

barriers to entry spreadsheet

You may use:

- To clarify the business you do not want Sometimes by region
- To highlight the type of business you do want
- To establish profit control for orders
- To ensure stock control is managed and understood
- To set an understanding within your business around the impact on cost of New Product Development without controls
- To encourage an appreciation of the impact of terms on profitability and risk of new business terms which may create operational difficulties

New product entry for sales must consider

- 1 Encourage CLIENT sign off on forecasted uptake
- 2 AVOID stocked goods - SPECIALS should be direct delivered where possible
- 3 Ship Direct Delivery where possible
- 4 Review Currency Monthly or as Contract International markets will required potentially entirely new tailored rules for sales
- 5 Include xx% margin to Export freight quotes
- 6 Review Freight costs every x months if Export deal
- 7 Contracted deals to be 4-5 products

Table 1

Product 1	Product 2	Product 3	Product 4
One off direct delivered, special request products may be developed to win entirely new business (Sprat to catch mackerel approach) or one off volume value of deal makes sense and fits companies strategy	Client demand needs change and sometimes a permanent need for a new article keeps the competition out?	Licensed brand product rules more complex due to second party approvals process and controls which cost time and money	Tailormade products may be a specialism of a company but these need to be costed with considerable attention to detail as New Product Development costs can be immensely draining when an article cannot then be cross sold to others
Product a	Product b	Product c	Customised New Design
1 Must meet Supplier MOQ per product			
2 Direct delivery with 90 days lead time (may be negotiable depending on timing)			
3 Must achieve minimum 35% contribution			
	Direct Delivery with MINIMUM profit of £ 2,000 per product	Brand has approved the item through NPD	Customer can wait SPECIFIC TERM without putting pressure on the business - perhaps 3 mths after artwork approval
5 ONLY use new suppliers when it is a niche client to break into as a strategic decision		Customer may have to wait approx 6 mths after Brand approval in principle	
6 NOT using NEW suppliers unless with minimum profit of £ 3,000 product / £10,000 Deal Value	NOT using NEW suppliers unless with minimum profit of £ 3,000 product / £10,000 Deal Value	Must achieve minimum 35% contribution	Must achieve minimum 35% contribution for deal
7 Direct delivery unless by exception strategically	If warehoused, deadline on take up must be contracted to protect from old / redundant stock uptake	Min sales value is £15,000	Min sales value is £25,000
8 Warehoused with MINIMUM profit of £6,000 for deal	Warehoused with MINIMUM profit of £6,000 for deal		
9 One off new Product development should always have possibilities for repeat sales to the rest of the client base	Plans for extended sales / increased volume uptake and introduction must be presented with new order in excess of new request	Min profit for deal is £5,000	
		If a Group must be min 24 mths deal	If a Group must be min 24 mths deal
		Warehoused with MINIMUM profit of £6,000 for deal	Warehoused with MINIMUM profit of £6,000 for deal

Table 2

EXCEPTIONS TO RULE

nb These exceptions may be valid but must be signed off by [Enter name]

Generally	Existing client	New Client	Group Client
Overall regionally by General Managers discretion.	If a client is highlighted as strategically important exceptions to rules can be sensible to protect valuable client accounts as a whole	Potential to GAIN NEW CONTRACT acct. value £XX setting a minimum value of total client sales to make the exception worthwhile	Potential to GAIN £XX+ value acct
Some companies will allow senior sales to make a strategic decision but collaboration s more likely to gain company approval and understanding to support	Client's overall deal is min gross profit of xx%	Strategic fit as bijou premises for [Enter your company name]. Want in THE COMPANIES portfolio so strategic performance of the deal has to stack up Eg US\$ 100K minimum custom but BRANDED range THAT COULD THEN BE GROSS SOLD?	Sprat to catch a mackerel trial products with major player to prove our capabilities
Product essential to fulfill requirements of whole much larger tender deal	Contractual obligation to respond to their requests	Potential to GAIN NEW PRESTIGE account	Contractual obligation to respond to their requests if existing client
Aid development of XXX emerging divisions	To gain Repeat Order even at slightly lower margin, easy business without any impact on NPD as it was accounted for in previous first order makes sense to repeat order process		
Strategic decisions related to manufacturing can also involve bringing in new produc manufacturing if seasonal fluctuations are costly			

