

FOOD READINESS CHECKLIST

What do I need before I speak with co-packers?

Product Information

Company Name

Company Contact

Company Phone

Company Email

Company Website

Product Name

Product Description

Formulation

Every product needs a specific recipe or formulation of ingredients. It is preferable to have a prototype that is as concrete an example of the finished product as possible (including packaging).

Formulation/Recipe

Prototype

Scalable Recipe

Tips: be flexible with most ingredients, but know which items are non-negotiable. Accommodate equipment constraints. Develop a scalable recipe (not all recipes are 1:1 ratio for scaling up, and sometimes converting units is challenging). Be aware that some factories may not want certain ingredients in their facility (vegan, gluten, nut free).

Ingredients and Suppliers

Your co-packer might have better relationships with suppliers than you, but it is helpful to find as many of your ingredients as possible before reaching out to factories. Ask suppliers for samples to taste, specs sheets (color, taste, size, weight, storage requirements, etc.), and certifications (kosher, organic, etc.) for each product you will use. Be certain to obtain a certificate of analysis (COA) for each ingredient from the supplier.

Ingredient Name

Quantity/Volume/Weight

Storage Requirements

Ingredient #

Color

Supplier

Taste

Price

Packaging

Find suppliers and test packaging yourself. Purchase Orders (POs) use final packaged sizes for order quantities – units, boxes or master cases, bundles, kitted assembly, case master pack.

Find Supplier

Part Name

Quantity

Test Packaging

Part #

Price

Finalize Packaging

Processes required to package product:

Logistics

Copackers want your product out of their warehouse as quickly as possible. Self-fulfill or find a Third Party Logistics (3PL) company who can kit, pick and pack, and ship on time. Have agreements in place with your 3PL including how they report inventory, and other metrics.

Notes

Pitch

Prepare a pitch deck showcasing your company. Get the factory excited about working with you! Pick your ten most compelling message points and build the deck around your unique story. Cover the following key points along the way:

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- Your team and why you are the right team to build the business.

 - Product description and what makes it special.

 - Marketing Strategy: Understand who your target is, what their "pain point" is and how you will address it. Who is your market? How big is the market? If you are able to capture x amount of it, that means x units and x revenue. Where does your target market "hang out" and how will you reach them? Start developing customer demand up front to support distribution and production. Ideas: field marketing and demonstrations, food shows, email, social, videos, SEO, Google ads, guest posts, podcast ads and appearances, radio, billboards, print, public relations firms. Budgeting for and have someone on your team who understands marketing and the various options/platforms. Focusing on what your consumer wants: don't be afraid to pivot.

 - Competitive landscape: make sure you understand what similar products are already on the market. Describe your points of differentiation and any intellectual property position. (Note: recipes can't be patented, but they can be a trade secret.)

 - Demonstrated demand: Have you demonstrated traction in the market yet? Do you have purchase orders or commitments already in place? Focus on quality revenue; 1000 who will be repeat customers and evangelists are more important than 10,000 one-time buyers. Do you have media coverage?

 - Distribution plan: be creative about where your product would be well received and diversify your distribution channels. Consider ecommerce/direct to consumer, online marketplaces, Amazon, retailers, boutiques, Kickstarter campaign

 - Funding: where is your funding coming from (revenues, friends and family, debt, venture capital, payment terms)? Many factories will want money upfront for research, development, and possibly production. How will you pay for the product? If you are looking for a loan, consider borrowing against a business asset such as equipment, or against a purchase order. Not having a track record can make obtaining a loan very difficult. Borrowing against your house or 401k is extremely risky – carefully consider all other options first. Friends and family loans are the most common funding sources for start-ups. Factories will run a credit check; be prepared.

 - Plan: Projections for next 5 years: projected volume, direction of the company or product line
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