifty customers will have different inventory needs than a consultant who has been managing a business for three years with two hundred customers. The appropriate level of inventory allows the consultant to dedicate more time to satisfying the needs of customers and potential customer which in turn allows the business to grow.

Planning a good inventory is vital to building a strong growing business, as it is much more difficult to sell products that you do not have on your shelf. Without sales your business becomes more difficult, if not impossible to maintain. This problem is avoided by keeping your inventory up to date and planning for future needs. The good news is that women love Mary Kay products and will normally stay with the products and you, her consultant, as long as you are doing your part, providing excellent customer service.

**Invest and Re-invest**

A Mary Kay Business is not a garage sale where one item is sold never to be seen again. Inventory for a Mary Kay Business is a series of repeatable activities.

1. Product leaves your inventory to satisfy a customer’s request.
2. Product is ordered to replenish and grow inventory in anticipation of customer’s requests. In order to take full advantage of the Mary Kay Consultant discount(s), (The largest discounts of all Direct Sales businesses) it is recommended that one major order be placed monthly with a fill-in order placed as needed for special products or to replenish those products that are un-common to your individual customer base. For a new consultant, Mary Kay offers a significant amount of bonuses, incentives and free product to help the consultant start with the understanding that inventory is a key component in a successful May Kay business. The amount of inventory the consultant starts with is and will always be the consultant’s decision.

Mary Kay herself was an advocate of the 60/40 split. Consultants using this system have found it to be very successful. As you sell products, 50% of the sale amount is reinvested in replacing and growing inventory, with 10% set aside for certain business expenses as shipping, samples, etc. The remaining 40% is then available to pay toward a loan or credit card used to place the previous order and also provide a measure of profit. The recommendation here is to follow Mary Kay’s lead and the positive results will follow.

**Investors**

Most businesses begin with an idea shared with others who may be interest in the idea and helping the idea come to life. The most common business investors are;

1. Investment in one’s self
2. Family investment
3. Commercial Banks/ Credit Card

You can invest in yourself and your own business or seek investment from another source. Investors put money to use in ideas that offer potential profitable returns such as interest or income. If needed, a consultant will borrow a relatively small amount over a short term to begin this business. Mary Kay is recognized as a successful Direct Sales business venture with a long successful history and limited risk to the investor. Once again the 60/40 split mentioned above will be helpful understanding and managing repayment of a loan to the investor strictly from business revenue.

Credit card or bank loan interest is a business tax deduction for the consultant. Consult your tax advisor for specifics and details.

**Potential**

Mary Kay once said “If you think you can, you can. If you can’t you’re right” Mary Kay Cosmetics provides a 90% buyback guarantee should the new consultant decide that this business is not for her/him. After all the Mary Kay opportunity is not for everyone.

One woman’s vision of;

\*No limitations

\*No glass ceilings

\*No quotas

\*No territories

Has changed the lives of millions and continues to do so. With your commitment and consistency, taking one step at a time, incorporating Mary Kay into your daily activities, you too can benefit from the near limitless possibilities that Mary Kay has to offer for you, your family and your future.