

Common Questions from Husbands

When we talk about the Mary Kay opportunity with couples, husbands' questions always relate to the well-being and success of their wives. It is important that you have a clear understanding of your wife's Mary Kay career. Please look over the following answers and contact me if you have any other questions.

Exactly what will my wife be doing?

She will be teaching skin care and selling Mary Kay products. She will hold skin care classes and facials for small groups of women. She will be self-employed in her own business. She will not be a company employee.

Where will she be working?

Her classes will be held in either her home or the home of a hostess who has invited her. Your wife will have no territories and may work anywhere she chooses.

What sort of hours will my wife be expected to work?

She may set her own hours since she is in business for herself. We do not impose any quotas or requirements. However, we suggest that the two of you develop a weekly plan sheet every Sunday so you know and agree upon her schedule. Her hours can vary depending on family plans and desired income. The more hours worked, the higher her income potential.

My wife knows very little about sales and teaching skin care. How can she be expected to be successful?

As in any profession, there is a thorough educational program for all new Mary Kay consultants. Your wife will be trained in basic skin care and makeup techniques. She will learn all facets of the business, including how to schedule classes, earn profit, manage her income, track expenses for tax purposes, etc. Although it is not mandatory that she attend, advanced education is offered weekly and is the secret to increasing her income. You are always invited and encouraged to attend any of our training classes and functions.

What is in the Starter Kit?

Your wife is setting up her own business and she needs tools with which to work. The Starter Kit includes demonstration products for her use at skin care classes. She also receives a selection of literature to help her get started. A picture of the Starter Kit and contents is available upon request.

What is inventory and why does my wife need it?

Inventory is not *required* to start her business, but it will help her get her business off to a good start. The Starter Kit is a tool only. Inventory is the product your wife will sell to earn a profit. She will buy product at wholesale and sell it for retail. The more inventory she has on hand, the better prepared she will be to meet customer needs.

How much inventory does she need?

There are several options and what she starts with should be something you decide together. Always remember that inventory is the source of profit. When she places an order with the company for Mary Kay products, she purchases them at wholesale prices. The products are then sold to customers at retail prices. The wholesale price of a product order is 50% of the suggested retail price as long as a consultant remains active. An active consultant is one who orders at least \$225 every third month. Everyone in Mary Kay buys directly from the Company at the same discount.

What amount of inventory is really best for my wife?

It is recommended that each new consultant begin with a product inventory and reinvest profits until she has at least \$3,600 wholesale (\$7,200 suggested retail) in product. Many consultants start with this amount. This inventory level will give her an adequate variety and number of products to hold a few classes and facials per week, plus service customer reorders. Once her inventory is at the right amount for her level of activity, your wife will be ready to take a profit. The key to consistent earnings is restocking inventory on a consistent basis. If your wife sells \$800 suggested retail per week, she'll want to allocate about 50% of her sales to restocking product and 10% to other business expenses. Inventory planning and control can be a joint planning area.

We don't have that much money in our savings account. Now what?

Few people have that much money readily available. Even if it is available, a bank loan or a very low interest credit card is recommended. Most businesses begin on borrowed capital. Profits from sales can be used to pay off the loan or charge.

That sounds like a lot of money. Frankly, what's in it for you?

Directors and recruiters can earn a commission *from Mary Kay Inc.* based on the wholesale volume of your wife's purchases. This commission varies depending on the number of recruits and their orders. What's important is that your wife can earn the same commission.

With all of this training and money, I'm afraid of the changes I may see in my wife.

Part of Mary Kay's philosophy is a strong belief in priorities – faith first, family second and career third. With your encouragement and continued moral support, your wife can only succeed. Most of us in Mary Kay are wives and mothers. Becoming a Mary Kay consultant doesn't change that.

What are the potential tax deductions for my wife's Mary Kay business?

As a self-employed independent contractor, your wife is entitled to certain tax deductions for expenses incurred in the conduct of business, as long as they are supported by adequate records. Some of the more common business expenses are listed below. Since each individual's tax situation will vary, you should contact your personal tax advisor regarding the specific application of these general guidelines.

TYPICAL TAX DEDUCTIONS:

1. Auto expenses
2. Sales aids
3. Office supplies
4. Hostess gifts (property other than product)
5. Legal and accounting fees
6. Lodging and meals during travel away from home
7. Depreciation of office furniture and fixtures
8. Office in home
9. Other business expenses (i.e. Starter Kit, website, telephone, postage)
10. Gas/mileage for skin care classes, weekly meetings, and product deliveries