



How to Source
**Australian-Made
Products**

Featuring

Steve Eagle, Daryl & Andrew Grant



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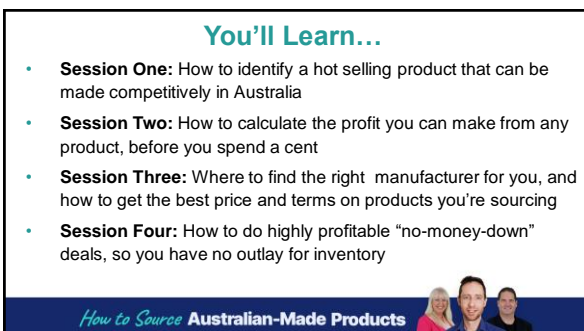
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6

He's also taught this system to hundreds of people just like you...and we'll share lots of those examples today

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Alex – sells hairdressing scissors and dog grooming clippers. Used a no-money-down strategy to launch



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8

We'll cover the no-money-down process in session four today

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9

Chris – wholesales Australian-made leather and furniture care waxes in bulk to furniture retailers



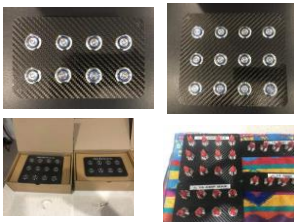
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Gordon – started with just 100 samples of a carbon fibre marine instrument switch panel, and sold out even before all samples were delivered

Retail price: \$510 - \$750
 Manuf. cost: \$81 - \$102
 Initial outlay: \$530
 Initial profit: \$13,630



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We'll talk about Sample Selling in session four today

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Jo – replaced imported fabrics with higher quality Australian-made at a lower price, for cushions and other home furnishings



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We'll show you how to find Australian manufacturers in session three today

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14

Marvin – sells Australian-made safety blankets and hi-vis products to BCF, Akubra, the Royal Flying Doctor Service and Glencore mines



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We'll show you how to get bulk orders from big companies in session four today

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16

Matt – sells eco-friendly, Australian-made toilet paper and other cleaning products to resorts, McDonalds, and government depts



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We'll show you how to find products that compete with imports in session two today

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18

Pip – won an Export Marketing Development Grant for selling her Australian-made dog crates, covers and cushions (“Luxury Pupholstery”) into the US



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DESIGN AND INNOVATION AWARDS



TIME

Good Design Award

Red Dot Award

German Design Award

Primo Awards



Tack and Hoe Ping – won five design awards for their travel stroller, including Time Magazine’s best inventions of 2022

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And loads more that we’ll show you today!

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But be warned...

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This system is NOT just about swapping your overseas supplier for an Australian one and keeping everything else the same...

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23

You can’t use the “Amazon importing” strategy and expect to be profitable

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24

We'll show you our entire system today to design, manufacture and sell high quality, Australian-made products

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You'll learn the system to build a strong, profitable Australian-made business

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Sessions 1 and 2
Choose a product that can be profitably made in Australia

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Sessions 3 and 4
Get the product manufactured and make sales

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Who is this system relevant for?

Which one(s) are you?

1. Online sellers – eBay, Amazon, Gumtree, Shopify, FB etc...
2. Retailers
3. Wholesalers, agents and distributors
4. Sellers of info products wanting to diversify into physical product
5. People wanting to sell a "subscription box" of consumables
6. Importers wanting to localize their supply chain to Australia
7. People wanting to export high quality Australian-made products
8. Complete newbies wanting to learn the ropes and build a brand
9. Those wanting a long-term, sustainable business

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Who am I and why should you listen to me?

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33



34



35



36



Dick Johnson
Bathurst Ford Racing
Team AU Falcons

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And here's my latest project...

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**Longreach power
catamarans are sold
worldwide**

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Steve Eagle

- 18yrs in Product Development, Cost Estimating and Purchasing globally
- 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 paper to F1-11 fighter jets)
- Worked for brands like Ford, Toyota, Fisher & Paykel, ADF prototyping, selecting suppliers and sourcing globally while side hustling my own businesses
- Part owner in many businesses, in charge of their sourcing
- Now coach others to do the same

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Andrew Grant

- Management consultant (with wife Daryl) for 15 years, helping businesses grow
- Helped organisations raise millions in government grants
- Specialise in selling information products online
- Last 14 years built a multi-million-dollar online coaching and training business, helping experts like Steve to get their knowledge and systems out there
- Worked with thousands of small businesses globally


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Let's get in to it!

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How do you choose a product that can be profitably made in Australia?

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Remember, it's NOT just about swapping your overseas supplier for an Australian one and keeping everything else the same...

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You can't use the "Amazon (or any other) importing strategy" and expect to be profitable

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If you do that, here's what can happen...

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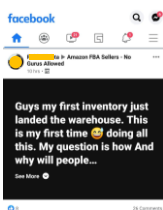


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Don't be this guy...

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.



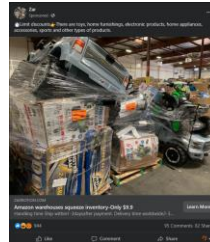
Guys my first inventory just landed the warehouse. This is my first time doing all this. My question is how And why will people buy my product when there's a lot of competitors? I've putted a lot of work in it but the doubt inside the head is disturbing me now when the process is nearly completed. Thanks

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



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So, what do you do instead?



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Here are the **4 keys to success** in choosing the right product



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Key #1

Choose a product that solves a problem



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Solve a problem

- Start by identifying the problem, then design a product to solve it
- Don't "fall in love" with your product idea – just because you think it's a good idea doesn't mean others will buy it!
- Choose a product where there is existing demand – you don't have to educate customers about why they need it
- Make it something that is not a "discretionary" purchase, it's a must-have, not a nice-to-have
- Ensure you can differentiate from existing products (sometimes just being Australian-made is enough!)



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Bad examples (from AI!)

- Banana slicer
- Pizza scissors
- Callous remover
- Pet rock hammock
- Phone charging gloves
- Caffeinated soap
- Sock clips
- Bluetooth shower head



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And here are some great examples from Steve's clients



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Cooleeme shower products

- Soap and shampoo in individually wrapped, concentrated tablets
- Reduces plastic bottles, ideal for travel, vegan, zero waste (compostable packaging), pH balanced, Australian made



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Silver Turtle towels

- Sand-free beach towels
- Made in Australia from recycled plastic
- Innovative fabric that sand doesn't stick to



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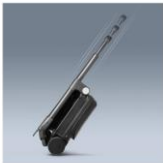


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Award-winning TernX travel stroller



Design-driven
Inspired by the experiences and great moments forging our lives.



Streamlined
Featuring the latest innovations for convenience and comfort.



Safety
Keep it safe and sound. Complies with international stroller standards.

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Question

“What problem does your product solve?”

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Key #2

Understand what “made in Australia” means

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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



61

But even if it contains imported parts, it can still be Australian-made



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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”



63

Here are some examples...



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Saint Ernie Doggy Dens



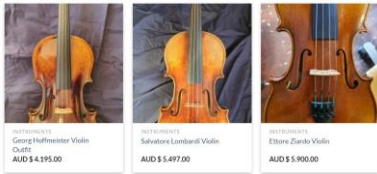
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Ozilift Garage Storage Solution



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Olaf Grawert Violin Studio

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We'll show you how Olaf massively increased his production and his margins in session four today

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Here's an example of one of my products that's Australian-made, but includes imported parts

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It was super quick and simple to go from concept to cash!

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Pro Tip

This is also a great example of a non-money-down strategy!

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Flatliner 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 Rides Skateboards



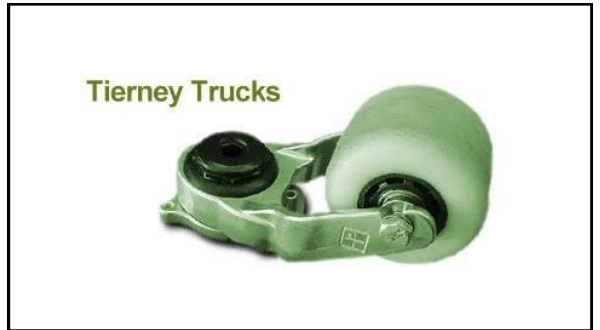
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Results

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

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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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Write down your aha's!
(There should be lots)

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Key #3

People are prepared to pay a premium for Australian-made

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Roy Morgan poll:

96% of Australians prefer to buy locally-made over imports
And they are prepared to pay up to a 17% premium over imports

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Shop All Shop by Brand About Us Gibbon's Gift Recipes FAQs About Zip

SAVITREK Multi-Purpose Blanket for Leisure, Safety & Survival
\$256.95
The included:

GROUP
BACK

Add to cart
Pay with PayPal

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But...

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Surprisingly, Australian manufacturers are more competitive than most people think

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Why Australian manufacturers can compete

1. No cost and delay from international shipping
2. Using automation instead of labour reduces the impact of Australia's more expensive labour rates
3. You can negotiate without the language and cultural barriers
4. You cut out any "middle-men" (eg Alibaba)
5. Quicker concept to cash, eg get samples shipped overnight
6. Many Australian government grants available
7. Governments and corporates prefer buying Australian-made

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So by being Australian-made you have a head start over importers, including Amazon sellers, Drop-shippers and more

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Key #4

Almost anything CAN be made in Australia, but not everything SHOULD be

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I think that the Australian government has disinvested in education and production so much that we produce almost nothing. I'm sorry. I totally disagree. We are

Australia is good at primary production, not so good secondary and in all reality pretty poor at tertiary. Think we need to play to our strenghts

Food and health beauty products, that's about all that's left. Many Australian suppliers still have their business heads in the 80's ... and you wonder why China and other overseas manufacturers are successful. They listen to the market at wholesale and retail.... they think BIG PICTURE ... long term

Many companies made great goods the they moved to China and nothing lasts as long now

1 like 2 shares 1 like 5

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Did you know there are over 118,000 manufacturers in Australia, across 114 industries?

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This is largely thanks to the old automotive industry

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The issue is – they are hard to find as there is no central database

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**The good news is...
we created one!
And we'll show you how to access it later**

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**You can get practically anything
manufactured here...**

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**(remembering that your product
can include imported parts and
still be “Australian made”)**

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**But there are products that work
well, and others that don't**

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**Here are some of the niches that
work well...**

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Niches for Australian-made products

- Electronics and Computers
- Garden and Tools
- Beauty and Healthcare
- Groceries and FMCG
- Toys, Kids and Baby Clothing
- Shoes and Bags
- Handmade Jewelry
- Sports and Outdoors
- Eco-Sustainable, Biodegradable and Organic products
- Products for Seniors and Aged Care
- Kitchen, Furniture and Homewares

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And here's what to avoid...

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Niches and products to avoid

- A product that solves a non-existent problem
- Products that change rapidly and need regular updates
- Things that are highly regulated, eg safety devices
- Brand-sensitive products, eg smartphones or running shoes
- Products that are hard to differentiate, so get bought on price
- Anything in a shrinking market, or that is a short term fad

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Here are just some of the products Steve's been involved with, that fit the criteria...

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Here are just some of the projects we've worked on for our own or clients' businesses

| | | | |
|-----------------------------|--------------------------------------|------------------------------------|-----------------------------|
| 100% Natural material shoes | Plush Toys | 3d printed tooling for casting | QUT Sunshark Solar Car |
| Walking Frames | Portable emergency energy generators | Small diameter refractory pipe | Toyota Sportivo Concept Car |
| Fridge Drawers and storage | Non-lethal Ammunitions | Beer delivery systems (keg to tap) | Skateboards and accessories |

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| | | | |
|-------------------------------|--|-------------------------------------|----------------------------------|
| FORD BA Falcon | Training aids for military and police | Tenpin bowling ball return consoles | Skim Boards |
| FORD Ranger and Ranger Raptor | Water Bottles | Aussie Swag chillers and campers | Surfboards and accessories |
| Safety Blankets | Art Supplies including paints, brushes and carry cases | Bathtubs and Spa baths | Eyewear |
| Fire extinguisher covers | Headlight protectors | Jewelry and accessories | Hearing devices and hearing aids |
| Document Holders | Auxiliary fuel tanks for enduro | | Eco sustainable toilet tissue |

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| | | | |
|--|--|--------------------------------------|--|
| Sports Nutrition | Go Kart seats | Virtual Reality headsets | Cleaning products and sanitizers |
| Hard shell carry on Luggage | Silk/Cotton blend Eco sustainable shopping bags | Augmented Reality education products | Furniture |
| Strollers | Olympic Kayaks | Virtual Reality Surgery Simulations | Aluminium tooling |
| Astro turf | Indy Car cockpit and nose cones | 360 Video Camera Rig for real estate | Thermoformed Plastics tooling |
| Pavers for property development projects | Sydney Olympic swimming pool floating floor assembly | Car seats and interior systems | Decorative Nightclub ceiling panels and lighting |
| Fencing | | | Cast Resin toilet seats |

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| | | | |
|------------------------------|---|---|---|
| Fencing | SAFETY | | Cast Resin toilet seats |
| Pet foods and Snacks | Collins A class submarine Nose Cone refit | Pet Beds and Crates | Pet clothing and accessories |
| Fish Feed | F1-11 Fighter jet swing wing hinge pin assembly | Home décor inc. curtains, sofas, kitchen wear, cushions and bedding | Returnable dunnage for production inventory storage |
| Perfumes | Boat console switch panels | EVA foam signage | Eco Sustainable feminine hygiene products |
| Contact Lenses | 3d Printed tooling for ceramics | Marquee tents for expo's and events | |
| Plastic traps for water ways | | AIS RMIT Super Bike Olympic cycle | |

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What products or niches are you working in or considering?
Do they meet the criteria?

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Questions?

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Biggest Ah-ha?

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Next up...
Determine if your product is going to be profitable before you spend a cent!

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Remember our process today...

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Sessions 1 and 2
Choose a product that can be profitably made in Australia

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Sessions 3 and 4
**Get the product manufactured
and make sales**

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Please be back on time

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122

Welcome back!

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**So far we've come up with an
idea for a product that can be
made in Australia**

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**Now you need to make sure
it's going to be
profitable...before spending a
cent of your hard-earned cash!**

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**To do this, we need to do two
calculations...**

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1. How much can we sell it for?
2. What will it cost to make?



127

The good news is, you can do both of these calculations sitting at your computer



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This tells you how much profit you'll make...so you can decide right up front if it's worth doing



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Can you see how much less risky this process is?
If it's not going to be profitable...move on to the next idea!



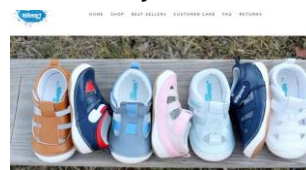
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This process has helped lots of Steve's clients to pivot from a non-profitable product to a profitable one!



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Mandy owns Billycart Kids – she used this process to pivot from baby bedside lamps to baby shoes



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HOME SHOP BEST SELLERS CUSTOMER CARE FAQ RETURNS


BORN IN THE QUEENSLAND BUSH.
Loved by parents all over

Hi, I'm Mandy. I'm a mum, and like so many Australian parents I had a tough time finding the right shoes for my little one.


We live in regional Queensland and we spend lots of time outdoors. I needed a durable, all-seasons shoe that wouldn't restrict my adventurous daughter's movement whilst she learned to balance and walk.

I searched high and low for shoes that were practical, hard-wearing, comfy, and most importantly, podiatrist approved. Oh, and shoes that were affordable - I learned first-hand how fast little feet can grow!

When I couldn't find what I needed I set out to create them myself, and Dillycart Kids was born.



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Dominic used this process to choose a highly successful product from lots of options



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With this process, you...

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“Buy Like An Eagle”



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**When you Buy Like an Eagle,
 you maximise profits
 and greatly reduce the risk of
 losing money**

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So let's look at the steps

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Remember, we need to do two calculations:

- 1. How much can we sell it for?**
- 2. What will it cost to make?**

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**Let's do the first step, and find out
"How much can we sell it for?"**

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**In order to do this, we need to
"Benchmark" the product**

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**Benchmarking is about
researching your competitors**

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**Benchmarking tells us HOW
your competitors are selling**

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**It tells us what their product
costs them, and how much
they sell it for**

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**And it tells us their
sales volume**

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**Note – all figures are
ESTIMATES**

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**Don't get hung up on trying to
get it perfect**

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**If you're spending more than
an hour on this step you're
overcooking it!**

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**Are you ready?
Here's how to benchmark
a product**

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**For this
exercise we're
using a Beard
Trimmer as
the product**

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Benchmarking example



151

Write down your aha's!
(There should be lots!)



152

**Now that we have a clearer
idea how to maximise the
profit from the beard trimmer,
we need to better understand
the cost to make it**



153

**This will refine our
profit estimate**



154

**The process we use is
“Cost Estimating”**



155

**Cost estimating is a process
used by large companies such
as Ford, to understand their
likely costs **BEFORE**
approaching a manufacturer**



156

Knowing what a product
SHOULD cost to make puts
you in a much **stronger**
negotiating position with your
manufacturer

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How to create a Cost Estimate

A cost estimate takes into account:

- Raw materials
- Purchased parts
- Manufacturing processes used
- Labour – both time and skills required
- Manufacturer's overheads

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The Cost Estimate
calculates the
manufacturing cost
per item

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It's all done with desk research
The information you need is all
readily available online

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Pop Quiz

“How do most people do their
cost estimate?”

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Answer


They call an Australian
manufacturer and ask “How
much to make XYZ product?”!

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**...and then they wonder why
the price they are quoted is not
competitive!**



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**Let's work through a Cost
Estimate example so you
can see how to do it**



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**Cost estimate example
Beard Trimmer**



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**WAHL Professional 5 Star Cordless
Magic Clipper**

\$212.99 ~~299.99~~

Quantity:

More payment options.

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

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**Product Cost Estimate
Beard Trimmer**

Product and Supplier Assumptions

| | | | | |
|-------------------------|---|------------|------|------|
| Product | Wahl Quantity Based Trimmer | US Rate | AUD | USD |
| Supplier | Not Selected | USD | 0.71 | 1.00 |
| Estimate Currency | AUD | AUD to USD | 1.00 | 1.41 |
| Supplier Location | AUS | USD to AUD | 0.71 | 1.41 |
| Link To Similar Product | https://www.wahl.com/Product | | | |

Raw Materials and Purchased Parts

| Material | Item | Minimum Quantity | Wholesale Unit Price (AUD) | Wholesale Cost | Unit Qty | Material Unit Price (AUD) | Material Unit Cost (AUD) |
|-----------------|-----------------------------|------------------|----------------------------|----------------|----------|---------------------------|--------------------------|
| Raw Material | PVC Granules for Case & Lid | 2000 | \$ 1,000.00 | \$ 0.50 | 1 | \$ 0.50 | \$ 0.50 |
| Purchased Parts | Lithium Ion Battery | 200 | \$ 450.00 | \$ 2.25 | 1 | \$ 2.25 | \$ 2.25 |
| Purchased Parts | Motor | 300 | \$ 120.00 | \$ 0.40 | 1 | \$ 0.40 | \$ 0.40 |
| Purchased Parts | Blades | 300 | \$ 450.00 | \$ 1.50 | 1 | \$ 1.50 | \$ 1.50 |
| Purchased Parts | PCB 1 | 1 | \$ 0.00 | \$ 0.00 | 1 | \$ 0.00 | \$ 0.00 |
| Purchased Parts | PCB 2 | 1 | \$ 0.00 | \$ 0.00 | 1 | \$ 0.00 | \$ 0.00 |
| Purchased Parts | Hardware | 1 | \$ 0.00 | \$ 0.00 | 1 | \$ 0.00 | \$ 0.00 |

Manufacturing Process Labor & Materials consumption


| Manufacturing Process | Item | Min/Max/Default | Material/Consumption | Unit per 1x | Costs (AUD) | Production Unit Cost (AUD) |
|-----------------------|--------------------|-----------------|----------------------|-------------|-------------|----------------------------|
| Production Planning | Wahl 5 Star 5 Star | 0-1-1 | | 1 | \$ 0.00 | \$ 0.00 |
| Assembly Line | Assembly Battery | 0-1-1 | \$ 2.25 | 1 | \$ 2.25 | \$ 2.25 |
| Assembly Line | Assembly Motor | 0-1-1 | \$ 0.40 | 1 | \$ 0.40 | \$ 0.40 |
| Electrical Line | Assembly PCB1 | 0-1-1 | \$ 0.00 | 1 | \$ 0.00 | \$ 0.00 |
| Electrical Line | Assembly PCB2 | 0-1-1 | \$ 0.00 | 1 | \$ 0.00 | \$ 0.00 |
| Assembly Line | Assembly Hardware | 0-1-1 | \$ 0.00 | 1 | \$ 0.00 | \$ 0.00 |
| Assembly Line | Assembly Blades | 0-1-1 | \$ 1.50 | 1 | \$ 1.50 | \$ 1.50 |
| Assembly Line | Assembly Case | 0-1-1 | \$ 0.50 | 1 | \$ 0.50 | \$ 0.50 |
| Component | Original Price | 0-1-1 | \$ 0.00 | 1 | \$ 0.00 | \$ 0.00 |

Packaging

| Packaging | Item | Min/Max/Default | Material/Consumption | Unit per 1x | Costs (AUD) | Production Unit Cost (AUD) |
|--------------------|-------------------|-----------------|----------------------|-------------|-------------|----------------------------|
| Packaging | Product Cardboard | 0-1-1 | \$ 0.00 | 1 | \$ 0.00 | \$ 0.00 |
| Packaging | Product Bag | 0-1-1 | \$ 0.00 | 1 | \$ 0.00 | \$ 0.00 |
| Packaging | Label | 0-1-1 | \$ 0.00 | 1 | \$ 0.00 | \$ 0.00 |
| Manufacturing Cost | | | \$ 2.15 | 1 | \$ 2.15 | \$ 2.15 |

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| | | | | | | | | | |
|---|---|-------|----|-------|----|-------|-------|----|--------------|
| Supplier Profitability Always estimate @100% | Manufactured Cost | | \$ | 9.14 | \$ | 25.31 | 128.5 | \$ | 10.07 |
| | Factory Mark-up | 100% | | | | | | \$ | 10.07 |
| | Ex works Price | | | | | | | \$ | 20.15 |
| Shipping Charges Paid by Customer | Shipping/Logistics | | \$ | - | | | | \$ | - |
| | Logistics A/D to USA | 1,000 | \$ | - | | | | \$ | - |
| | Import Duty/Taxes | 6% | \$ | - | | | | \$ | - |
| | Customs Clearance | 1,000 | \$ | - | | | | \$ | - |
| | Total Landed Cost | | | | | | | \$ | 20.15 |
| Check Minimum Profit | Add my Profit Per Unit to the Ex-Works Price Price (roughly matching 100% manufacturing mark-up) | | \$ | 10.27 | | | | | |
| | Minimum viable wholesale price to a retailer | | \$ | 30.42 | | | | | |
| | Add Retail Profit at roughly 100% of wholesale | | \$ | 27.97 | | | | | |
| | Establish a minimum viable RRP (we can check this number in the market to assess the opportunity) | | \$ | 37.99 | | | | | |



- 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




How to Source **Australian-Made Products**

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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) \$20.15
- Wholesale \$30.42
- Profit per unit \$10.27
- Retail \$57.99
- Retailer's profit \$27.57

If you sell 1,000 per month, that's \$10,270/month profit for you and \$27,570 for your retail partners which means they will sell your product for you all day long!



How to Source **Australian-Made Products**

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



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173

Results

- Cost of beard trimmer (manufactured locally) \$20.15
- Advertising or Platform Commission (15%) \$7.50
- Retail Price \$49.99
- Take Home Profit \$22.34

If you sell 1,000 per month, that's \$22,340/month profit for you and your family!!



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Write down your aha's!
(Again, there should be lots!)

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175

“Sell it before you source it”
strategy
Eco-friendly loo paper

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176

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 supplying the Australian government and McDonalds with Australian-made, eco-friendly toilet paper from an Australian supplier at prices usually only seen in Asia, and expanding into cleaning products
- 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 has supplied 14,000 maxi rolls to 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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181

Remember where we are up to in the process...

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182

Sessions 1 and 2 Choose a product that can be profitably made in Australia

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183

Sessions 3 and 4 Get the product manufactured and make sales

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184

Please be back on time

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185

Welcome back!

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186

So far we've come up with an idea for a product that can be made in Australia

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187

Then we calculated what it would cost to make, and how much we could sell it for to make sure it's going to be profitable

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188

Now that we know we have a winner, it's time to...

Source it and Sell it

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189

But just before we do that, let's look at another no-money-down strategy

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190

“No money down” strategy
Trailer accessory

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191

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 (more examples later)
- 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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Steve Baker

- The design is a product trade marked
- Using the product Steve Baker was able to reduce the cost to 10 (86%) and joint ventured
- The inventor was able to profit and saved unit to Steve
- This was a no-paid for the tool as the inventor production
- Steve's profit for month



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Steve Baker



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How to find a manufacturer and source your product



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Problems we hear from people trying to find an Australian manufacturer



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196

5 issues finding Australian manufacturers

1. "I can't find any manufacturer in Australia who has the capability to make my product"
2. "When I email or call them they never get back to me"
3. "They quote me a price that is more than competitors' retail price, for an equivalent imported product"
4. "They ask for really high Minimum Order Quantities (MOQs)"
5. "They ask for a really high upfront payment"



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Here's how to overcome each one of these...



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Problem #1

**“I can’t find any manufacturer
in Australia who has the
capability to make my product”**

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Reality #1

**There are over 118,000
Australian manufacturers,
covering 114 industries**

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The key is

Knowing what to search for!

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**For example, if you
wanted to get a fan
manufactured, what
would you search
for in Google?**

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**Most people
start with
“fan manufacturer
in Australia”**

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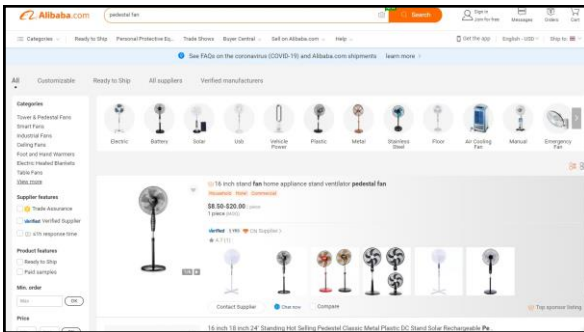


**That’s because of
how you would
search on Alibaba**

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Do the same search in Australia and you get manufacturers of industrial fans, and importers / distributors... not fan manufacturers

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So, what should you search for instead?


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207

Google search for Materials, Capability and Process


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For a pedestal fan, you'll need:

- Injection moulding
- Wire bending
- Electronic general assembly

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When you do a Google search for these in Australia, you'll find hundreds if not thousands of options

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Choose the one responsible for the majority of the manufacturing.

In this case it will be the injection moulding manufacturer.

Have them make the fan, and source the other components as purchased parts.

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Besides doing a Google search (the right way!), here are some other places you can find Australian manufacturers

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Where to find Australian manufacturers

- Visit Austrade.gov.au and search by industry or product
- Visit <https://www.australianmanufacturing.com.au>
- Contact the Chamber Of Commerce
- Go to trade shows and trade events that feature your product, similar products or similar industries
- Advanced Manufacturing Growth Center <https://www.amgc.org.au/>
- Our list of over 118,000 Australian manufacturers

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Problem #2

“When I email or call them they never get back to me”

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Reality #2

If you choose a manufacturer with the right size and capability they will be happy work with you

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215

They must be the right size!



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216

Find a manufacturer who...

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

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Problem #3

“They quote me a price that is more than competitors’ retail price, for an equivalent imported product”

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Reality #3

You can use your Cost Estimate as a powerful negotiating tool

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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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Goal of negotiation with a manufacturer...

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

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222

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

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223

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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225

Let us know
if this is all making sense?

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226

Problem #4
“They ask for really high
Minimum Order Quantities
(MOQs)”

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227

Reality #4
MOQs become irrelevant if you
use the right strategy

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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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**With "Sample Selling" you
can make sales really quickly
and cheaply**

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Here's an example

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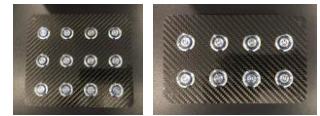
231

Example

**Unique Custom
Marine sold their
carbon fibre marine
instrument switch
panel from samples**



Unique Custom Marine
Australia's #1 Boatmaker



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**We'll show you how to do
Sample Selling in the next
session**

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**Problem #5
"They ask for a really high
upfront payment"**

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Reality #5

If you use the right strategy you should pay no more than a few hundred dollars to start

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235

How to minimise upfront costs

- Make sales from samples (more about this in the next session) so you don't have to outlay for large amounts of inventory
- Sell in bulk, eg to a retailer, large corporate or government department – use their deposit to cover the cost of manufacturing
- Negotiate to amortise any upfront manufacturing costs (eg tooling) over several orders

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Olaf The Violin Maker

Local and imported materials, local manufacture, export

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Olaf The Violin-Maker



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Olaf The Violin-Maker

- Was sourcing average quality violins that took weeks of work to bring them up to his standard
- Followed the sourcing process to "Buy like an Eagle"
- Found an ideal manufacturer using European woods
- Worked with his chosen manufacturer to create much better quality products, that took him just a few hours to bring up to standard
- Result – 4,300% productivity improvement, margins of 1000%+
- Olaf can now produce in 2 months what would usually take him 7 years and sales have immediately accelerated!

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Olaf The Violin-Maker

This has freed up Olaf's time to do marketing:

- Created a YouTube channel and has over 57,300 subscribers
- Joint Venturing with well-known violinists Two-set (over 4 million YouTube subscribers)
- Become a celebrity in his niche
- Building a brand and an IP asset
- Globally Competitive and Sought After
- Recently Olaf sold more in one month than he previously did in an entire quarter. He broke his sales record and is now expanding his brand and products

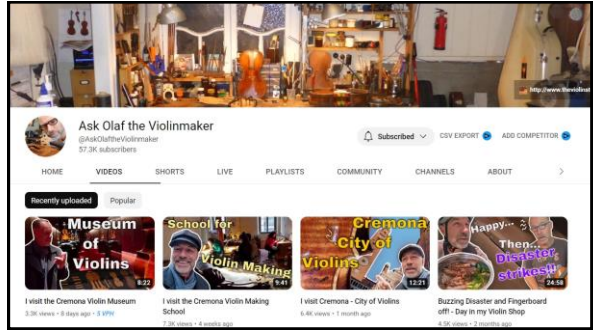
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Next session

How To Rapidly Go From
Concept To Cash, using our
“Sell It Before You Source It” and
“No-Money-Down” Strategies

How to Source Australian-Made Products



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Please be back on time

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248

Welcome back!

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249

So far we've come up with an
idea for a product that can be
made in Australia

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250

Then we calculated what it
would cost to make and how
much we could sell it for to
make sure it's going to be
profitable

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251

Then we looked at how to get it
manufactured in Australia

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Now it's time to SELL it

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And by using our
“[Sell It Before You Source It](#)” and
“[No-Money-Down](#)” Strategies you
can go from Concept to Cash
really quickly!

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Here's the
“[Sell It Before You Source It](#)” and
“[No-Money-Down](#)” process

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Sell it before your source it process

1. Choose a product that fits the criteria to make profitably in Australia
2. Calculate what it will cost to make, and what you can sell it for, so you know it's a winner before you spend a cent
3. Find an Australian manufacturer and negotiate the price and volume
4. Get samples made
5. Identify suitable buyers and take orders (and deposit) based on the samples
6. Use the deposit to get the product manufactured
7. Deliver product, and take the balance as profit

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“Sample selling”

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Making sales from a sample
can be easy and quick...if you
know how to do it

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Types of samples

- If your product is simple you can ask your manufacturer to make a small run (eg 100 pieces) for you to use as sales samples
- For more complex products, you can "hand-make" samples with materials on hand
- You may be able to make a mock up using 3D printing
- If you can't make the finished thing (or at least a facsimile of it), you can show samples of the materials it will be made of
- You can also get 3D rendered drawings done of your product if you are unable to get a sample made cost-effectively

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Sample selling example

Savitrek

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Example

Savitrek sells safety blankets to BCF and the Royal Flying Doctor Service



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Savitrek – sample selling

- After making sales to BCF, the Royal Flying Doctor Service and Akubra he wanted to get into the mining industry
- He showed samples of the fabric. While they weren't interested in safety blankets, they did ask if he could make fire hydrant covers, document covers, door stops, vehicle flags and more
- As a result Marvin got a first order of \$120,000 and is now selling into 32 mine sites. He has a 7-figure turnover
- The mining company asked him to supply to the big distributor they buy from, which has 1,200 outlets throughout Asia-Pacific

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Before



After

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Here is another example of a business that launched with sample selling

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Example

Silver Turtle sells sand-free beach towels to resorts and retailers from samples



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265

The key to success in selling Australian-made products is to become a **Problem Solver**

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Examples of problems you can solve, now you know how to source Australian-made

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Problems you can now solve

1. Australian retailers and online sellers want to stock more Australian-made products (including their own brands), but they don't know how to source them cost-effectively
2. Australian government departments are obliged to buy Australian-made products if they can, and must source at least 20% locally
3. Big companies have products they must buy, and would prefer Australian-made if the price is competitive with imports

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Let's look at examples of businesses that have made money solving these types of problems...

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Strategy #1

Help retailers and online sellers source Australian products, including their own brands

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Example

**Healthy Planet
Now sold Byron
Bay Eco Bags
to IGA and local
cinemas**



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Example

**Furniture Care
Products
wholesale their
leather care
waxes to furniture
retailers**



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Example

**Coolmee sells
ecofriendly body
and haircare
tablets to retailers**



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Strategy #2

**Help someone who has an
existing contract to supply to
government or corporate**

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Example

**Helping a supplier to the
Australian Department of
Defence**

“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

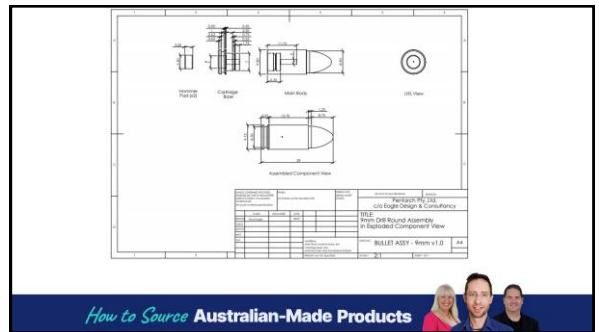
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Results

- 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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Strategy #3

Help big companies to source Australian-made for products they buy regularly

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Example

Bambooli (now Wpop shop) sells eco-friendly loo paper and other paper products to McDonalds, resorts and government departments

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Example

Savitrek supplies mining companies, 4WD adventure companies, towing companies and more




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Or you can use an even quicker method...




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Quicker sell it before you source it

1. Through your networking, find a potential buyer with a problem – eg, they need an Australian-made product
2. Offer to calculate what it will cost to make, and what you can sell it for, so you know if you can solve their problem
3. If the numbers stack up, find an Australian manufacturer and negotiate the price and volume
4. Take a deposit from the buyer, and use it to get the product manufactured
5. Deliver the product, and take the balance as profit



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Steve Baker has done many deals like this...




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Example

Steve Baker got a \$500k order for artificial turf from a local retirement village after meeting the owner at a networking breakfast




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Example

Steve Baker – sold steel chain to the fishing industry after being asked “can you source this for us?”

Went from Concept to Cash in just 6 weeks!

“Stainless Steel Trawler Supplies”



Stainless Steel Chain "D" Shackles Swivels

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Now it's your turn!

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Questions?

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Biggest Ah-ha?

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