



ANALYZING YOUR NEW PRODUCT: Initial Assessment

Client Name:

Phone Number:

In order to make your upcoming counseling session more effective, please answer the following questions **to the best of your ability**.

NOTE: All information provided to the Kansas SBDC is confidential.

PRODUCT DESCRIPTION

Briefly describe your product.

PRODUCT PROTECTION

Have you undertaken a preliminary patent or copyright search? Yes
 No

Have you consulted with legal representation regarding your intellectual property issues? Yes No

Have you contracted with an invention submission company or are you considering doing so?
 Yes No

What are the prospects for protection of your product?
 Someone else's patent or copyright currently applies
 No legal protection or secrecy is possible
 No legal protection but some secrecy might be possible
 Limited legal protection & some secrecy may be possible
 May be patented or copyrighted and short-run secrecy is possible
 Can definitely be patented or copyrighted & long-term secrecy is possible

Stage of Development?

Are there other patents or copyrights that your product infringes on?
 Yes
 No
 Possible & should be investigated

What best describes your desire to pursue infringement of your patent or copyright?
 No desire
 Depends on circumstances
 Complete determination

Can your product be patented or copyrighted?
 Copyright possible
 Design patent possible
 Utility patent possible

Do you have the financial resources to pursue legal action against infringement of your patent or copyright?
 No
 Limited, perhaps could cover preliminary legal action
 Yes, although could not afford protracted action
 Yes, through lengthy trial

Have you consulted with legal representation regarding this?
 Yes No

LEGAL ENVIRONMENT

Describe the safety of your product:

- Very unsafe
- Unsafe unless strict guidelines are met
- Relatively safe for careful users
- Very safe under all conditions

On what basis has it been declared safe?

What impact will your product have on the environment?

- Potentially hazardous
- Non-hazardous
- Currently not recyclable
- Recyclable
- Improves the environment

Have you researched the legal environment that applies to your product?

- Consumer protection laws
- Industry regulations
- Labeling requirements
- FDA regulations
- Product liability
- Product standards
- EPA regulations

PRODUCT DEVELOPMENT

In what stage of development is your product?

- Only an idea
- Early design stages
- Rough prototype/plan
- Final prototype
- Prototype being tested
- Prototype fully tested
- Ready for production

Will your product actually do what it is intended to do in its current form?

- Needs major modifications
- Needs minor modifications
- Could be improved
- Works at optimum level

How do you expect to finance continued development of your product?

- Self financed
- Federal or state grants
- Federal or state government loans
- Business loans
- Investors

How long do you anticipate it will be before your product is ready for production?

- No way to calculate
- Less than 1 year
- 1-5 years
- 5-10 years
- Longer than 10 years

PRODUCT PRODUCTION

Can your product be produced given current manufacturing technologies?

- Impossible to produce now
- Relies on emerging technology
- Requires unusual or highly specialized equipment / processes
- Requires retooling or modifications of standard equipment/processes
- Utilizes widely available equipment/processes
- Produced by outdated equipment/processes

How do you plan to produce your product?

- Sell the product to another manufacturer
- License to another manufacturer
- Contract for production with another manufacturer
- Produce using own manufacturing facility
- Establish own new manufacturing facility

TARGET MARKETS

<p>What type of market is your product designed for?</p> <p><input type="checkbox"/> Industrial</p> <p><input type="checkbox"/> Business</p> <p><input type="checkbox"/> Consumers</p> <p><input type="checkbox"/> Government</p>	<p>Describe the size of the potential market for your product.</p> <p><input type="checkbox"/> Very small and/or specialized</p> <p><input type="checkbox"/> Small – regional (3 states)</p> <p><input type="checkbox"/> Medium – multi-regional</p> <p><input type="checkbox"/> Large – national</p> <p><input type="checkbox"/> Unrestricted – international</p>
<p>What category best describes your customer's need for your product?</p> <p><input type="checkbox"/> Very little – gimmick</p> <p><input type="checkbox"/> Superficial – non-essential needs</p> <p><input type="checkbox"/> Moderate – fulfills both psychological and physical non-essential needs</p> <p><input type="checkbox"/> Strong – fulfills an essential need</p>	<p>What unmet customer needs does your product satisfy?</p>
<p>Have you tested the product / concept with the market?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>What is their feedback?</p>	<p>How familiar is your market with the product concept?</p> <p><input type="checkbox"/> Very small familiar</p> <p><input type="checkbox"/> Somewhat familiar</p> <p><input type="checkbox"/> Not familiar</p>
<p>Describe a typical customer for your product. This customer should represent a type of person or business from whom you expect the majority of your first year's sales.</p>	
<p style="text-align: center;">MARKET POTENTIAL</p>	

<p>What trend best describes the market's demand for your product?</p> <p><input type="checkbox"/> Limited cycle of just a few years</p> <p><input type="checkbox"/> Possible decline in the future</p> <p><input type="checkbox"/> Steady demand</p> <p><input type="checkbox"/> Growing slowly</p> <p><input type="checkbox"/> Rapidly expanding</p>	<p>How stable is the demand for your product?</p> <p><input type="checkbox"/> Highly unstable – subject to unpredictable fluctuations</p> <p><input type="checkbox"/> Unstable – susceptible to moderate fluctuations</p> <p><input type="checkbox"/> Predictable</p> <p><input type="checkbox"/> Stable – variations can be accurately forecast</p> <p><input type="checkbox"/> Highly stable – not susceptible to fluctuations</p>
<p>How long do you believe your product will be in demand or needed by your primary market?</p> <p><input type="checkbox"/> Less 1 year</p> <p><input type="checkbox"/> 1 year</p> <p><input type="checkbox"/> 2 years</p> <p><input type="checkbox"/> 4 years</p> <p><input type="checkbox"/> 7 years</p> <p><input type="checkbox"/> More than 10 years</p>	<p>How compatible is your product with the market's existing attitudes toward products of this type?</p> <p><input type="checkbox"/> Current attitudes are negative–will be slow to accept</p> <p><input type="checkbox"/> Current attitudes are neutral–no effects</p> <p><input type="checkbox"/> Current attitudes will aid market efforts</p> <p><input type="checkbox"/> Current attitudes will give marketing efforts a strong boost</p>
<p>How easy to assemble or operate is your product?</p> <p><input type="checkbox"/> Requires specialized training before use</p> <p><input type="checkbox"/> Needs highly detailed instructions</p> <p><input type="checkbox"/> Normal instructions sufficient for most users</p> <p><input type="checkbox"/> Requires little instruction – user friendly</p> <p><input type="checkbox"/> Can be used immediately</p>	<p>To what degree is the sale of this product dependent on the availability of other products, processes or services?</p> <p><input type="checkbox"/> Very high – prohibitive in relation to sales</p> <p><input type="checkbox"/> High – little market control</p> <p><input type="checkbox"/> Moderate – reasonable control</p> <p><input type="checkbox"/> Low – strong market control</p> <p><input type="checkbox"/> Very low – complex market control</p>
MANAGEMENT	
<p>Will you need someone to assist you in getting the product commercialized and to market?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>What type of management assistance do you need?</p>
COMPETITION	
<p>List the products with which your product will be competing. Include both direct competition and substitutes.</p>	<p>Describe competitive barriers to entry.</p>

<p>What best describes your product's appearance compared to competition and substitutes?</p> <p><input type="checkbox"/> Customer appeal is not a factor</p> <p><input type="checkbox"/> Very inferior – no customer appeal</p> <p><input type="checkbox"/> Inferior – little customer appeal</p> <p><input type="checkbox"/> Similar to other products</p> <p><input type="checkbox"/> Superior – has customer appeal</p> <p><input type="checkbox"/> Very superior – has strong customer appeal</p>	<p>How does your product function compared to your product's competition and substitutes?</p> <p><input type="checkbox"/> Very inferior</p> <p><input type="checkbox"/> Inferior – offers no improvement</p> <p><input type="checkbox"/> Similar – not noticeably better</p> <p><input type="checkbox"/> Superior – a noticeable improvement</p> <p><input type="checkbox"/> Very superior – a noticeable improvement</p>
<p>How does the price you plan to charge for your product compare to competition and substitutes?</p> <p><input type="checkbox"/> Much higher</p> <p><input type="checkbox"/> Higher – a competitive disadvantage</p> <p><input type="checkbox"/> About the same</p> <p><input type="checkbox"/> Lower – a competitive advantage</p> <p><input type="checkbox"/> Much lower</p>	<p>What is the threat from new competing or substitute products?</p> <p><input type="checkbox"/> Very high – product lead will be very short</p> <p><input type="checkbox"/> High – product lead will be relatively short</p> <p><input type="checkbox"/> Moderate – market share can be maintained</p> <p><input type="checkbox"/> Low – product lead will be relatively long</p> <p><input type="checkbox"/> Very low – a strong chance to sustain market</p>
DISTRIBUTION	
<p>How do you plan to distribute your product?</p> <p><input type="checkbox"/> Through manufacturer who also handles sales</p> <p><input type="checkbox"/> Using in-house staff to be hired</p> <p><input type="checkbox"/> Using current in-house sales staff</p> <p><input type="checkbox"/> Through industrial reps/brokers to be contracted</p> <p><input type="checkbox"/> Through current industrial reps/brokers</p>	<p>What will be the cost and difficulty of establishing distribution channels??</p> <p><input type="checkbox"/> Very high—prohibitive in relation to expected sales</p> <p><input type="checkbox"/> High relative to expected sales</p> <p><input type="checkbox"/> Moderate—commensurate with expected sales</p> <p><input type="checkbox"/> Low relative to expected sales</p> <p><input type="checkbox"/> Very low relative to expected sales</p>
<p>How will your product be shipped?</p> <p><input type="checkbox"/> Mail or parcel service</p> <p><input type="checkbox"/> Trucks</p> <p><input type="checkbox"/> Rail</p> <p><input type="checkbox"/> Air</p> <p><input type="checkbox"/> Ship</p>	<p>How established are distribution channels??</p>
<p>Describe the flow of money (margins, commissions, markups) through the distribution channel.</p>	<p>Have you identified how your product provides a significant financial opportunity to all in your distribution system?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
PROMOTION	
<p>How easily can the advantages and benefits of your product be communicated to your market?</p> <p><input type="checkbox"/> Very obscure – very difficult and costly to communicate</p> <p><input type="checkbox"/> Obscure – requires substantial explanation</p> <p><input type="checkbox"/> Visible but requires some explanation</p> <p><input type="checkbox"/> Visible and are easily communicated</p> <p><input type="checkbox"/> Very visible – needs no explanation</p>	<p>What are the costs and effort required to promote your product?</p> <p><input type="checkbox"/> Very high relative to expected sales</p> <p><input type="checkbox"/> High relative to expected sales</p> <p><input type="checkbox"/> Moderate – commensurate with expected sales</p> <p><input type="checkbox"/> Low relative to expected sales</p> <p><input type="checkbox"/> Very low relative to expected sales</p>
<p>How do you plan to promote your product? (Check all that applies)</p> <p><input type="checkbox"/> Trade shows <input type="checkbox"/> Personal sales <input type="checkbox"/> Print advertising <input type="checkbox"/> Direct mail <input type="checkbox"/> Catalog</p> <p><input type="checkbox"/> Television <input type="checkbox"/> Radio <input type="checkbox"/> Infomercials <input type="checkbox"/> Other</p>	

SERVICE

How do you plan to service your product?

- No service – replacement required
 Manufacturer's service
 Dealer's service
 Independent service

What warranty will your product carry?

- No warranty
 Limited manufacturer's warranty: parts only
 Full manufacturer's warranty: parts and labor
 Dealer's warranty
 Warranty length: ____ days ____ mos. ____ yrs.

What is the relative cost and difficulty of providing service for your product?

- Very high: will require frequent service & parts
 High: will require periodic service & parts
 Moderate: will need occasional service & parts
 Low: need for service & parts will be infrequent
 Very low: will require rare service & parts

PRODUCT BREAKEVEN CALCULATION

How much have you already invested in developing your product? \$ _____

How much do you estimate further development will cost? +\$ _____

What will it cost to prepare for production? +\$ _____

Add together to calculate development costs. \$ _____

What will you make in net profit for each unit sold, or what will you receive in royalties or licensing fees for each unit sold? \$ _____

How many units will you sell in:

- Year 1? _____
- Year 2? _____
- Year 3? _____
- Year 4? _____
- Year 5? _____

How long will it take to sell enough units to break even? _____ Years
_____ Months

Place a check mark in the blank which best describe you and key partners or managers in your company.

	Adequate Knowledge	Counseling Needed	Training Needed
Accounting & Bookkeeping			
Computer Experience			
E-commerce			

Financial Management			
Marketing and Promotion			
Operations			
People Management			
Personnel Policies			
Planning			
Pricing			
Sales			
Taxes			
Other:			
Other:			

NOTES

Empty space for notes.

