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**VENDOR REQUIRMENTS TEMPLATE**

To increase the ods of getting your products into major retail outlets these are some of the key requirements you must be prepared to meet.  Not all retailers will ask for everything on this list, but some will.  If you are prepared you chances will be greater.

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| **Problem Solved:**Retailers want to know what problem is your product intended to solve and what value does it bring to their customers.  You have to be able to articulate this in a clear and convincing way in order for them to be convince that there is a demand for your product and that it will sell.  Retailers don't want to put something on their shelves that will not sell and generate revenues for them |
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| **Competitor Products:**Be prepared to stipulate if there are  competitive products that are currently on the market.  Do your homework to find out if the competitive products are already being carried by the retailer you're trying to gain access to.   Be prepared to make the case of why your product is better than the competitive products. |
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| **Product Description:**Be prepared to give a description of your product during the application submission process.  You may have limited space in which to do that, so create several different description exaples (some short, some long, etc.) so that you can meet whatever requirement you're presented with. |
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| **Product Sample:**Be prepared to submit a product sample or a picture of your product during the application process.  Do not submit actual product samples unless  it is requested.  Many retailers don't ask for the actual product sample until they've deciced to take an interest in your product which is usually at the 2nd or 3rd phase of the application process. |
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| **Location In The Store:**Be ready to advise the retailer on where you product should be placed in the store.  Determien what products it should be next to and what section it should be placed in.  For example, if your product is a liquid bath soap then it should be placed next to other liquid soaps, or soaps and it should be in the bath section.  You will have to visit the store to gather information and establish the appropriate location in that specific store. |
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| **Packaging:**All retailers have packaging standards that must be met.  Some retailers don't allow 2nd and 3rd layers of packaging on some products while others don't have a problem with it.  Some retailers want the packaging to be similar in dimensions as ones that they already have on their shelves so that they could make efficient use of the space on their shelves.  Some retailers have requirements for the sturdyness of the packaging.  It must be able to endure warehousing and transportation and be in good condition to be displayed on shelves.  Some packages must be shrink wrap while others don't have to be.  All of these requirements are specific to each retailer.  Check with the retailer to find what their packaging standards are for your product type. |
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| **GTIN/UPC (**[**Barcode**](file:///W%3A%5CMy%20Documents%5CSBZ-24MAR2013%5CSBZ1%5CBAR%20CODE%5Cbar%20code.htm)**):**GTIN stands for Global Trade Item Number.  This is also known as the Universal product Code (UPC).  This is the information that is embeded within a [**Barcode**](file:///W%3A%5CMy%20Documents%5CSBZ-24MAR2013%5CSBZ1%5CBAR%20CODE%5Cbar%20code.htm) that uniquely identifies a product.  All products sold in retail stores must carry a barcode with the GTIN/UPC information embeded.  The barcode allow for the item to be tracked in shipment and identified at the [**Point of Sale (POC)**](file:///W%3A%5CMy%20Documents%5CSBZ-24MAR2013%5CSBZ1%5CTECH%20SOLUTIONS%5CPOS%5CPOS.htm).  It also enables the retailer to track which items are being sold and manage their inventory in realtime to keep their shelves stocked in order to meet demand and to identify and remove items that are not being sold.  Barcodes have to be placed on the product in a certain way in order to be properly scanned by the store scanning equipment.  Learn more about [**Barcode**](file:///W%3A%5CMy%20Documents%5CSBZ-24MAR2013%5CSBZ1%5CBAR%20CODE%5Cbar%20code.htm). |
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| **Dimensions:**Know the dimensions of your product.  You will be required to provide this information at some point in the application process.  To increase your chances of getting accepted do your research and look at other products in the same category as yours and see how they are sized to display on store shelves.  Check the weight of the item.  Weight plays a key role.  If the product is too heavy it will cost more to transport and become difficult to place on store shelves. |
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| **Shipping:**Every retailer  have their own standards about how you should ship products to them.  If you are working with an established distributor who are already working with the retailer then they will already be familiar with the procedures.  If not, then you will have to become familiar with the retailer's shipping procedures.  Retailers have rules such as making advance delivery appointments, delivering to specific locations, special facility access requirements, etc.  Be sure to learn the retailer's shipping requirements if you will be arranging the deliveries. |
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| **Ordering/Invoicing (EDI):**Large retailers have a specific method of communicating with their vendors to place orders, do invoicing, etc.  Most large retailer  subscribe to a system called the [**Electronic Data Interchange (EDI)**](file:///W%3A%5CMy%20Documents%5CSBZ-24MAR2013%5CSBZ1%5CGROWING%20THE%20BUSINESS%5Cedi.htm) to conduct all of their order processing with their vendors/suppliers and they require that any vendor that does business with them to subscribe to such a system.  If you're a new vendor you will be required to subscribe to such a system if your retailer requies it.  You can learn more about what the [**EDI system is about**](file:///W%3A%5CMy%20Documents%5CSBZ-24MAR2013%5CSBZ1%5CGROWING%20THE%20BUSINESS%5Cedi.htm). |
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| **Trademark:**Retailers want to know that they will not have any trademark problems with any products sold in their stores, hence, you may be asked to provide trademark information on your products.  If a trademark is required to protect anyone else from infringing on your product you may want to file for one.  You don't have to wait for the trademark to be approved before trying to get your products into stores.  A trademark pending status is enough to satisfy most retailers.  Learn more [**about trademark**](file:///W%3A%5CMy%20Documents%5CSBZ-24MAR2013%5CSBZ1%5CBUSINESS%20IDEAS%5Ctrademark.htm). |
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| **Copyright:**Retailers also want to know that they will not have any copyright problems with any products sold in their stores, hence, you may be asked to provide copyright information on your products.  If a copyright is required to protect anyone else from infringing on your product you may want to file for one.  You don't have to wait for the copyright to be approved before trying to get your products into stores.  A copyright pending status is enough to satisfy most retailers.  Learn more [**about copyright**](file:///W%3A%5CMy%20Documents%5CSBZ-24MAR2013%5CSBZ1%5CBUSINESS%20IDEAS%5Ccopyright.htm). |
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| **Patent:**Retailers dont' want to sell products in their stores that may infring on someone else's patent and create legal problems for them.  They want to know that they will not have any patent problems with any products sold in their stores, hence, you may be asked to provide patent information on your products.  If a patent is required to protect anyone else from infringing on your product you may want to file for one.  You don't have to wait for the patent to be approved before trying to get your products into stores.  A patent pending status is enough to satisfy most retailers.  Learn more [**about patents**](file:///W%3A%5CMy%20Documents%5CSBZ-24MAR2013%5CSBZ1%5CBUSINESS%20IDEAS%5Cpatent.htm). |
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| **Product Certifications:**Some products have to be certified by the relevant authority depending on what it is or the claims that you're making about the product.  For esample, if the product is an electronic device it may require the [**Underwriters Laboratories (UL)**](file:///W%3A%5Cmessage4.php?url=http://www.ul.com/global/eng/pages/solutions/services/certification/) certification or its equivalent.  If you were to look on the back of most electronic devices you will see the UL stamp.  If you were to claim that your cosmetic product provides certain health or medical benefits it may require [**FDA**](file:///W%3A%5Cmessage4.php?url=http://www.fda.gov/regulatoryinformation/guidances/ucm125335.htm) and/or [**USDA**](file:///W%3A%5Cmessage4.php?url=http://www.usda.gov/wps/portal/usda/usdahome?navid=ORGANIC_CERTIFICATIO) certifications.  Retailers will ask for this type of information if your product falls into that category.   |
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| **Total Sales:**Be prepared to provide sales information your product.  Most retailers will want to know about the last 12 months of sales.  They want to learn how well the product is doing.  Have the information to present if asked. |
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| **Other Places Where Sold:**Be prepared to provide information on where your products are currently being sold.  Your retailer want to know if competitors are selling the product.  They may or may not want to carry your product as a result.  If the product is selling they will certainly want to compete by selling your product.  Even if they product is not being sole elsewhere they may want to be the first to sell it and gain an advantage on their competitors.  |
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| **Suppliers/Manufacturers:**Who are your suppliers/manufacturers?  Major retail outlets are concerned about their image and who they do business with, hence the reason they want to know about your suppliers/manufacturers.  They are particularly concerned if your suppliers/manufacturers are located overseas.  Major retailers are under pressure not to do business with other businesses that don't treat their employees well.  Many suppliers/manufacturers utilize child labor and harsh working conditions that could cause a backlash to retailers when discovered.   They may also have bad experiences with other businesses in the past that they don't want to work with again. |
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| **Record Audits:**Maintaining a good supply chain is essential to major retailers and hence from time to time they may require an audit of their vendors in order to discover and resolve any financial issues that may cause a supply chain problem for them.  As part of the agreement to do business with them major retailers will ask you to agree to this stiuplation.  They will only audit your records with respect to their ordering process with you on the specific products that they are buying from you and not the rest of your organization. |
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| **Financials/Dun & Broadstreet Listings:**Major retailers want to gain some insights into the financial health of your company.  The main means by which they do so is by asking your to provide a copy of your Dun & Broadstreet (D&B) financial listings.  In order to get a D&B listing you have to sign up with D&B to establish a businsiness credit file.  This can cost from $229 - $399 per year.  Visit the [**D&B website**](file:///W%3A%5Cmessage4.php?url=http://mycredit.dnb.com/establish-your-business/) to learn how. |
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| **Insurance:**Insurance is a key component to any business and it should be no surprise that retailers would ask for proof of insurance.  Retailers have requirements for insurance that may include indemnification, general liability, product liability, auto liability, etc.  They may also have specific minimum anount of coverage requirements.  Be prepared to comply with their insurance requirements.  Learn more about [**business insurance**](file:///W%3A%5CMy%20Documents%5CSBZ-24MAR2013%5CSBZ1%5CBUSINESS%20INSURANCE%5Cbusiness%20insurance.htm). |
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| **Tax ID:**Have your business [**tax ID**](file:///W%3A%5CMy%20Documents%5CSBZ-24MAR2013%5CSBZ1%5CFORMING%20THE%20BUSINESS%5Cfein%283a%29.htm) ready.  If you don't have one you should get one.  |
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| **Minority Certifications:**If you have [**minority certifications such as MBE, WBE, DBE, Veteran,**](file:///W%3A%5CMy%20Documents%5CSBZ-24MAR2013%5CSBZ1%5CBUSINESS%20ADVANTAGE%5Cdbe%282%29.htm) etc. many retailers have Minority Supplier Diversity programs that they would like to bring you in under.  You may get more favorable treatment during the application process if you have minority certifications. |
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| **Payment Terms:**Payment terms is the conditions under which the retailer will pay you after completing  sales transactions of your products.  Retailers will use a payment term of **Net 10**, **Net 15**, **Net 30** or **Net 60**.  This means that 10, 15, 30 or 60 days after they've completed sales transactions of your product you will receive full payment.  Net means "total after all discounts and fees". |
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| **Facility Certifications:**The facilities at which you conduct your manufacturing or product packaging may have to be certified in order to satisfy some major retailers.  For example, if you're claiming that your products are Kocher you may have to get the appropriate certification for your facility before some major retailers will accept your products in their stores.  Find out from your retailer if you need to provide this kind of proof. |
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| **Background Investigation:**As part of the application process the retailer may ask that you and certain members of your organization submit to a background check in order to satisfy themselves that they are not doing business with people who have a criminal background.  It is a way for major retailers with a reputation to manage to protect themselves.  So, be prepared to see this request from some (not all) retailers. |
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