

PRODUCT EVALUATION CHECKLIST

MUST HAVE FOR SUCCESS:

 YES NO

Do Customers want to buy your product?

Perform Customer Demand Validation. There are great methods described in *The COMPLETE BOOK of Product Design, Development, Manufacturing and Sales* (available on Amazon) by Steven Selikoff. Founder of the product Development Academy, as well as Eric Reis's *Lean Startup* (available on Amazon) Tim Ferriss's *4 Hour Workweek* (available on Amazon.)

This is a must-have. **Do not proceed with your product until you have confirmed customers want to purchase.** There are too many good people who fell in love with ideas that were not customer ready.

 YES NO

Is your product profitable?

You must have a minimum 7X Multiplier. 10X or more is better. This means your retail price is at least seven times higher than your raw cost. This is an industry standard for good reason. Profitability is critical. That is why you hear the 7X Multiplier discussed on Shark Tank and The Profit.

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KPI SCORECARD FOR SUCCESS:

Review each product and try to answer YES to as many of these criteria as possible. Then refer to the matrix posted below the questions. If you can say YES to at least nine of these questions, **plus the two MUST-HAVES of Customer Demand and Profitability**, you are in a good position to succeed.

 YES NO

1. Does the product solve a problem?

It is not required that your product solves a problem, and many products that don't solve problems are nevertheless successful. However, a very high percentage of successful products do solve problems. Therefore, if your product provides a solution to a problem, you have a greater chance of success.

 YES NO

2. Does the product fulfill a customer desire?

Imagine selling \$5 raffle tickets where the winner gets to spend the day with their favorite movie star or celebrity. People would go crazy and buy hundreds of tickets. Would spending a day with your favorite celebrity solve a problem? No, but it fulfills customer desire.

Many products fulfill customer desires and are successful. Fashionable clothes is one of the obvious products that fall into this category, so are goods licensed with sports teams or Disney characters.

Is desire necessary? No. But if your product fulfills a desire, it will often be sought out by customers. That can drive customers to a store, which makes Retailers, and you, happy.

YES NO

3. Is the product innovative?

Is your product new? Is it never-before-seen? Is your product significantly different than other products on the market? The more you differentiate your product, the fewer competitors you have. Unique products are also more attractive to retailers since sales of your products do not cannibalize existing products they may already have on the shelf.

 YES NO

4. Is the product trending or in a popular niche?

Weight loss is a strong niche. So are Pets, Shapewear, and Health. There are lots of others trending niches. Customers are looking for products in hot trends. Retailers are too. Google Trends is a great way to identify hot and growing niches. As the popular saying goes, “The riches are in niches.”

 YES NO

5. Is the product IP protectable?

Can you protect your idea? We will discuss Intellectual Property protection and patents in the course, but basically, does your product have a non-obvious and innovative trait, design, or functionality?

 YES NO

6. Is the product a consumable?

A consumable is a product that is used, eaten, or consumed, and then discarded. Examples would be hot dogs, air fresheners, cosmetics, paper towels, spray paint, potpourri, or dog food.

Consumables are great because customers buy them again and again.

YES NO

7. Does it have a large addressable market?

When you start talking to investors, they will ask about your addressable market. The larger the market, the larger the potential profits. There are many resources to help you research market size besides Google. The granddaddy of demographic research are Census records.

Industry organizations also do research. Do you have a pet product? The American Pet Products Association (APPA) estimates that \$72.13 Billion dollars was spent on pets last year. According to APPA, people spent more money was spent on pets than people spent on music, going to the movies, and on video games...combined.

A great and underutilized resource is Statista.com

 YES NO

8. Is it Instagram worthy?

Does your product get people's attention? Do they talk about it? Will they post about it on Instagram or Facebook? Might someone post images of your product on Pinterest? Will they tell their friends about it? Will it show up on Tik Tok? These are the products that excite people.

 YES NO

9. Is it simple to manufacture?

Complex manufacturing increases cost, increases risk of human error, and increases risk of defects.

If your product is simple, you will have a lower risk of defects and lower labor cost.

YES NO

10. Are the product benefits and functionality easily understood?

Try explaining your product in fifteen words or less. The customer needs to understand the benefit and value of your product quickly. If the customer does not immediately understand what your product does, and why the product is important to them, they might walk right past it on store shelves.

In order to counter this, you may have to spend more in marketing.

 YES NO

11. Does the product have a discrete & marketable customer base?

Facebook Ads, Google Ads, Influencers, PPC and traditional marketing are all very powerful. Each of them can be targeted to specific lifestyles, preferences, and demographics. The more you know about your product's customer, the easier it will be to sell to them.

For example, if your product is made for boaters, you can target your advertising specifically for your customer.

 YES NO

12. Can it have variations?

Retailers, even Specialty Retailers, purchase by the case-pack. A typical case pack holds six to eight units.

If you only have a yellow baby blanket, they would buy only one case-pack, and display only one item. However, if you sell yellow, blue, and pink baby blankets, the retailer will buy at least one case-pack of each color and will display all three colors. That gives you three items on the shelf, also known as three 'Facings.' If you have more facings on the shelf, your product will have more exposure to the customer, and result in more sales.

YES NO

13. Is it scalable into a full product line?

Can the product be built into a full line? Can your baby blankets be expanded into swaddles, plushies, or toddler items? Once you have a relationship with a retailer, your ability to expand becomes much easier. This allows you to build into a trusted brand and exponentially grow your business.

An extension of this is the ability to add a holiday themed version of your product.

 YES NO

14. Is the product small sized and easily transportable?

Smaller sized products cost less to ship and transport. Smaller products are easier for retailers to put on the shelves. Also consider height; products taller than 10 inches may not easily fit on shelves. Oversize or overweight products cost more to ship.

Inexpensive shipping can increase your ability to send product directly to both retailers and consumers.

 YES NO

15. Does it have subscription potential?

A regularly replaced consumable product that can use a subscription model is a great opportunity for profit. Everyone knows about Dollar Shave Club, but other opportunities exist as well. An example is tropical fish food. Offer your customers a subscription. Not only do you get the initial sale, but you get repeat sales as the fish food is sent out to the customer every three weeks.

This is a repeating revenue that increases your company value and your bottom line.

REVIEW YOUR RESULTS

Review your results objectively. Be unemotional. This will be easier if you do not fall in love with any of your products. This is all about business now, so be ruthless.

If you are having problems answering the list of questions objectively, think of yourself appearing on Shark Tank. What would Kevin O’Leary or Mark Cuban say about your product? How would they answer the list of questions about your product?

Count the number of YES’s you have and compare it to the chart below. (This does not apply to the two MUST-HAVES of Customer Demand and Profitability.)

SCORE	RESULTS
Less than 6	Consider redesign to increase score
6-8	May need additional marketing
9 -11	Go for It
12 - 15	Pop the champagne

