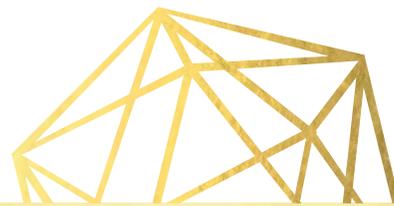


lucky break
CONSULTING

PRODUCT DEVELOPMENT WORKSHEET

Presented by Lela Barker at the
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PRODUCT DEVELOPMENT WORKSHEET

STEP 1: Develop your product concept.

PRODUCT CONCEPT	
Proposed Product Name	
What's the "big idea" behind the product?	
Proposed Product Name	
Ideal Retail Price This is the amount of money you plan for customers to pay for the product.	
WHAT TYPE OF PEOPLE DO YOU THINK WILL BUY THIS PRODUCT?	
Gender	<input type="radio"/> Male <input type="radio"/> Female <input type="radio"/> Both
How old are they?	
Where do they live? Do they live in a specific city? Are they inside your country or outside your country? Do they live in big cities or smaller villages?	
Do they have children?	
Do they have a lot of money, just enough money or very little money?	
What do they think about when they're deciding to buy a product? How much the product costs? How easy and convenient it is to buy this product? Whether the product is fair trade? Whether the product is organic or made by hand? Whether the product is made locally? Do they want some of the money to go to charity or to help people in their local community?	

STEP 2: Define your sales channels.

SALES CHANNELS	
A sales channel is the avenue that connects you to your customers. There are many possibilities and your planned sales channels inform many other decisions about your product. Check each that applies...	
<input type="radio"/> A website you own	Your web address:
<input type="radio"/> Someone else's website that agrees to sell your product with some others	Their web address:
<input type="radio"/> Weekly markets	Which markets?
<input type="radio"/> Special events + festivals?	Which events & festivals?
<input type="radio"/> Stores	Which stores?

STEP 3: Design and test your product.

DESIGN + TEST	
It's very important that you develop a good product that will make money for you and a product that people will want to buy. This part of the product development process usually takes longer than any other. You shouldn't rush the process of developing a good, strong product.	
Start by discovering which ingredients or materials you have available, then decide which ones you want to use. Use this space to list the materials you have available:	
Gather your friends and let them test the product in exchange for their opinions. What did they say you could improve? Listen closely to what your friends say and use their ideas to make the product better. You may need to make many batches of product before you make exactly what you want.	

STEP 4: Determine the appropriate packaging.

PACKAGING	
Things to think about when deciding what packaging to use...	
How much money can you spend on all the packaging pieces combined?	
What kind of packaging will protect the product?	
What kind of packaging will make the product easier to use?	
What kind of packaging will make the customer want to buy the product?	
Write down your packaging ideas here:	

STEP 5: Calculate your costs.

LABOR- THE ENERGY AND TIME IT TAKES TO MAKE THE PRODUCT			
What jobs need to be done to make the product?	How much will you pay per hour?	How many hours does it take to make the product?	What is the cost of the labor for this product?
MATERIALS- THE THINGS YOU MIX TO MAKE THE PRODUCT			
Name of ingredient	Unit cost	Quantity	Where you buy this ingredient
	Total cost of materials (if making a big batch of the product, divide the total material cost by number of units produced to determine the material cost per unit)		

PACKAGING- WHAT YOU PUT THE PRODUCT IN + DECORATIONS + LABELS

Packaging type	Cost for each	Quantity	Where you buy this packaging
	Total cost of packaging (if making a big batch of the product, divide the total material cost by number of units produced to determine the material cost per unit)		

PRICING PER UNIT

1	Total cost of all labor	
2	Total cost of all raw materials	+
3	Total cost of all packaging components	+
4	Preliminary product cost (labor + materials + packaging) Add lines 1, 2 and 3.	=
5	Determine your Wholesale Multiplier Typical multipliers are 2.5 or 3. Circle which multiplier you choose.	x 2.5 or 3
6	Estimated Wholesale Price Multiply lines 4 and 5.	=
7	Retail Price Multiplier Most stores want to sell the product for double (2 times) the price they paid.	x 2
8	Estimated Retail Price	=

STEP 6: Research other products.

OTHER PRODUCTS LIKE YOURS	
<p>What other products might your customers buy instead of yours?</p> <p>Look at local markets, websites where your customers might shop and insides the stores that you want to buy your products. Make a list of the products similar to yours that they could buy. Try to find at least 4.</p>	
<p>Think about the pricing of those other products.</p> <p>Are they more expensive than yours? Are they less expensive? Do you think those products offer a good value to the buyer? Do you know if these products sell well at that price?</p>	
<p>Look at the packaging of those other products.</p> <p>Is the size of these products bigger or smaller? Are they packaged in a way you hadn't thought about? Are the packaging materials used like yours or different? Do you like them better or worse?</p>	
<p>Think about the message those other products send to the buyer.</p> <p>What words or pictures do they use to make you want to buy the product?</p>	
<p>Now, think about all those things together and decide what your product can do better than the others.</p> <p>Can you sell your product for less money and still make the money that you need? Can your packaging be prettier? Can it be easier for the customer to use? Did you think of new words or pictures to use to describe your products? How can you use what you know about these other products to make buyers want to buy your product?</p>	

STEP 7: Adjust pricing and packaging if necessary.

THINK ABOUT WHAT YOU KNOW ABOUT YOUR PRODUCT AND WHAT YOU KNOW ABOUT SIMILAR PRODUCTS IN THE MARKETPLACE.

If your price is high, what can you do to bring the price down?

Can you make bigger batches? Use a less expensive ingredient? Change your packaging? Find a new way to make the product that is faster?

If your packaging is not easy or safe to use, what can you do?

Can you find a larger or smaller size of this packaging? Can you think of a way to package your product which is more convenient for your customer? Can you find packaging that is more interesting than the other products you saw?

STEP 8: Finalize your marketing and messaging.

MARKETING + MESSAGING

Final Product Name

Final Wholesale Price

This is what the store will pay if you sell to a store.

Final Retail Price

This is what a person will pay if they buy from you at a website or market.

Will you offer different sizes or fragrances of this product?

Practice describing your product.

Use words that make your customers want to buy. Try to help them imagine what it smells like and what it feels like on their skin. Talk about what makes this product different. Tell them what it will do for their skin. Describe why you chose your ingredients and how you make the product. You should choose your words carefully and try not to use too many words. Practice writing this description over and over. Try to make it better & shorter each time you write.

STEP 9: Develop the label for your product.

LABEL	
<p>Decide what kind of label you will use for your product.</p> <p>Will the label be made of paper, plastics, bark? Will you make it yourself or pay someone else to make it?</p>	
<p>Think about how you will attach the label to the product.</p> <p>Will it be a sticker you put on? Will you tie it on? If so, what will you use for tying?</p>	
<p>What story can you tell about your product?</p> <p>What words and pictures can you use to make customers want to buy your product? Think about using a picture of the product being made or a picture of the people who make it. What pieces of the product description that you wrote can you use on the label?</p>	
<p>List all of the information that needs to go on the label.</p> <p>You should include all of these things... but are there any more you need to include?</p>	<ul style="list-style-type: none"><input type="radio"/> The name of your company<input type="radio"/> The name of the product<input type="radio"/> The phone number or email of who made the product<input type="radio"/> Your website, if you have one<input type="radio"/> How big the product is (how many ounces or grams?)<input type="radio"/> Directions that tell how to safely use the product<input type="radio"/> What the product will do for the skin<input type="radio"/> All of the ingredients used (in order from largest to smallest)
<p>Check with your government.</p> <p>Are there any special things they require you to put on your label?</p>	

STEP 10: Get any necessary approvals from your government.

Many governments require that they approve a product before it can be sold. Call your government official and ask if you need approval before you start selling. They may have to see the finished product or test it to make certain its safe. Do not start selling your product until you are certain you have any approvals you need!

STEP 11: Start selling your product!

If you've finished steps 1-10, then you're ready to sell your product! Think about all the places you can sell it directly to the customer. If you'd like to sell it to stores, then you need to finish step #12, too.

STEP 12: Develop wholesale terms and order forms.

WHOLESALE TERMS

Your wholesale terms explain the rules of how you do business with stores. You can make them anything you like, but you should be able to tell stores what the rules of working with you will be like. The best wholesale terms balance what you need with what the store needs so that both of you are happy.

Payment Methods

What types of payment will you accept from the store? Can they give you a check, a money order, a bank wire, or a credit card or do you require that it must be cash? What currency are your prices in?

Delivery Methods

How will the stores get the product- do you send it in the mail? If so, who pays the money for the shipping? Will you bring the product to the store yourself? How long will it take for them to get the product after they ask for it?

Return Policy

Can the store give product back to you and get their money back if the product is not selling? If so, how many weeks or months can they keep the product before they return it to you?

ORDER FORMS

Order forms are papers you can give to a store that you want to have sell your product.

Order forms tell them everything they need to know to buy your product. You want to make them simple and easy to read. Make sure you include all of these things on your order form...

- Your company name
- The name of your product
- How big the product is (how many ounces or grams)
- The price you will sell it to a store (wholesale)
- The price you think they can sell it to the customer (retail)
- How many of each product they must buy to get the wholesale price
- A picture of the product
- A way for them to find you so they can place an order (your phone number or email or website)
- All of your wholesale terms