

"Profit Level" Inventory in Mary Kay

You've heard this Mary Kay lie many times before: \$3,600 wholesale on your shelf is considered "profit level" inventory, and until you get to that level, you shouldn't be taking any profits for yourself out of your "business."

Realistically speaking, there is very little profit in Mary Kay to begin with. But this "concept" twists the financial aspect even further and uses faulty logic and bad math to convince consultants to place large initial orders.

Here's how the Mary Kay explanation goes:

Please study this chart prior to sharing inventory with your new consultant. Study how long it takes to get to profit level.

Begin with 600 wholesale – Need to place 10 months of 600s to arrive at minimum of 3600. Reinvesting before making a profit.

Begin with 1200 wholesale – Must place 8 months of 600s to equal 3600.

Begin with 2400 wholesale – Must place 6 month of 600s to equal 3600.

Begin with 3000 wholesale – Must place 2 month of 600s to equal 3600.

Are you being fair to your new recruit by bringing her in with less than 3600? Look at what profit could have been made.! Ask yourself this question…Would “l” have rather made 3000 during those 10 months or reinvested and had no profit to apply to my families’ budget or to debt reduction?. Which way would produce a happy excited powerful consultant? Which consultant (600 or 3600) would more than likely be still involved with MK even 6 months down the road? Choose to operate from your power and leadership and guide her to invest profit level!Initial Inventory Sell

(Retail) Remaining Wholesale on Shelf

Whole-
sale Rein
vested Whole

sale Now on Shelf Months to Profit Level (\$3600+) Potential Profit Lost 600 600 300 600 900 10 3000 900
600 600 600 1200

1200 600 900 600 1500 8 2400 1500 600 1200 600 1800

1800 600 1500 600 2100 6 1800 2100 600 1800 600 2400

2400 600 2100 600 2700 4 1200 2700 600 2400 600 3000

3000 600 2700 600 3300 2 600 3300 600 3000 600 3600

3600 600 3300 600 3900

3900 600 3600 600 4200

Here's the real truth:

There is no need to get your inventory to some magical "profit level" number before you're entitled to take a "profit" out of your Mary Kay business. That's the first problem with all of this.

The second problem is that \$3,600 wholesale on the shelf is completely unnecessary. It is just tying up money and it's unneeded. Further, as a new consultant, you should NOT be ordering this much. You don't know if you can even sell any product, and you have no idea what you'll sell. Ordering this much to start is one of the worst things you can do.

This document is just a deceptive tool to get consultants to order far more than they should. It's set up to make you think that you need this much inventory to be "successful." You don't. This much inventory actually works against you.