Procurement Guide for

RETAIL Businesses

DETROIT REGIONAL CHAMBER OF COMMERCE

Signature Admin Solutions, LLC
Providing signature solutions to community needs.

NEI new economy initiative

General Information for Retail Businesses

Expanding your retail business to larger stores such as Target and Walmart can be a game-changer, offering increased visibility, customer reach, and potential for higher revenue. However, breaking into these giants requires careful planning and adherence to specific requirements and steps. This document provides an overview of the essential requirements and steps for your retail business to get into larger stores.

1. Research and Preparation:

- Conduct market research to understand the target audience and consumer preferences of the larger stores.
- Analyze your products and ensure they align with the demands of the larger store's customer base.
- Prepare a comprehensive business plan that showcases your brand, unique selling proposition, and growth strategies.

2. Establish a Solid Brand Image:

- Create a strong brand identity with a clear logo, packaging, and marketing materials.
- Emphasize your brand's unique values and positioning to stand out among competitors.

3. Quality and Compliance:

- Ensure your products meet industry quality standards and certifications required by larger retailers.
- Comply with all relevant safety, environmental, and regulatory standards.

4. Pricing and Profit Margins:

- Determine competitive and attractive pricing that also allows for a reasonable profit margin.
- Be prepared for potential negotiations on pricing and margins with larger stores.

5. Packaging and Presentation:

- Design packaging that is visually appealing, informative, and shelf-ready for larger stores.
- Make sure your product presentation enhances its marketability on store shelves.

6. Supply Chain and Logistics:

- Build a reliable and efficient supply-chain capable of meeting larger store demands.
- Demonstrate your ability to handle larger orders and maintain consistent product availability.

7. Financial Stability:

- Showcase your business's financial stability and ability to manage larger-scale operations.
- Prepare financial statements and projections to instill confidence in potential partners.

8. Professional Networking:

- Attend industry events, trade shows, and networking opportunities to establish connections.
- Seek referrals and recommendations from existing contacts and partners.

9. Pitching to Larger Retailers:

- Craft a compelling pitch tailored to each retailer's specific requirements and values.
- Demonstrate how your products will enhance their product range and attract more customers.

10. Negotiation and Contracting:

- Be prepared for negotiations and ensure all terms, conditions, and agreements are clearly stated in contracts.
- Seek legal advice if needed to safeguard your interests.

Conclusion

Expanding your retail business into larger stores like Target and Walmart can be a rewarding endeavor. It requires thorough preparation, understanding the retailer's requirements, and showcasing your brand's uniqueness and value. By following these steps, you can increase your chances of success and position your products on the shelves of these major retail chains.

Procurement Guide

GLOSSARY

DETROIT REGIONAL CHAMBER OF COMMERCE

Signature Admin Solutions, LLC
Providing signature solutions to community needs.

NEI new economy initiative

This Glossary is intended to be used in conjunction with one of the four Procurement Guides:

Cottage Law
Under the Cottage Food Law, non-potentially hazardous foods that do not require time and/or temperature control for safety can be produced in a home kitchen (the kitchen of the person's primary domestic residence) for direct sale to customers at farmers markets, farm markets, roadside stands, or other direct markets.

Michigan Food Law
The Michigan Food Law of 2000 requires the licensing of any person or firm that processes, packs, cans, preserves, freezes, fabricates, stores, prepares, serves, sells, or offers food for sale. Some businesses are exempt: for those selling low-risk items, such as prepackaged foods, exemptions may apply.

Michigan Legislature - Section 289.1105
“Adulterated" means food to which any of the following apply: (i) It bears or contains any poisonous or deleterious substance that may render it injurious to health unless the substance is not an added substance and the quantity of that substance in the food does not ordinarily render it injurious to health.

Pet Treat Requirements
Are pet treats included under the new Cottage Food Law? No, the Cottage Food Law applies to human-grade food only. In order to make and sell pet treats, you will need to have a feed license.

MoCRA, FDA (2022 law was updated)
Will establish regulations that affect the entire lifecycle of your cosmetic products, from manufacturing to marketing. New requirements include:

- Mandatory FDA Registration for Cosmetics Facilities Mandatory Product Listings for each Cosmetic Product marketed in the USA
- Adverse Event Reporting
- Adherence to FDA-issued Good Manufacturing Practices (GMPs) record-keeping, including adverse event and safety substantiation records
- Mandatory Recalls
- Declaration of Fragrance Allergens

Although the FDA has not yet established regulations for these requirements, the law provides general insight, so that Cosmetic companies can start preparing for the New FDA Requirements.

Ingredient Declaration
A list of all the product's ingredients. FDA requires this labeling under the Fair Packaging and Labeling Act (FPLA).

EMR
What is a good EMR? The average EMR is 1.0, which means that the contractor is found to be no more or less risky than the majority of other contractors. Typically, a rating under 1.0 is considered good or relatively safe. If your rating is above 1.0 it is considered bad or riskier.

Four Transportation Documents

Bill of Lading
The Bill of Lading (B/L) is a contract for maritime carriage that specifies the taking of responsibility, or the loading, of goods by the carrier. It contains detailed information on the goods, the boat, and the port of destination. It is a document of title to the goods, that gives right to their ownership.

Sea Waybill
A Sea Waybill is a transport contract (contract of carriage) - the same as a Bill of Lading. A Sea Waybill, however, is not needed for cargo delivery and is only issued as a cargo receipt. It can either be issued in hard copy format or soft copy format. A Sea Waybill is not negotiable and cannot be assigned to a third-party. Wallenius Wilhelmsen Ocean will deliver the cargo at destination to the person or company described as Consignee in the Sea Waybill.

Consignment Note (CMR)
Consignment is an arrangement in which goods are left in the possession of an authorized third-party to sell. Goods sold in this way are said to be "consigned" to a third-party for sale. Items sold on consignment are typically sold by consignment shops, which receive a percentage of the revenue from the sale (sometimes a very large percentage) in the form of commission.

Air Waybill (AWB)
A non-negotiable, legally binding document issued by an air carrier to acknowledge receipt of a shipment and a formal contract to transport goods. The air waybill indicates the shipment's destination address and includes information about the carrier, goods, contact information for the consignor and consignee (receiver), notify party, as well as an eleven-digit reference number for the shipment. Also called a consignment note or dispatch note.

Rail Consignment Note (CIM)
The CIM consignment note (Rail Transport Document) is a document proving the conclusion of a transport contract with a railway undertaking. The contract is concluded when the railway undertaking

accepts the shipment, and the dispatch station's stamp (a date stamp) is placed on the consignment note.

UPCs

The Universal Product Code (UPC or UPC code) is a barcode symbology that is widely used worldwide for tracking trade items in stores.

PAR

PAR stands for periodic automatic replacement. It allows restaurants to determine the minimum amount of crucial inventory to keep on hand.

GS1

GS1 (in the US formerly known as Uniform Code Council (UCC)) is the global standards organization which manages the guidelines for UPC (GTIN) identification and licenses brand-specific UPC Company Prefixes or single issue GTIN(s).