

## Inventory Hotline Script

Hello! This is your Sales Director, Kelly Pitt. Thank you in advance for taking the time to listen to this inventory Hotline call! Now that you have made the decision to begin your Mary Kay business, your next decision will be how you want to run your business. One of the best parts about this Mary Kay business is that we have the option to carry products on hand to deliver on the spot at appointments and to help support our customers' needs. While it is not required to have inventory on hand to run your Mary Kay business there are many benefits to that come with that option. It is my job to educate you on all your options so you can make a business decision that is best for you. I want to start by giving you some facts about women.

- Women are impulsive buyers and delight in being able to take product home immediately!
- When women take it home immediately, they remember how to use it
- If women have to wait 2 weeks for delivery of the product, they have more of an opportunity to change their mind.
- When a woman runs out of product, she wants it replaced immediately-waiting for a new cleanser or lipstick is at many times, not an option-they will run out to the store to fill their need with a less than desirable product.

Mary Kay was so smart to allow us to have our own boutique of products on hand! It is a very smart option to help you service your customers and meet women's needs. There are also great benefits for you as a business owner when you have product in stock:

- It is a time saver for you. You do not become an order taker and delivery lady. You service your customer at your initial appointment.
- Having product on your shelf motivates you to work consistently and confidently.
- You establish a loyal customer base, because you are able to fill people's needs immediately!
- You get referrals from the company when you consistently fill your shelves and can service women immediately!

Now you must know that there is NO requirement that you start with inventory. You may conduct your first classes using the starter kit and then take orders, collect payment, send the order to the company, and then deliver the products to your new customers. But this would be very similar to opening a dress shop with pictures of dresses, taking orders, collecting payment, buying the dresses, then making the delivery to your customer.

When thinking about myself in the above scenario, if I were the customer and found that I would have to wait 2 weeks to receive my dress I am very likely to leave without purchasing and would seek other stores that have dresses in stock. We find the same thing true with selling skin care.

There are a few other facts that you need to know about Mary Kay before I address some other questions that may be floating around in your mind:

- MK needs us to be successful-the advice that they supply regarding inventory is ALWAYS in our best interest. WE are their sales force-if we don't succeed then Mary Kay does not remain #1.
- Mary Kay realizes that most women are not risk takers-we are not likely to put ourselves and our families in a situation that would potentially cause us to lose large amounts of money-so Mary Kay has an incredible buy back program. You can confidently open your business with product on your shelf knowing that if you choose to close your Mary Kay store at anytime in the first year Mary Kay will buy back ALL of your product at 90%. This is truly incredible!
- There is a 100% product guarantee-You can confidently sell product to women knowing that if the product is not appropriate for them for ANY reason-Mary Kay will replace with a new product at absolutely NO charge to you or your customer. They don't even charge shipping. That is so great!

OK, a few questions that may be floating around in your head are: How much product is appropriate for me and my business and how do I know what to get?

My job as a director is to help you make the best Inventory decision for YOU! I always suggest a level of inventory that will support the amount of activity you are willing to do so you are not frustrated with not having enough product. For example someone desiring to hold 10 appointments in a month would need more products on their shelf then someone wanting to hold only 4 appointments in a month. I want you to work SMART. A smart way to run your business is to have enough product on your shelf to service the number of women you will be seeing in a 2 week period. Mary Kay charges \$8.95 shipping every time, whether its for a mascara or hundreds of dollars worth of products. It is smart to be ordering in bulk and to only be ordering 1-2 times a month rather than every week. You can see how shipping cost can really cut into your profits. One of the reasons you joined Mary Kay was to MAKE money!

Now is the time to take out your calendar. Remember, as we go through this section you will need to write a few things down so you can press 5 on your phone at any time to pause or resume this call. I need you to block off all the times you cannot work your Mary Kay business-those non negotiables like other jobs, commitments, church, etc. Now I want you to look at all the 2 hour blocks that you would be willing to commit to your Mary Kay business. The number of blocks you mark off will give you an idea of how many women you can see in a month which will determine the amount of products you will need on your shelf to completely service these women.

For example in a 2 hour block you can hold one skin care class which usually consists of 3-5 people. If you have 2-2hour blocks a week you would be able to see 6-10 women a week. Multiply that by 4 weeks and you could potentially see 24-40 faces a month! WE also know that an average skin care class sales are \$200. You make 50% profit, so you take home \$100 for 2 hours of work. Multiply that by 8 appointments a month and you have now added \$800 income to your family budget while just adding 4 hours a week of work! Isn't that great?

Look at your calendar-how many blocks are you willing to work? Write that number down. Now multiply that number by 4. This number is the number of faces you can see in one month time.

I now need you to get a clean sheet of paper, laying it lengthwise in front of you. Now divide this into 8 columns and 7 rows. You should have a full page of squares! We are now going to fill them in. In the far left column, I would like you to write the word FACES in the top square, then going from top to bottom, I want you to write 40 in the first box, 35 in the one below, then 25, then 18, then 10, then 6. After filling in these boxes, I want you to circle the number of faces you could see in one month.

As I mentioned earlier, Mary Kay needs us to be successful. They KNOW that when we have product on our shelf-we WILL be more successful than if we run our business as an order taker. When you make the decision to initially invest in product, Mary Kay REWARDS you for making such a smart decision! So as I share the amounts at each level, I will also be sharing some amazing numbers regarding FREE product that MK gives to first time ordering consultants!

Now I get to share some exciting information. Let's start at the top of the page. You should have the word FACES labeling the top left column-let's label the rest. The next column is labeled WHOLESale-YOUR COST, the next should say RETAIL VALUE (YOU SELL FOR), then the next should say COLOR 101 GIFT, next PRODUCT BONUS BNDLES, the next BIZBUILDER BUCKS- then TOTAL RETAIL VALUE and finally TOTAL INVESTMENT (INCLUDING TAX).

No there are a few terms you need to understand as we fill in the chart. Wholesale is the cost we pay as a consultant, and retail value is what we sell it for. For example, if you buy a cleanser you will pay \$9, and sell it for \$18. The Color 101 Gift is a FREE gift that the company gives you when you place a qualified order of \$600 wholesale or more in your first 15 days. It includes a mini compact filled with 3 eye shadows, a blush, applicators, 2 lip glosses, a mascara, eye liner and lip liner. This is available on your initial order only, what a great gift! The product bonus bundles are extra products that you get to CHOOSE for free on top of all the product you are already getting. BizBuilder Bucks are a credit that you can apply towards a future qualifying order of \$400 wholesale or more. This is why it is smart to only order once or twice a month. As you sell product you will need to replace it and reorder, the larger the order you place at once the more bizbuilder bucks you will earn and be able to use as well, it's like free product!

The last term you need to understand is Star Consultant. The company has a great rewards program where consultants can choose a prize every 90 days for working and selling consistently throughout the quarter. Base on the level of wholesale orders you have placed over the quarter, there are different levels of prizes you can earn. When you are a new consultant investing in inventory many times your initial order will automatically make you a star. So be sure to listen for those levels!

We are going to start filling in the chart from the bottom left column where it has WHOLESALE-YOUR COST. So, for the bottom square, next to 6 faces, you are going to write 600, under it you can write Basic level, this is going in the WHOLESALE YOUR COST COLUMN, then you going to go across and write 1,200 for retail value and 115 for the color 101 look and 1 Bundle under product bonus which is a \$115 retail value, \$15 in BizBuilder Bucks for your next qualifying order, total retail value is 1430, and the total investment is about 800 with tax, shipping and samples.

Now we are going to fill in the next row up. So, the wholesale cost for 10 faces is 1,200, the retail value is 2,400, the color 101 look is 115, 2 product bonus bundles for a \$210 retail value, \$35 in BizBuilder Bucks for your next qualifying order, and total retail value is 2725, and the total investment is about 1,500.

Now we are going to fill in the next row up. So, the wholesale cost for 18 faces is 1,800, I also want you to write Sapphire Star in that box. The retail value is 3,600, the color 101 look is 115, 3 product bonus bundles for a \$335 retail value, \$50 in BizBuilder Bucks for your next qualifying order, and total retail value is 4,050, and the total investment is about 2,200.

Now we are going to fill in the next row up. So, the wholesale cost for 25 faces is 2,400, I also want you to write Ruby Star in that box. The retail value is 4,800, the color 101 look is 115, 4 product bonus bundles for a \$430 retail value, \$80 in BizBuilder Bucks for your next qualifying order, and total retail value is 5,345, and the total investment is about 2,800.

Now we are going to fill in the next row up. So, the wholesale cost for 35 faces is 3,000, I also want you to write Diamond Star in that box. The retail value is 6,000, the color 101 look is 115, 5 product bonus bundles for a \$525 retail value, \$100 in BizBuilder Bucks for your next qualifying order, and total retail value is 6,640, and the total investment is about 3,600.

Now we are going to fill in last row. So, the wholesale cost for 40 faces is 3,600, I also want you to write Emerald Star in that box. The retail value is 7,200, the color 101 look is 115, 6 product bonus bundles for a \$620 retail value, \$125 in BizBuilder Bucks for your next qualifying order, and total retail value is 7,935, and the total investment is about 4,400.

I know that this was a great deal of information so thank you for hanging in there. I appreciate your time and I believe your investment of it will pay off. I want you to make a very educated decision regarding this important step in your business.

Let's talk a minute about financing options. If you were to be opening any other kind of business like a Starbucks or a construction company, you would not go into your own personal savings to borrow money to get your business started, you would borrow money from the bank and pay it back. That is how most women will finance their

inventory for Mary Kay. Many women will get a bank business loan, or perhaps borrow from a family member who believes in them, or use a credit card they currently have to purchase their inventory. That is the option I chose when I began my business. Other women will pursue financing through a 0% interest credit card. There are many 0% financing cards that you can find online with great rewards options, and you can be approved instantly or within a couple days. Mary Kay also has a Chase Visa card that has 0% interest for 6 months which is an option you can look into as well.

What is great about using a 0% interest card is that you can set yourself up for success by having enough product on hand to support your business, and slowly pay down your investment by using the profits from your sales, all without paying interest. I know that as women if we believe strongly enough in something, we will find a way. I have watched many determined women walk through this decision with great results!

Now as I am helping new consultants make this decision, I find that one of the biggest frustrations they have is not having enough product on their shelf. For one, it can take away from your confidence when you walk into a party knowing that you don't have things in stock for people to take home that night. But they get into an ordering cycle that eats up their profits and they miss out on hundreds of dollars worth of FREE product that they can use for themselves or others, or sell for 100% profit.

I know it can be fearful to make this decision but I have found that the fear is really there whether you purchase inventory or not because it is a NEW Venture. What you add to your feelings when you do not purchase inventory is FEAR plus FRUSTRATION that comes from the extra time spent delivering, ordering, paying for shipping, etc.

I want you to begin NOW preparing for the success you will experience from your Mary Kay business. I want you to plan for great things! I want you to enjoy this opportunity that gives you a chance to begin a strong business with no financial risk! I want you to dream big!

As I end this message, I now encourage you to start getting creative. Make the decision that will be best for you and your business. Make the decision that will help you work SMART not Hard. I look forward to connecting with you in the next 48 hours to answer your questions and help you make your next best step.