

60 here, 40 here: *reinvesting makes "cents."*

When you reinvest your earnings into your business, you'll have more product on hand to service your customers. Here's how to work Mary Kay Ash's **60/40** method of money management.

60/40 works

Mary Kay Ash herself taught this method of money management: 60 percent of your weekly earnings should be reinvested into your business; the remaining 40 percent is your profit. **Independent National Sales Director Connie Kittson** calls these the pink and green accounts: **pink for product** and **green for profit, less expenses**.

"This is a great way to always make sure you replace the products you've sold," Connie shares. "To accomplish this method, I think it is good to have two accounts. You could have two checking accounts or a savings and a checking account."

pink accounts

The 60 percent account, or pink account, is then used to purchase product inventory for your reorder business, limited-edition items for seasonal sales and to replenish or build your inventory as needed. **Independent Senior National Sales Director SuzAnne Brothers** suggests using your pink account to cover your Preferred Customer Program investment.



green accounts

"Then, your goal is to keep as much of your green account as possible," Connie says. "However, you may have some additional expenses that you might want to pay for from your green account before you take a profit."

For example, these could be:

- Hostess gifts
- Office supplies
- Investments for your future
- Special events registration and travel

If you want to save money to attend Mary Kay special events, you can estimate the cost of hotel, registration and transportation. Then divide that figure by the number of months before the event to determine what you'll want to consider saving every month. And with Career Conference 2008 coming soon, you may want to hold a few extra skin care classes specifically for this purpose — setting aside profits from these classes to cover your expenses.

So what happens if your green account needs are greater than 40 percent, less expenses? "Isn't it great to know that as an independent businesswoman you have control over this?" SuzAnne asks. "You'll likely want to evaluate your expenses carefully to make sure you are spending wisely. You also can decide what you need to achieve in retail product sales every week and keep track of that every day. What you track and what you measure gets done."



more resources

You can learn more about managing your money with the *Money Matters for Dream Achievers for Independent Beauty Consultants* CD set available online for \$5. This two-CD set offers helpful tips on how to make money and keep more of it so you can achieve your dreams. To order, log in to the Mary Kay InTouch® Web site, then go to "Ordering" and scroll down to the LearnMK® Media Source. You can also search online for the *Business Tracking Register* — a great worksheet for helping you keep track of your 60/40 goals.



pink account for new lipsticks

"You can eat an elephant one bite at a time." — *Mary Kay Ash*

With Mary Kay® Creme Lipsticks arriving on the scene, you may want to consider using some of your 60 percent pink account to build up your new lipstick inventory now. That way, you'll be ready to purchase the exciting new facial powders and compacts in March 2008. With new color products phasing in, it may be best to build your inventory one "bite" at a time so you don't have an entire "elephant" to invest in next spring!

