

Successful business practices start with a smart approach to Money Management. It's extremely important to treat your Mary Kay Career as a Business. Proper money management is essential to any business. You cannot be a success if you mismanage your money.

### **SUGGESTED ACCOUNTS FOR YOUR MARY KAY BUSINESS:**

1. Checking Account—Label this account: special account; business account; cosmetic account, etc.
  - This account is used to pay business expenses.
  - This account is used for product replacement.
  - Deposit 100% of total sales in this account each week.
  - Log onto [www.marykayintouch.com](http://www.marykayintouch.com); under Ordering click on MKConnections. Then click on "Learn More" under Business Marketing MK Connections; then Checks. These checks offer designs featuring Mary Kay products. These checks could start a conversation each time you write a check plus don't forget that many potential customers handle your check from checkout to the bank. The cost of these checks are even tax deductible as a Mary Kay business expense.
2. Credit Card—Used for registrations, product orders. (Pay in full when statement arrives.)
3. Check Card (if available to you) - Can be used in place of credit card. Work with your bank on limit if you intend to use this card to place orders.

### **DEVELOP A BUDGET FOR YOUR BUSINESS:**

As with any business you will have expenses. You need to be aware of income vs. expenses on a monthly basis. Always remember to deposit 100% of total sales and work your business 60/40. The idea behind working your business 60/40 is that you always have profit, you always have product, you always have savings, and you never have debt!

$$60\% = 50\% + 10\%$$

**50%** - Money to restock your shelf; you will reorder back exactly the product you sold.

**10%** - Money you set aside & save for things like enrolling customers in the Preferred Customer Program, Section 2 items, Seminar, Career Conference, etc.

$$40\% = \text{true profit}$$

**40%** - This is your money to do with whatever you like with after you have ordered and paid off your "full store" (\$3,600 wholesale). The general rule is that \$3,600 wholesale on your shelves is a comfortable profit level. Until you are fully stocked, more than likely you will find it necessary to reinvest 100%.

**Profit:** We know we make 50% profit on all we sell. But by saving 10%, and only taking 40% as profit (what we refer to as "true profit") you will always have savings.

**Savings:** A key part of money management, putting 10% of all you sell into savings means you will never NOT have money for items that help you build your business and make it easier; such as enrolling customers in the Preferred Customer Program (which saves you time, money & builds your reorder business); samples (which help you sell more product); and continuing education programs such as Career Conference and Seminar.

**Product:** This of the grocery store, Target or The Gap, Is the grocery store ever out of bread or milk? Is Target ever out of paper towels? Is The Gap every out of jeans? No because they always scan what they sell and that lets them know what product to reorder to restock their shelf. Working your business the same way; by reordering what you sell on a regular basis means you are always ready to fill your customers orders and therefore they will keep coming back to you over and over again.

**Debit:** The first thing we want to eliminate. After all, you didn't come into Mary Kay to spend money, you came in to make money! Still, we know that starting any business involves some initial start-up cost. A Mary Kay business is no different. What IS different is that our start-up expense is far lower than most businesses and allows you to make far MORE money sooner thus pay off your start-up expense in full. That's a great thing since most businesses involve start-up costs that are never recouped.