

Paying for Inventory

It is important to remember from the very beginning that you are starting your own business and inventory is one of the key components for success in our business. Can you imagine the difficulty of a retail store opening for business with little or no inventory, versus the same store opening with a full inventory?

Your First Question: Borrowing

LOANS!

Many bankers are more than willing to make a loan to a good stable woman, regardless of age, than to a man, as women have a better repayment record. It is important to remember that you have security in purchasing inventory because The Company agrees to repurchase at 90% of your original net cost, Section 1 items provided such items were purchased within one year prior to return.

Your Second Question: Interest Rates

% INTEREST %

Are they too high? Should I wait for lower rates? Should I only order a minimum amount? You shouldn't let those ideas bother you, because you are not borrowing that much, and it is only for a short term, AND the interest on a business loan is tax-deductible! Do you realize that there is only about a \$30 difference between borrowing \$3,000 at 18% versus 14%? Do you realize that if you borrow \$600 at 18% versus borrowing \$3,000, that the payment is only about \$90 a month more? *Most importantly*, do you realize that you will be profiting 40% after expenses? You will still be making a 22% profit even after your interest payments!! A loan for inventory is an investment, *not* a debt!! Which would you rather do: go to a store, see what you like and buy it immediately; or have to wait while what you want is ordered and then delivered? That type of "start-stop" is what

happens to Consultants when they don't have adequate product on hand for immediate delivery. If you don't have the product, you will lose many sales, and spend many additional hours ordering, reselling, collecting money, and delivering. Time and money are what we are trying to save in order to make as much profit per customer hour as possible. You really need a minimum of \$3,000 wholesale (\$6,000 retail) in inventory to put your business on a profit-making basis. "You cannot sell from an empty wagon!"

Your Third Question: Can I Pay It Off?

DEBT!

The average conservative total sales from Skin Care Parties by New Consultants equal \$300.00. That means you will make about \$60 profit on each party after expenses. But keep in mind that after 60 days, the reorders from those customers begin, and your profit increases because you have already done the "leg work" to acquire the new customers. Also, remember, that the more you order, the more FREE product you earn, and FREE product is 100% profit!! (Not only do you NOT earn free product with minimum orders, but you must order more frequently, increasing your business costs.) If you only hold two skin care parties a week, you can pay your loan payment and still make a profit!! And, when you have product on your shelf, you already have what you need to service your customers for their reorders without incurring additional expense.

Investing in a profit-level inventory is vital to building a strong and growing business. Make a decision today to start your business at profit level, or with the minimum recommended basic inventory level and grow to profit level in your first 90 days. Keep your inventory up-to-date and plan for your future needs. Work your business the "right way", work closely with me and watch your profits soar!!