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**A Roy Morgan Gallup Poll found that 90% of Australians would prefer to buy Australian Made if they could find it**

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**A new YouGov survey found that 88% of Australians believe we should make more essential products at home and rely less on Chinese imports**

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**In last year's budget, the Federal government allocated \$1.5 billion to help grow Australian manufacturing**

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**This increased demand for Australian-made provides a huge opportunity for Australian businesses**

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**And over the long-term a focus on Australian-made can create more jobs and grow the Australian economy**

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**If each household in Australia spent an additional \$50 per week on locally made products it would inject \$30 billion a year into the economy**

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**If every Australian made a one-off purchase of \$100 of locally produced goods it would support 3,000 jobs**

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**Here's what you'll learn today**

My four step system to sourcing Australian-made products:

1. Decide what to sell
2. Estimate what it should cost to make
3. Find the right manufacturer
4. Negotiate a win-win

We'll also show you lots of case studies that have applied this system

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**Who is this system relevant for?**

- Online sellers – eBay, Amazon, Gumtree, Shopify, FB etc...
- Retailers
- Wholesalers, agents and distributors
- Sellers of info products wanting to diversify
- Sellers of info products wanting to add a "subscription box" of consumables to their offering
- Importers wanting to localize their supply chain to Australia

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**Who am I and why should you listen to me?**



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**What Steve Does**

Start-up	SME	Enterprise
		

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**Steve Eagle**

- Studied Sculpture and Moved into Product Development (prototyping & production)
- Spent 18yrs in Product Dev, Cost Estimating and Purchasing
- Sourced over 1.5 billion dollars' worth of products over more than 3,500 projects, all over the world in the last 23 years (everything from toilet seats to fighter jets)
- Worked for household brands like Ford, Toyota, Fisher & Pykel, ADF prototyping, selecting suppliers and sourcing globally while side hustling my own businesses
- Life changing moment 2008 - "Steve's Great Reset" radically changed how and why I work, ultimately leading to early retirement in 2016 age 38yrs
- Now I apply the strategies you'll learn today in my businesses and help others to source Australian-made products that compete with cheap foreign imports



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**Some Examples of Active Brands**

**NUTRITION DEPOT**  
ASIA PACIFIC No.1  
2000+ SKU's, 10+ Brands, ~30 Suppliers

**Paw Depot**  
800+ SKU's, 5+ Brands, ~19 Suppliers

**Vet's Own**  
93 SKU's, ~4 Suppliers, Exporting to Asia

**E9 SHOP**  
@E9SHOP2020  
7 Suppliers, 8 months old. Launched for \$180k AUD. 600 dresses sold in first month. Achieved profit in first 5 days generating income equal to corporate job in 1<sup>st</sup> month but operating from a bedroom. Now scaling wholesale with no inventory and a small army of affiliates.

**creativeXR labs**  
The Future Is Just Beginning  
2 Brands, ~49 Suppliers, Global clients

**PUCCI PET COUTURE**  
700+ SKU's, ~9 Suppliers, 8 countries

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**Agenda for today**

- Session 1 – Decide what to sell
- Session 2 – Estimate what it should cost to make
- Session 3 – Find the right manufacturer
- Session 4 – Negotiate a win-win

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**Step One**

**Decide what to sell**

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**First of all, don't be this guy...**

More than 95% of online businesses fail to make money in the first 3 months and don't survive the first year.

This is a purchasing problem not a sales problem.



facebook

Guys my first inventory just landed the warehouse. This is my first time doing all this. My question is how And why will people buy my product when there's a lot of competitors? I've patted a lot of work in it but the doubt inside the head is disturbing me now when the process is nearly completed. Thanks

Guys my first inventory just landed the warehouse. This is my first time doing all this. My question is how And why will people...

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**Don't be one of the 95% that fail!**



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**Today you'll learn a powerful and profitable system that supports the Australian economy**

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**First up...**

**Let's dispel the myth that Australia can't compete with cheap foreign imports**

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**11 Reasons why it can be more profitable to source Australian-made than to import**

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**Reasons to source Australian-made**

1. You eliminate the cost and delay of international shipping, which averages about 35% of the cost of any imported products
2. You're working in Australian dollars, so there's no exchange rate risk, and no hedging required. Most imports are priced in US dollars, and the exchange rate with AUD can be volatile
3. Australian manufacturers often use automation instead of labour, so the impact of Australia's more expensive labour rates is not as high as you'd expect. Plus China's labour rates have doubled in the last 8 years, while Australia's have stagnated

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### Reasons to source Australian-made

- 4. By working closely with your Australian manufacturer, you can often find ways to reduce costs without reducing quality – and negotiate without the language and cultural barriers
- 5. It's much quicker to go from concept to cash if you're sourcing locally, eg you can get samples shipped to you overnight
- 6. By sourcing directly from an Australian manufacturer you cut out any "middle-men" taking their cut

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### Reasons to source Australian-made

- 7. By working directly with an Australian manufacturer you may be able to organise a drop-shipping arrangement
- 8. You can work with your Australian manufacturer to design a unique product, adding features that are superior to others on the market (including imports), so you can charge a premium
- 9. People are prepared to pay a premium for a product that is Australian made, Australian owned, Australian built, Australian grown, or developed with Australian ideas. On average people will pay a 13-18% premium

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### Reasons to source Australian-made

- 10. There are many government grants and other incentives available for local manufacturers, producers and exporters
- 11. Governments and corporates are keen to be seen to be "doing the right thing" and buying Australian-made from Australian brands

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**So by being Australian-made  
you have a head start over  
imports**



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**Now let's look at the steps to  
choosing a hot-selling product  
that will compete with imports**



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**Step #1...**  
**Choose a product  
that will sell well**




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**7 Criteria that make it easy to sell**

1. Passionate following that's already buying (Merchant Words, Jungle Scout, Helium10 etc)
2. Large and growing market (see Google Trends)
3. Evergreen (not constantly changing, eg technology)
4. You're interested in it – "Results follow Focus"
5. Easy to find your target market
6. Not highly regulated
7. Able to compete / stand out with slight tweaks

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**Step #2...**  
**Choose something that can compete with imports**



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**5 Criteria that make it competitive with imports**

1. Not a commodity, so you can charge a premium for better quality
2. There is a demand for a higher quality product
3. Local Australian manufacturers are available
4. Manufacture uses automation rather than hand-crafting, so the labour component is smaller
5. Government grants and incentives may be available

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### Niches and products that fit the criteria

- Electronics and Computers
- Garden and Tools
- Beauty and Healthcare
- Groceries and FMCG
- Toys, Kids and Baby Clothing
- Shoes and Bags
- Handmade Jewellery
- Sports and Outdoors
- Eco-Sustainable, biodegradable and organic products

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### Niches and products to avoid

- Safety devices
- Products requiring training to use
- Products with "specific claims" on the labelling
- Products that you don't understand yet (estimate/benchmark)

Note:

- Brand Sensitive Niches can be challenged with innovation or pricing but requires significant marketing "know how"

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**Once you've identified your product, you need to:**

**(a) find a suitable Australian manufacturer and**

**(b) negotiate a competitive price**

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We'll show you exactly how to do this in the following sessions

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But first, let's define "Australian-made"

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Surprisingly, "Australian-made" is quite subjective!

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**If something is grown or produced in Australia, then it's obviously Australian made**

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**But if it contains imported parts, things are less clear**

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**The ACCC states that things need to be “substantially transformed” in Australia, which means they are “fundamentally different in identity, nature or essential character from all of their imported ingredients or components”**

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Changing the form or appearance of imported components is not seen as a **“substantial transformation”**. Eg Putting oil in a capsule is not enough

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To add to the confusion, the **Australian Made** logo now has a few variations...all with different definitions:

- Australian made
- Australian grown
- Product of Australia
- Australian seafood
- Australian
- etc!

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To keep it simple, our goal is to **maximise the Australian proportion of every product you source**

We believe that’s the best way to help the Australian economy

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Throughout this workshop we'll share some creative **“no money down”** and **“sell it before you source it”** strategies

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**“No money down” strategy**  
**Skateboards**

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**This strategy uses a mix of imported and local materials, local assembly**

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### Strategy

1. Find a hot product that isn't available in Australia
2. Approach the overseas supplier and arrange a distribution agreement for some component parts
3. Ask for samples
4. Source as many components as possible locally
5. Make sales in bulk at trade shows and direct to retailers
6. Order and fulfil

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### The problem:

**“I (and lots of others) wanted to enjoy snow boarding all year round”**

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**Tierney  
Skateboards**



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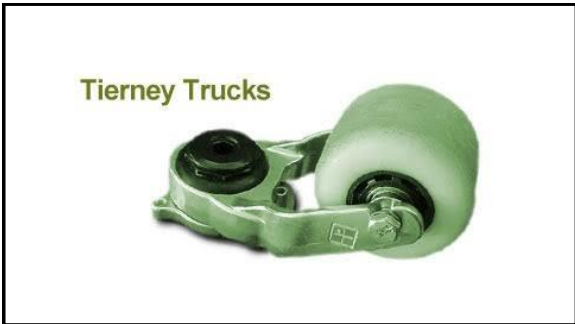
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**Results**

Cost per board:

- Wheels (imported from Tierney Rides) \$9.33
- Board (sourced locally) \$68.00
- Kit cost \$77.33
- Wholesale price \$150.00
- Profit per board \$72.67
- Retail \$240.00

**No Amazon, No Shopify, No Facebook, No Smart Phone, No Laptop & With a Day Job**

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**With 100 sales per month, that's \$7,267 per month profit**

**...for a start up cost of under \$200**

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**Questions?**

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**Biggest Ah-ha?**



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**In the rest of this event  
we'll show you how to  
find an Australian manufacturer  
and negotiate a competitive price**



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**Please be back on time**



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**Reminder: 4-step system**

My four step system to sourcing Australian-made products:

1. Decide what to sell
2. Estimate what it should cost to make
3. Find the right manufacturer
4. Negotiate a win-win

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**Step Two**

**Estimate what your product should cost to make**

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**Now that we've decided on a product, the next step is to source it**

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**Or as we like to think of it...**



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**“Buy Like An Eagle”**




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**When you buy like an Eagle,  
you maximise profits**



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**Maximising profits**

To buy like an Eagle, means you get:

- The right product
- The right quality
- The best price
- The ideal quantity
- The best payment terms
- From the RIGHT supplier



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**The first step is to estimate  
what your product should cost  
to make**

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**Knowing this puts you in a  
much stronger negotiating  
position**

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**Let's look in more detail  
at a "Cost Estimate"**

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**What is a Cost Estimate?**

- A way to understand the cost of a product, including materials, labour, processes and market factors for your location
- A living document that improves over the lifetime of your product
- A powerful analysis and negotiation tool that delivers healthy profit to all while still being massively competitive

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**How do you make a  
Cost Estimate?**

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### Step 1 – understand the materials

- What materials are there?
- How much do they weigh?
- Is there any critical feature based in the materials used?
- Are there any purchased parts?
- Make a list. This is your Bill of Materials or BoM

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### Step 2 – identify processes and labour

- Is it mass produced or crafted?
- What are the main features? (bends, surfaces, holes, fitments)
- How much manual labour is needed vs automation? (assembly, manual processes)

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### Step 3 - where will you make it?

- Labour rates
- Utilities
- Access to materials (only if some unique feature is required)
- Access to transport

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**Cost estimate example**  
**Beard Trimmer**



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**Wahl 5 Star Magic Cordless Clipper - AfterPay & zipPay Available**  
from [Catch.com.au](#)  
★★★★★ 13 product reviews

The moving top blade is made up of square teeth, alternating from tall to short creating a stagger tooth effect. Unlike our standard blades where all teeth are the same and cut... [more >](#)

**\$156.95**  
Catch.com.au  
★★★★★ (2,446)

[Shop](#)

\$159.95 [eBay.com.au - oznails-adelaide](#)  
\$156.95 [eBay.com.au - mysalonau](#)  
\$172.95 [eBay.com.au - ozbeautycafe](#)

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<https://www.amanufacturing.com.au/its-time-to-bring-electronics-manufacturing-home>

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Product Cost Estimate - Beard Trimmer							
Product and Supplier Assumptions	Product:	Beard Trimmer					
	Supplier:	<a href="http://www.australianmade.com.au/ta">http://www.australianmade.com.au/ta</a>					
	Estimate Currency:	AUD					
	Supplier Location:	Aus					
	Link To Similar Product:	<a href="http://www.australianmade.com/australian-made/australian-made-coaches-too/australian-made-00101947061106">http://www.australianmade.com/australian-made/australian-made-coaches-too/australian-made-00101947061106</a>					
Raw Materials and Purchased Parts	<b>Material Specs</b>	PCV Granules	1000/Hr	NA	NA	NA	-
		ZN92	780Days	NA	NA	NA	\$ 15.11
	<b>Purchased Parts</b>	Lithium Ion Battery	\$ 3.19	NA	NA	NA	\$ 3.19
		Motor	\$ 2.50	NA	NA	NA	\$ 2.50
Manufacturing process, labor & materials consumption		Staples	\$ 1.63	NA	NA	NA	\$ 1.63
		PCB 1	\$ 0.80	NA	NA	NA	\$ 0.80
		PCB 2	\$ 0.30	NA	NA	NA	\$ 0.30
		Hardware	\$ 0.10	NA	NA	NA	\$ 0.10
	<b>Manufacturing Process</b>	Shed Cases	\$ 0.13	\$ 22.00		12	\$ 0.20
		Assembly Battery	\$ 3.19	\$ 35.49		7	\$ 3.19
		Assembly motor	\$ 2.50	\$ 18.49		9	\$ 3.51
	Assembly PCB1	\$ 0.80	\$ 22.00		12	\$ 0.87	
	Assembly PCB2	\$ 0.30	\$ 22.00		9	\$ 0.34	
	Assembly Switches	\$ 0.10	\$ 22.00		28	\$ 0.27	
	Assembly Blades	\$ 1.82	\$ 25.49		4	\$ 1.81	
	Assembly Case	\$ 0.30	\$ 35.49		10	\$ 0.35	
	Charge Test	\$ 0.02	\$ 22.00		148	\$ 0.31	
Packaging		Printed Cardboard	\$ 0.12	\$ 18.49		12	\$ 0.18
		Plastic Bag	\$ 0.02	\$ 25.49		18	\$ 0.04
		Brands/Labels	\$ 0.05	\$ 18.49		33	\$ 0.06
<b>Manufactured Cost</b>		<b>\$ 9.14</b>			<b>128</b>	<b>\$ 9.88</b>	<b>Per Piece</b>

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Supplier Profitability @100%					
	<b>Manufactured Cost</b>				
	Factory Start-up	1000			\$ 9.14
	<b>Ex works Piece Price</b>				<b>\$ 0.07</b>
Shipping Charges paid by Customer	<b>Shipping/Logistics</b>				
	Logistics: CNR to USA by Sea	1000	\$ -	\$ -	\$ -
	Import Duty/Taxes	40%	\$ -	\$ -	\$ -
	Customs Clearance	1000	\$ -	\$ -	\$ -
	<b>Total Landed Cost</b>				<b>\$ 19.76</b>
Profit Modeling	My profit per unit	52% of Ex Works			\$ 10.27
	Wholesale Price	52% of Ex Works			\$ 20.51
	Retail Price	294% of Ex Works			\$ 57.99
	Retailers profit	93% of Wholesale			\$ 27.96

- Excellent Profit for Supplier = Stability
- Excellent Profit for Retail Partners = Growth
- Data Driven Approach = Partnership

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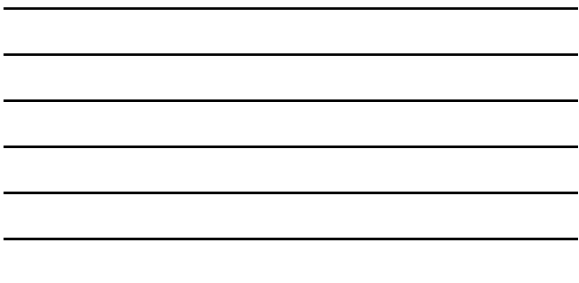
**And here's the**

**“sell it before you source it”**

**marketing strategy**

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### “Sell it before you source it” strategy

- Find a large retailer or franchise that currently sells existing leading brands of beard trimmer
- Offer that they can sell a similar product, but with their own branding, at a more competitive price with very little effort
- Get an initial order from the retailer, including a 50% deposit
- Place your order with the manufacturer using the deposit to secure your stock

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### Results

• Cost of beard trimmer (manufactured locally)	\$19.76
• Wholesale	\$30.03
• Profit per unit	\$10.27
• Retail	\$57.99
• Retailer's profit	\$27.96

If you sell 1,000 per month, that's \$10,270/month profit for you and \$27,960 for your retail partners which means they will sell your product for you all day long!

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## And here's what can happen if you sell directly to the consumer...

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**Results**

- Cost of beard trimmer (manufactured locally)      \$19.76
- Advertising or Platform Commission (15%)      \$7.50
- Retail Price      \$49.99
- Take Home Profit      \$22.73

If you sell 1,000 per month, that's \$22,730/month profit for you and your family!!

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**“Sell it before you source it”  
strategy**

**Eco-friendly loo paper**

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**Eco-friendly toilet paper**

- A client in Australia was sourcing eco-friendly bamboo toilet paper from China to sell to McDonalds and the Australian Government
- Using my sourcing system he pivoted to Australian-made...and found a supplier in Qld who price-matched his Chinese supplier
- We also helped him qualify for the Indigenous Business Australia Program, to get massive government support

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**Eco-friendly toilet paper**

- He's now gearing up to supply the Australian government and McDonalds with Australian-made, eco-friendly toilet paper from an Australian supplier at prices usually only seen in Asia!
- His long term goal is to export Aussie-made, eco-friendly loo paper, at China-competitive prices. The icing on the cake is that he will also qualify for Australian export grants
- He already has his first order for 14,000 maxi rolls from a NSW local council

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**Matt Henderson  
Bambooli**

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**What's been your biggest  
ah-ha so far?**

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**Questions?**

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**Next session**  
**Find your ideal manufacturer**

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**Please be back on time**

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**“No money down” strategy**

**Trailer accessory**



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**Steve Baker**

- Business Coach based in Hervey Bay
- Desire to leave a legacy business for the family
- Began his sourcing journey in May 2019
- Has been kicking massive goals in the last 7 months
- Approached an inventor / distributor who had designed an innovative product that solves a problem for anyone with a trailer
- They had large global orders (over 50,000 units per month from the US and Europe), so any cost savings on manufacturing would be substantial



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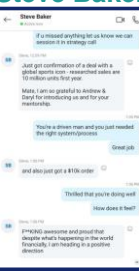
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**Steve Baker**

- The design is copyrighted
- Using the process to reduce the tooling joint ventured in the product
- The inventor was happy tooling 50/50 delivered
- This was a no-money paid for the tooling arrangement
- Steve's profit from this




...the product trade marked", Steve Baker was able to \$7,000 (86%) and sign

...based profit and saved

...r each unit to Steve

...Steve, as the inventor for 1st production

...000 per month



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**Steve Baker**



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**Reminder: 4-step system**

My four step system to sourcing Australian-made products:

1. Decide what to sell
2. Estimate what it should cost to make
3. Find the right manufacturer
4. Negotiate a win-win



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**Step Three**

**Find your ideal manufacturer**



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**Here's how most people source an imported product**



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**Usual process to source imports**

- Research Amazon, Jungle Scout, Merchant Words, Helium10 etc to see what's selling
- Research Alibaba to find a similar product
- Approach the supplier on Alibaba, or find a sourcing agent to identify a manufacturer (adding the cost of a middle-man)
- Many people try to "learn as you go" which is expensive and has a 95%+ failure rate to generate profit in the 1<sup>st</sup> year. They waste money on more ads, trying to get a poorly-chosen product to sell



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**Problem faced by most importers**

- Because they fail to do a cost estimate, fail to find the perfect manufacturer for them, and fail to negotiate well, they end up paying about 50% more for their product than they should
- They are usually dealing in USD, so if the Australian dollar falls they risk big losses
- Add on the cost of shipment, insurance and customs (about another 35%), and most imported products are not as cheap as you'd expect



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**Let's look at how to do this properly...**



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**Finding your "Perfect Match"**




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**Where to find Australian manufacturers**

- Google search for suppliers in your industry and preferred location (e.g. Metal fabrication Melbourne)
- Visit [Austrade.gov.au](http://Austrade.gov.au) and search by industry or product
- Visit <https://www.australianmanufacturing.com.au>
- Contact the Chamber Of Commerce (Auscham)
- Go to trade shows and trade events that feature your product, similar products or similar industries
- A new resource for Australian producer/buyer match making: The Advanced Manufacturing Growth Center (this will be big) <https://www.amgc.org.au/>



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**What is a Perfect Match?**

1. Values your business, is proactive and responsive
2. Has expert knowledge, experience and longevity
3. In the right industry, State and area
4. Right size and scale to support and grow with you
5. Suitable score on Steve's 29 point Supplier Selection Checklist

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**1. Proactive and responsive**

- Does your supplier respond promptly to emails or missed calls and answer all of your questions clearly?
- Does your supplier follow up if you don't reply back?
- Does your supplier explain their business in a way that you understand and highlight points critical to your product? (i.e. supply or material issues)

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**2. Expertise, experience and longevity**

- How long have they been in business and how stable are they? (3yrs+ preferred)
- What level of experience do they have with your materials and assembly?
- Do they have in-house expertise that can help develop your product?

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### 3. Right industry, State and area

- Do local laws, regulations or trade agreements benefit you? (raw materials, labour and product)
- Is there any activity from the government to support the business? (tax law, grants, land subsidies as examples)
- Are they well located? (port, airport, raw materials suppliers)



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### 4. Right size and scale to support and grow with you

The Goldilocks principle:

- Not too Big!
- Not too Small!
- Just right!



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### 5. Good score on Supplier Selection Checklist

Steve has a 29 point Supplier Selection checklist that automatically calculates a Compatibility score:

- <50% = too high risk
- 50-75% = worth considering
- >75% = yes, good match



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**Be Prepared!**

- The more info you have the better
- Take a similar product or sample with you
- If your design is sensitive use a Non Disclosure Agreement (NDA)
- Define your product specifications (Drawings, CAD, Bill of Materials)
- Know the critical quality features of your product and what is acceptable / not acceptable (create boundary samples)
- Have an open mind

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**Questions?**

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**Biggest ah-ha?**

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**Next session**  
**Negotiate a win-win**

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**Please be back on time**

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**“Sell it before you source it”  
strategy**  
**Practice Bullets**

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### Distributor to Australian Government

- Distributor had a contract to supply practice bullets to Australian Department of Defense
- Distributor's costs were \$7 per round for 50cal, and \$4 per round for 9mm
- I did a cost estimate and was able to improve the figures considerably



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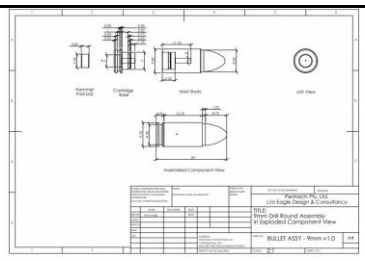
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### Results

- Initial costs were \$7 per round for 50cal, and \$4 per round for 9mm
- Using similar materials, product was about 2.5 times over-priced
- By changing materials and process, I was able to further reduce cost
- Overall result was an increased profit for the distributor of 150%, and a reduction in cost to the Department of Defence
- This produced a 6-figure income secured for 3 years based on delivery of first sample order
- Required only 12 hours a month to deliver

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### Reminder: 4-step system

My four step system to sourcing Australian-made products:

1. Decide what to sell
2. Estimate what it should cost to make
3. Find the right manufacturer
4. Negotiate a win-win

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**Step Four**  
**Negotiate a win-win**

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**Goal of negotiation with a manufacturer...**

**To get the best VALUE, at the right COST with the least RISK**

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**Your goal should ALWAYS be to get a win-win solution**

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**When negotiating with an Australian manufacturer, focus on “how we can work together to compete with foreign imports”**

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**Creating Value  
NOT Reducing Cost  
should be what sets the  
“Hard Limits” of your  
negotiation**

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**Here are the steps in my negotiation strategy**

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### Negotiation Strategy – price

1. Approach the negotiation by discussing process and capability in order to assess if the manufacturer meets your production and design requirements
2. If they clear the Supplier Selection process, request a quote
3. Compare the quote to your Cost Estimate. Adjust your Cost Estimate if necessary, and identify any gaps
4. Meet with the manufacturing team – sales, finance, operations and leadership to discuss the gaps and close them

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### Negotiation Strategy – price

5. "Based on the information shared, and considering materials, labour and process costs we have a gap I'd like to close, I believe a fair price should be \$X. Can you please help me understand how you got \$Y"

Either:

- They can't explain it, and the price is then negotiable to \$X as estimated OR
- They explain it well (therefore adjusting the estimate) and you accept \$Y, in which case the product design becomes negotiable to keep the price at \$X

Repeat the process until all gaps are closed \$X=\$Y

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### Negotiation Strategy – MOQ

The best way to negotiate on MOQs is...to side-step it all together!

1. Once you've agreed a price, place a sample order, eg 5 pieces
2. Explain that you need to test and ensure they are the right partners for you. Also for you to take photos, make videos, and make sales
3. Use the samples to get your first order (eg 100 pieces) and place an order for "sales samples"
4. Continue selling, and order as needed

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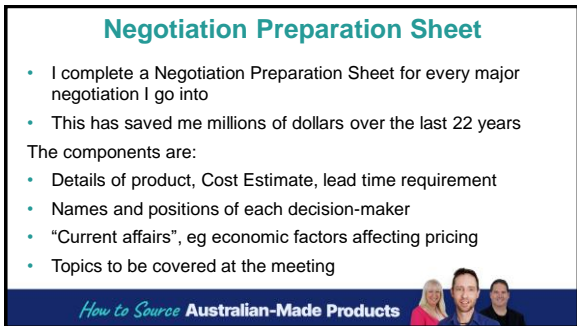
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Negotiation Prep-Sheet				Date:DD/MM/YY
<b>Product Name</b>	linktoproduct.com		<b>Supplier</b>	XYZ Corporation
<b>Cost Estimate:</b>	\$Value		<b>Primary Contact</b>	Ben - 0123 444 555
<b>Lead time requirement:</b>	Day/Month/Year	Time window	<b>Meeting Attendees</b>	
<b>Destination Port:</b>	East Coast USA		Ben	ben@xyzcorp.com Finance
			Jane	jane@xyzcorp.com Sales
			Sally	sally@xyzcorp.com Operations
			Robert	robert1@xyzcorp.com GM
<b>Agenda:</b>		<b>Current Affairs:</b>		
1) Factory Tour		- Gov. assistance for innovation now available		
2) Product Requirements & Quality		- fire recovery still underway		
3) Delivery Requirements		- Dan Andrews to face vote of no confidence		
4) Material and currency adjustments				
5) 3rd Party relationship (hardware, logistics etc)		<b>Rubber Materials Index</b>	<b>FX Rate Q3 2020</b>	
totally 2 hrs		1.56p/kg (YCHARTS.com)	1USD = 1.40AUD	

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### Negotiation Preparation Sheet

Also include:

- Must haves (Hard limits & mandatory product features)
- Nice-to-haves (Better lead times, more favorable payment terms)
- Sweeteners (things you can sacrifice if needed to get a better deal)

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Must Have	Nice to Have	Can Sacrifice/Sweeten
Surface finish at hardness of X as tested with "Hardness test Process"	Labels and hardware passed through at cost - not a profit center	Lead time can be extended if order volume over 1000pcs
Delivery time equal to 100pcs a week for 6 months	Ship in bulk for local repackaging for reduced packaging cost	Can provide hardness testing equipment and training to QA staff
Amortized tooling over 2500 parts	Label product as HS9876 customs duty 5% save	6 months with no QA issues triggers automatic 6 month extension
Currency exchange fluctuation of 5% triggers pricing review	Technical support on call 24/7 through Dec sales period	
If quality of surface is out of spec in more than 10% over 6 months warranty claim is triggered, cost of return to be covered by manufacturer	Efficiency improvement price adjustments -3% after 1 year	
<b>Notes:</b>		

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### Questions?

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