

Taking Stock!

"As an independent Beauty Consultant, you can either choose to have inventory on your shelf or conduct your business on an as-ordered basis. The choice is totally yours." says Independent U.S. National Sales Director Stacy James. Read on as she shares her views.

Why have inventory?

When you are conducting a skin care class, customers get to experience the product. They feel it. they see it. they smell it and they will want it! If you have product available for them to take home, you'll be able to immediately satisfy your customers needs. If they want it and you have it - you are making money as they walk out the door. A customer's motivation to buy the product is the highest when they have just experienced that product. But if she goes home without the product, her enthusiasm could wane and you might not sell as much as you could have if you had the product available.

Or, her husband may not be too excited that she spent money when she doesn't have anything to show for it. So she may call you after your skin care class to cancel or reduce her original product order. At the moment of the decision, one factor that could tip the scales, is whether or not you have the product right there for her to take home right then.

Another reason to have inventory is to save time. If you don't have the product on hand, you'll have to first make the sale, then order the product, get the product, and finally, deliver the product. As a result, you're going to spend a tremendous amount of time delivering product to people when you could have spent that time teaching another skin care class or holding another facial and promoting yourself in the business. And, when you have product on your shelf, you can look at that product and you can say to yourself, "I can turn this product into money just by conducting a skin care class or facial." That could be very motivating. because if the car breaks down or your children need new clothes, you can schedule a class. You always have potential with this business to generate additional income for yourself. If you don't have that product on your shelf, you may not have this motivation.

How to keep your inventory current

"I believe that the purpose for inventory is not that you deplete it all, order more, then deplete it all again," says Stacy. "The purpose of inventory is that you have product on your shelves at all times. So, as you sell your inventory, you'll want to replenish it. You can reinvest your earnings as you run your business and then build inventory to a level that you feel comfortable with. This is building your business!"

Challenge: When Debt becomes a problem

U.S. Sales Director Carolyn Hale of Rogers, Ark. says, "I truly sympathize with a new Beauty Consultant who is struggling with the idea of whether purchasing products with a credit card is an investment in her business or creating more debt."

Carolyn offers several tried-and-true approaches that can help you build your inventory while reducing debt. "I have found that one of the most effective ways for a new Beauty Consultant to get the money to purchase her inventory is to apply for a bank loan or line of credit. If they've lived in their community for a while, I have found that most bankers will listen."

Carolyn says another way for Beauty Consultants with low credit or lack of funding to build their inventory is this: "I recommend that a Consultant make a deposit into a separate savings account (apart from her business chequing account) ONCE A WEEK, of 60% of her SALES, plus the tax. That way, she will just hold onto it. Then when there's enough money in that savings account to place her next order, she can put the order on her VISA/MC and when the VISA/MC payment comes due, she can then withdraw the funds, which are already in place, from the savings account to make the payment. That way she is building her inventory with the money she has already earned, not hopes to earn."