



SMC Business Information

About the Snowy Mountain Craft logo	2
Our Party Plan System	2
To Utilize Our Party Plan System	4
Selling Snowy Mountain Craft	4
Planning	5
Identify	6
Invite	6
Follow-up	6
At the Party	7
Display The Catalogue	7
Ordering	7
More on Orders	8
Signing	8
Payments to Snowy Mountain Craft	9
Freight and Delivery	9
Return of Goods	10
Your Business	11



About the Snowy Mountain Craft logo

In ancient times the Cornucopia was a basket overflowing with all the goodness of the earth. We chose this symbol for our company, as Snowy Mountain Craft encourages prosperity in a variety of ways:

- We supply goods across Australia wherever people live
- Our company employs a party-plan business system that decreases business overheads and pays down-line commissions to Distributors. Distributors can have an extremely low risk business of their own, under their own control, and working at their own pace, anywhere in Australia.
- Our products foster creativity as customers learn to make beautiful things they can take pride in.
- We are developing an artistic scholarship fund for the benefit of Distributors and their children. As we grow, this fund will grow proportionally.
- Distributors can work to increase their financial independence through their business.

Our Party Plan System

Snowy Mountain Craft offers a simple and inexpensive, low risk way to establish a small home-based business. Distributors access a fantastic inventory of craft products wherever they live.



The discounts available to registered distributors are as follows:

Site Credit Bonus	Distributor Discount	Total Sponsor Commission
5%	20%	10%

(factor in shipping costs after discount)

- We offer a potentially lucrative sponsorship commission structure
- We have a great range of products that foster creativity and develop talents;
- Customers learn to make beautiful things they can take pride in, and
- Distributors can offer our built-in incentives to customers such as playgroups, pre-schools.
- Our Distributors run their business at their own pace, complete with online ordering, excellent support and written resources.

An example... What a distributor could earn...

A distributor took orders for sales at 5 sites (such as long daycare centres, pre-schools or nursing homes.) In addition, she holds two parties in that same month. If she sells an average of \$100 at each site, and \$150 at each party, then her sales $(\$100 \times 5 \text{ sites}) + (\$150 \times 2) = \$800$. Her margin on these sales is \$160 (20%).

Let's assume the distributor also sponsored 5 distributors and each one also sells on average \$800 that month. For the purpose of the exercise, let's also assume that each one of them has on average 2 distributors signed under them with similar sales, and so on.

Sponsorship Commissions in Detail (= 10% of total sales)

Sponsorship Level	Bonus Percentage	This Example How many at level	This Example Your Total Bonus
L1 Bonus	5%	5	\$200
L2 Bonus	2%	10	\$160
L3 Bonus	2%	20	\$320
L4 Bonus	1%	40	\$320

In this month this distributor would earn a sponsorship commission of \$1000. (Adding the four levels total bonuses together). Her total earnings for that part-time work, including holding two fun parties, and dropping off some catalogues is a \$160 margin. Add to that the \$1000 commission = \$1160.

The sites through which this distributor has sold products also earned \$5 credit each that month $(\$100 \times 5\% \text{ each})$. For her and the seventy-five distributors, a total of \$380 worth of credit has been designated to various pre-schools and other such sites for craft materials.

Furthermore, the people she sponsored also earned income through their work plus their respective commissions.

To Utilize Our Party Plan System

All that is required to start with Snowy Mountains Craft is reading and signing the application contract and it being returned to and accepted by Snowy Mountain Craft.

There are three key aspects of becoming a successful Snowy Mountain Craft distributor:



1. Planning.
The successful distributor plans and organises parties, plans to visit new sites to display goods, and plans who they are going to invite to become a distributor.
2. Interacting with customers.
There are many different ways of reaching customers: At the party; through displaying the catalogue, posters and items. This phase also includes taking orders and the fulfilling the delivery of products.
3. Signing.
If you would like to increase your business beyond your own sales work, your signing up of other distributors gives you a 5% commission on their sales.

There will of course also be your tax, insurance and accounting commitments for you to attend to as your business grows.

If signing up under a sponsor, the sponsor will discuss the requirements with you and give you a copy of the contract for you to read and sign. Or you may have obtained a contract from our website, or directly from our office. Once we have accepted the contract returned via the sponsor along with necessary payments, we will send you a distributor number, your order, and an introductory kit.

Selling Snowy Mountain Craft

The benefit of selling craft through party plan is that customers have the chance to get together, try a new skill, make purchases in a social environment, enjoy have some refreshments and take something they have made home with them. People enjoy buying in this way, particularly if the party is planned well.

Activity packs are available from Snowy Mountain Craft for the purpose of creating a fun environment at the home workshop/ party. These kits contain multiple versions of a small item for your invitees to make. While they are working on their item, you can then discuss the range and then the business plan. If you like, you can practice making one yourself before you hold the home workshop, to build your confidence.

You don't need to be a craft expert to demonstrate the products successfully. Just start with mastering one kit, and use that as the draw card to your home workshop, as you pass on your newfound skill to others.

Another key activity that you will be able to do to sell kits is to utilize various sites as display points for targeted groups. For example, a pre-school may agree to put on a craft night or allow you to display some products, a poster and an order form for parents to view when they come to pick up their children. This system is particularly useful because 5% of the retail price is earmarked by Snowy Mountain Craft as a credit for craft for the site. Suggested sites include preschools, schools, community centres, nursing homes, and hospitals.

The products may also be sold through a market stall, if the operator of the stall is a single owner/operator, and that operator is the Distributor. (Companies may not hold a Distributorship, to protect the competitiveness of our main group of distributors.)

Planning

To take all the guess work out of your business, planning and proper preparation can't be overstated. You can use this planning sheet as a guide to help you organise your parties, although the format is really up to you.

The goal is to organise a party with an enjoyable, social atmosphere. Never the less it is advisable to also plan it as a business activity:

1. Be responsible when demonstrating. For example, warn people to be careful of sharp edges.
2. Ask parents to be mindful of the care of children present. The activities to be done with children are generally designed to be safely done under parental supervision.
3. Make sure the activity doesn't damage the hostess' home from spills and drips on the floor or on tables.
4. Present yourself in smart casual or business attire. If presenting at home, be sure to prepare your home so it's neat and tidy as well.
5. Be punctual and reliable.
6. It is proper in business to keep records, so file your working records for future reference. You probably will want them someday!

Plan and set goals regarding the number of parties, the number of sites you would like to display at, the number of people you would like to sponsor, and the quantity of craft you would like to sell.

Identify

Think about potential invitees and various features of the range. It probably helps if you have done a few of the kits and understand the various styles of activities. You may choose to group people according to characteristics such as:

- Mutual friendship links
- Age group and gender and skill level
- Family type - particularly young mums looking for projects that parents and children can do together
- Interest in trying a particular type of craft you might demonstrate and relevance of product style.

Identifying people and the kits that match them is a skill that takes practice, but as you do it you will find out what works.

Invite

Invitations are best introduced in a friendly way, by mentioning the craft kits you have made and sold, perhaps showing them an item you have made using a kit.

Person to person is the best way to market these products. A personal invitation to a home workshop is the key to raising interest in your business. If you would like to use one of ours, download the invitation from our web page.

If you wish to use fliers, download the flier, edit the name and number accordingly, print off a few, and hand them out to people to attract interest.

You may well find that your best customers aren't always found amongst your close friends, so don't be shy! Casting the net a little wider can bring greater results, because people are always searching for something new to try, and craft is always popular.

The most effective way of running your business is for you to have someone else host a party. Once this is organised, they are asked to invite friends, neighbours and other contacts. This gives you access to a much greater audience and reduces your workload, leaving you free to prepare other aspects of the party.

Follow-up

Once a hostess has said she will have a party, follow up as soon as possible by giving her the invitations, jotting down details of people to invite, and setting a date for the party. Mention that there will be a free activity for the people to do at the party, and ask whether or not she will offer light refreshments.

A nice idea is to keep a small number of lower-priced items from the catalogue (such as Craft Scissors, Critterbugs etc) on hand so that you can give a gift to the hostess who holds the party in her home as a token of your appreciation.

Check over your planning sheet to make sure everything is in place for a successful party. Finalise and follow-up with the people involved in the success of the party.

At the Party

Activities for young children to do at the party with their mums are a good example of a well focused party activity. Another example may be seasonal activities that people can take home with them. While a party does not necessarily require an activity, it is a fun way to do business.

Distributors can purchase an activity pack at their wholesale rate. For example, a \$25 activity pack with 25 activities, for which you pay \$20, may provide enough activities for four or five parties.

As you gain experience running parties, try different activities and approaches. One important thing to keep an eye on is time management. If the activity goes too long, people will feel pressured for time at the moment they could be happily ordering products.

Display The Catalogue



After the workshop section of the party (if you had one), work through the catalogue, describing the kits on offer and attributes such as the age group who would enjoy it most, skill level required, favourable comparisons, quality and style of the finished kit.

Let the customers browse the catalogue and the retail price sheet. Be aware and note customers interest in particular products as they go - jot them down for reference when the orders are finalised. The catalogue retail prices (which include GST) are the r.r.p.

Ordering

Use this form to write down orders. Group them by customers for ease in totaling up individual customer subtotals.

Accept payments in the form of cash when taking orders, or if your business size allows it, using other forms of payment if you wish. Customers should receive their order within three weeks of paying. (As the distributor you are responsible to see that the customer receives the stock in good order, as soon as is possible.)

To keep things as simple as possible, Snowy Mountain Craft only ships orders that have been pre-paid by you, and these orders should be placed promptly after the party. Likewise, in your business, we suggest that you generally only hand over stock to people whom have already paid you to avoid complications.

Orders are subject to acceptance by Snowy Mountain Craft. Should an order be impossible for Snowy Mountain Craft to fill, Snowy Mountain Craft will contact you and possibly the customer to discuss reimbursement or credit and the wishes of the customer.



More on Orders

As the Distributor you may seek orders from all over Australia. Orders and money must be forwarded to Snowy Mountain Craft as soon as you receive them. When you receive the products, they are your responsibility and should be distributed to their new owners as soon as possible.

The catalogue retail prices you charge customers are listed by way of recommendation only. You are entitled to structure your prices as is expedient for your business costs.

Signing

After orders are placed, you might now give a gift to the hostess. Now might also be a good time to enjoy some light refreshment.

Use this opportunity at the end of the party to invite people to host a party themselves. Record all positive responses, names and phone numbers included and then tentatively talk about dates. The fun, interesting party will create a positive impression in the mind of customers, and increase the chance that they will host a party.

Explain how the business system is a very low risk, low expense and simple way to set up a part-time business of your own through selling craft products. After the party, encourage people to think about becoming a distributor. Find out who is interested in learning more.

At the appropriate time, whether it be at the party, or perhaps in a follow-up phone call or meeting with those who were interested, explain the distributor wholesale discount system and the 5% commission for people that you sponsor. Go through the business package in detail. Discuss the \$60 joining fee. Show them the contract, code of ethics and guarantee, and other business information and have them read and sign them - one for them, and one for submission to the company.

- You may phone in or email the order, but you must then mail in to the company the original contract.

This is the beginning of the working relationship between sponsor and distributor - you are the first level help and support in getting the distributor up and running. You may wish to attend their first party if they ask, or provide a demonstration or articles to display from your own stock, if you have some to use.

Of course, the more active people who you personally sponsor, the larger the pool of people from whom you receive you're a percentage of their sales under the terms of contract, down four levels. They continue in business by placing orders directly with Snowy Mountain Craft, while you can continue to encourage and support them.

Payments to Snowy Mountain Craft

Payments accompany orders, for the retail price inclusive of GST (we will let you know the amount you need to remit, including shipping charge).

The distributor retains any difference in price between the normal retail price charged and the 20% distributor discount.

Snowy Mountain Craft orders can be paid for using PayPal. PayPal payments will be verified with the provider in the normal fashion. Payments can also be made using postal money order or bank cheques, but not by personal cheque, and **not** by cash in the mail. As soon as payments are confirmed, Snowy Mountain Craft will be able to process the order.

After the end of each month, sponsors' bonus commissions are calculated. These commissions are paid around the 14th of every month following the month in which the payments were received.

Freight and Delivery

Allow 14 days for deliveries to most areas. Deliveries are done on a one-stop basis - ie the Distributor is responsible for disseminating the product amongst customers as soon as possible. If a whole order is going to one customer, the order can be sent directly to that customer. Goods will be left without a signature only if specified by the Distributor in writing on the order form.

Care must be taken with products at all times. They must be stored in a cool, dry place. It is the responsibility of the Distributor to ensure the items are kept in a condition suitable for sale. Tampering with packaging, labels, markings, nameplates, or contents is expressly forbidden.

A shipping and handling charge applies to all products. Delivery instructions must accompany the sales order.



Sponsorship

Sponsoring new Distributors is one of the best ways to build the worth of your business. All Distributors have the authority to sponsor others. In doing so they also accept the responsibility to motivate, train, assist and develop those sponsored Distributors in the building of their businesses and in the various development programs, including the sourcing of help from Snowy Mountain Craft.

A new Distributor becomes part of a network and retains her/ his position relative to her/ his downline and upline as long as the Distributor remains active and the company continues to operate. Distributors have only one sponsor and cannot change their upline.

Meetings

Distributors may have the opportunity to attend training and motivation meetings and skill workshops from time to time, and you are encouraged to take advantage of these to the benefit of your business. They also will be a good opportunity to meet like-minded people. Meetings may not be video taped or audio taped without written permission from the company.

Return of Goods

If a product proves to be unsatisfactory or damaged when the customer takes receipt of it, it may be returned in an unused condition to Snowy Mountain Craft with a Warranty Return Form (WRF) for assessment. The customer must notify the Distributor within 30 days of taking possession to receive the full refund. Snowy Mountain Craft's Guarantee does not extend to third party purchases or purchases from outside Australia. Samples and promotional products and accessories are not returnable. Distributors may only offer such claims or warranties that Snowy Mountain Craft have published in Snowy Mountain Craft literature.

Where a product is returned under the Snowy Mountain Craft Guarantee, all subsequent commissions will be deducted from the current or future commission belonging to each affected Distributor or be subject to recovery by Snowy Mountain Craft.

Communication

Please ensure you employ a pleasant phone manner to assist operators with your enquiries. Reverse charge calls will not be accepted by Snowy Mountain Craft.



Your Business

GST: If your annual personal sales do not exceed \$50,000 per annum (an average of just under \$1000 per week), you are not required to register with the tax office for GST. You may, under the law, continue your business in a small way without registering for the GST. However, as the scale of your business becomes larger and more serious, you may register.

Snowy Mountain Craft, as your supplier, is obliged to collect and remit the GST on the price of goods paid. Retail pricing is, however, under your control.

ABN: Another important aspect of business today is the decision whether or not to register for an ABN, an Australian Business Number. This can be done for free, instantly and on-line at www.abr.gov.au, the government's business registration website, if you so wish. Snowy Mountain Craft requires that their Distributors register and receive an ABN.

Doing business with other businesses will require that you supply them with your ABN. Customers, such as schools and shops, who are registered for GST and have an ABN are required by law to withhold 48.5% of the invoice price if you do not display the ABN on a tax invoice for goods. They then must return that amount to the tax office.

Insurance: As you develop your business, it is essential to take out insurance (eg public liability). It is beneficial for people, whether or not they are in business, to consider these insurance needs.