

Money Management- How not to embezzle your business!

Successful business practices start with a smart approach to money management. **It's very 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.

A. Suggested accounts for your Mary Kay business

1. Checking account with check card
 - This account used to pay business expenses.
 - This account used for product replacement.
 - Deposit 100% of total sales each week.
 - Work with your bank on a daily limit if you intend to use this card to place orders with.
2. Credit Card – Only should be used for your first initial order and never again.

B. 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.

1. Deposit **all** funds collected.
2. Pay bills on time. Meet the due date for each one. Maintain an impeccable credit standing for your Mary Kay business.
3. 60/40 split
4. Be aware that all expenses are paid from the 40%. That is why consistency is the key to your business.
5. **Never** take business expenses from the 60%. If you do you are embezzling your business and your business will decline and most likely die!

C. **Example:** I held 5 skin care classes and sold \$400 at each, a total of \$2,000 this mo.

1. **40%** = \$800 = pay back your initial investment (credit card, loan, family etc.)
 - I started with a \$3600 investment, purchased with 0% credit card for 12 months. My monthly payment is \$300 (\$3600 divided by 12 months = \$300). I make my monthly \$300 credit card payment and the \$500 remains in my MK checking account or my DREAM account. In 12 months I will have paid off my credit card, own my entire inventory and have a customer base.
2. **60%** = \$1200
 - 50% = \$1000 = Restock your inventory (exactly what you sold)
 - 5% = \$100 = Purchase business supplies from section 2 (samples, catalogs, etc.)
 - 5% = \$100 = This is used to pay for Preferred Customer Program.

It is important to understand that in order for your business to be profitable, you must have enough inventory on your shelf to give your customers the service they deserve. Until you are fully stocked, more than likely you will find it necessary to reinvest 100%. The general rule is that \$3600 wholesale on your shelf is a comfortable profit level for a new consultant.