

2022-5-03 AMA: How to Get Into Retail After You Raised Capital for Your Product Startup featuring Yohan Jacob of Retailbound

This is the TEN Capital AMA show. I'm Hall T. Martin, the host of the show in which we interview investors and founders on current topics.

Our guest is:

[Yohan Jacob](#) of [Retailbound](#)

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Hall Martin: My name is Hall Martin, I'm the founder of TEN Capital, and today we have joining us Yohan Jacob of Retail Bound, and he's going to talk about getting into retail after you've raised capital for your product startup. And with that, I'd like to go ahead and bring Yohan over to talk to us about that topic.

Yohan Jacob: Thanks Hall My name is Yohan Jacob, I'm the president and founder of Retail Bound, and today's topic is how to get into retail after you raise capital for your product startup. So today's agenda is really pretty simple, a new introduction about myself, a little brief. I have really two lessons, one is are you ready for retail, just because you have a cool product, you _____ in mind, doesn't mean it's truly ready for retail, is it Best Buy or is it Walmart. And then also about when you already talked to retailers, target their attention, retail buyers like myself get so much inquiries whether it's over the phone or in person, how do you stand out among the competition. So a little about me back right here, I have a retail background about 40 years, we're a retail solutions agency that helps brand scale in retail. I _____ for almost 30 years now, and I've helped brands expand both in B2C as well as B2B. As a retail buyer, I was in charge of

two different _____ chains, and massive large categories you see here on the screen between 45 million to just shy of a billion dollars a year. So myself as well as my team have the experience when brands launched in retail, whether it's the US, Canada or abroad. So today, you'll learn a couple of things from this webinar, one is you're going to learn how to redepot myself to think, we are not a – we don't just play golf and go to dinner, we do have to do work once in a while. So kind of how we think, how to sell them, how to work with them. If I _____ how to present your products to retailers, like, presenting to an investor, like Mark Cuban, right? There's certain do's and don'ts that will kind of tell you what you should do when getting in front of a retail buyer. So a lot of times with COVID, the last few years, a lot of young _____ my own website. The core reasons why you want to pursue retail, especially in the US, one, retail gives legitimacy, or what I call, street cred for product brands, unless you're not Sony or Samsung, how do you know. Right?

So getting in front of a Best Buy or Walmart does help give you some legitimacy with consumers. Many customers like myself like buying products from startups at named retailers, because we feel secure when giving out credit card, we know that _____ ship on time, and the issues, we know they are going to back us up. So having your product listed with a major retailer does help, again, _____ find your product and purchase them. Over the last few years with COVID, retail is definitely _____ omnichannel game, including brick and mortar, they improved the experience, both their web and a mobile platform to help make it easy or seamless transaction. And well, omni sales, I was just talking earlier has been definitely growing over the last two plus years, other verticals have been strong for product brands such as _____ response like QVC or _____ as well as _____ hard to believe, but print _____ I just got three yesterday in the mail, it's still a stable business. And finally, retailers are still looking for new products to fill the shelves, _____ something different way to attract people to their stores, or their website, and beat the competition. So again, these are top reasons why you should pursue retail, once you get capital from an investor, it's simply get these webinars, to be asked a question, I know we only have 45 minutes. So I won't ask you guys answer to questions, but there's a secret, right, to be successful retail buyers. And so, when you read the buyers, your number one goal should be making a retail buyer's job easier. It seems common sense, but I can't tell you, in my decades of experience, how hard it was for me to work with younger brands that were inexperienced because they made my job a lot harder than they should have been. Right? And, by the way, for manufacturers, who we call vendors, who make it easy for retailers like myself, give them opportunities. It could be more shelf space in store, more online space, free marketing assets, there are certain things that retail buyer can do to help grow your business as long it makes their job easier. To make their job easier is a good chance to be a long term vendor partner. And by the way, if you don't make my job as a buyer easier, I guarantee you your competition will.

Now, the question you might ask yourself, well, _____ how to make a retail buyer's job easier – really straightforward, so these are the main, doesn't have more things to

get the job easier. The main thing is really communication, whether it's over email, whether it's over the phone, but you're upfront. If you have bad news to share, like, cost increase, which was a topic of discussion in the last 12 to 24 months, whether to give the bad news now to the buyer, don't wait too long. If there's a shortage, a shipping delay, you always want to over communicate, you under communicate, and under deliver, because I guarantee you, you won't last very long in retail. Other things make the job easier for retailer, complete _____ so when you get the green lights, and you ask me a vendor record, you got to fill some documentation. Again, can't tell how many times I received a service sheet from a brand that was half done. Right? So make sure you complete fully and accurately. Having images or samples ready to shoot, pricing, lead times, all these things are fairly explanatory.

The last few things I want to cut to _____, one is marketing. When you're a young brand or unknown brand, retailing Best Buy or Walmart isn't really going to market for you. I guess, one of the biggest misconception for brands, once they get their VC or funding from VCs is, oh, I got to Best Buy, my job's done. No, it's not, it's just begun. You need to have a marketing plan or marketing strategy. Hopefully, a VC will help to drive traffic to a Best Buy store, a Best Buy website, and persuade some of them marketing vehicles that offers to young brands. And also, in certain categories, which is like electronics, where products are positioned or changed quicker, have an exit strategy. So before you sell, is this Best Buy again? Product A, right, hey, what's _____ product A from product B is available in 10 months from now. Right? So these are things, again, as a retailer, we expect you to provide, to make our job a little bit easier. So it reads about we onboard new brands, is it a retail buyer, it's called what is we ask. The first question is _____ do your project partners want, right? So if it's not another iPhone case, right, it's very generic, so how do you stand out from the competition, but you have profit that actually want _____ right? From a retail perspective, do you plot to enough margin, right, like, your own website, and retail buyer buys it at a cost of X, and sells it at a price of Y, and the difference is, we call it margin is what they take to the bank. And what we ask is, do you follow through our promises to the people. I guess, _____ on any day, there are unknown, _____ vendor, they're putting their reputation on the line, that you're going to follow through, you're going to ship on time, you're going to drive _____ you're going to do things that necessary to make the buyer look good.

So _____ we have a lot of young brands with this, with the _____ strategy. If I was a new brand today, before I start talking to retailers, I'd love to put paper to pen, a pen to paper and develop who are the key customers to go after. Right? If I'm a premium brand, _____ would be my lucky suspects. If I'm an upcoming brand, maybe a bigger retailer in my _____ right now, so then who are the retailers for your brand. Identify through various sources, now their buying patterns, many categories _____ soft lines, they're usually a 12 to 18 month window out. So right now, targets on the soft line side, they're actually working on I think _____ spring at 2023, and pretty soon, summer 2023. Right? It's amazing how far they work out. You also understand how we are doing, are they _____ look at our reports or again various news outlets, are

they opening stores, are they paying their bills on time. Because it is sold to a retailer, that's on its way out, ready to clear bankruptcy, Chapter 7 or Chapter 11, right? The other thing to think about how your strategy is, do you want to use the sugars. If you're a small brand, most like a public health distributor, if that's the case, you need to have the pricing, and the support rate to manage both the distributors as well as the retailers. Fine, part of your company strategy should also include dotcom which is brick and mortar. Many large retailers today, when they are interested in your product, probably put you dotcom. Why? It's a low risk for them. Online has definitely grown a lot over the last couple of years. So if you are online, or we call dotcom, it's an opportunity that you'll get your brick and mortar down the road. But these are things you want put together in your plan, if we start knocking on doors with retail buyers. Now, I'll see, we all make mistakes, no one's perfect. The biggest one we hope this won't happen after this webinar is lack of preparation. Again, like a job interview, retail buyer can tell which brands are ready to work with them, and which aren't. The ones that _____ time, waste the buyers' time, and won't get a second chance of making a first impression. So hopefully, after this webinar, you get enough tips to be prepared to be _____ common mistake.

The other one is over promising on delivery, in sales especially, there's a new brand, you're trying to be an eager beaver, and try and get the buyer to say yes, but you don't want to over commit yourself and tax resources. So if you cannot get things done, don't commit to it because, well, does it look bad as well as the buyer. This one _____ common, but lying, if you want to lie to get a sale, or get the business, so make sure you don't do that. Again, common sense stuff, _____ here throughout the presentation, poor follow through. As a retail buyer, I met a lot of young brands, and I was a little different because it was a map first, it was a buyer, and I always tell all my brands, when I first started them, I only have one pet peeve, one was poor follow through. I mean, if I asked you to get something done, you don't get it done, because you had time to enter, I'm going to look elsewhere. Right? So make sure that these four mistakes you guys don't do, if you want to be a successful brand in retail.

Now, before you meet a retail buyer, there's some things you did right, don't get _____ third time or your time. So you want to make sure that a sample is available or at least an image on your PowerPoint deck, because then they're very visual, they want to see what it looks like. They always want to see your product packaging, it was art, it was dotcom like Amazon, a White Box or a Dropbox is fine. But for a retailer like a Best Buy or Walmart, your product packaging is your bestselling salesperson right. On average, if you look _____ between two to five seconds, and I'll quickly walk through the aisles, so again the retail buyer, wants to look at your product packaging, at least make sure you've done some renderings, they can review and give some feedback on. You also want to make sure you have pricing, and other ADR program fees that drop again, you don't waste their time. If you can't afford to work with that retailer, you don't need to make that pitch. You also make sure that common sense stuff that you've identified the benefits of your product, the key selling points. Again, don't expect the

retail buyer to be an expert in your product, it's up to you to kind of convince him or her why your product is awesome. You also want to let the buyer know what makes you different, if you have a pair of Bluetooth headphones, and there's a lot out there, what makes your _____ better than competition. Right? You also have the mission, two slides ago, your marketing plan, your PR plan, promotional plan, because, again, for a small brand or retail product Best Buy isn't a lot of time because you're managing some bigger brands. So it's up to you to show the buyer what's your marketing strategy, what's your promotional strategy, what's your PR strategy to build awareness of your brand overall and drive traffic to that particular retailer store or website. Things you want make sure you know before you _____ retail buyer, one is probably dealership _____ dealership in late Q2, dealership in early Q1 next year, that's important, especially for retail stores. There are only certain times a year that they allow new products in retail stores to _____ the shelves. So when your product will be _____ is very important for a buyer now. That's like a baseball card, and all the stats right, how are sales year to date, _____ date, weekday, right? That's very important. Many buyers buy untested from the vendors, so it's important that you know how our sales overall by retailer or by channel. You also want to know the _____ of customer returns, because again, you might be selling a 100 a week, which might be good, but you get return 20%, that's not good at all, right? So they won't know what percentage of your returns are defective versus more _____ I know, what do you do address that, how do you get that number down from 20% to 18 to 15, down to single digits. Also, if you are pushing to retail buyers, _____ dotcom sites, you want to be sure what they're pricing online. You go into a meeting with a buyer like Best Buy, and they find out quickly on Walmart, you're \$10 less, or on Target \$20 less, what the heck. Right? So you want to make sure the pricing, because if you have _____ pricing, it's called _____ pricing is consistent across all channels, that not one retailer is lower than the other. You also, thanks to Amazon, they've been a big part of this, customer testimonials, right? What's great about Amazon is that everybody has access to see your content, your price, but also your reviews. If you're a three-star or below, then _____ on Amazon, the public will _____ talk to bigger retailers. You're four-star and above, have several rave reviews, the conversation will be a little more pleasant _____ retail buyer.

So another question I asked in _____ is how do you find new buyers to contact _____ right? You're ready, now you're shopping _____ talk to Best Buy or Walmart, how do you find the right _____ buyer to contact. So here are the answers, right? The first way is networking, especially with LinkedIn and other sources, online, offline it is a big part when I first started back eons ago as a manufacturer, and there was no internet, a big part of my sales was networking, build relationships with maybe existing suppliers, other agencies, other alliances. So now we're online and offline are very important to help you find the right buyers to talk to. Other way we call inbound, so we are _____ advertising email blasts, inquires to website ads. So many times to read a buyer, I mean, it's _____ in the press and PR and I may _____ right to their website, or I call or I email. So this is a _____ source again leads from retail buyers.

Trade shows, _____ trade show _____ in London this morning. _____ wasn't in 2019 or 2018, but it's far _____ was in 2021 or 2020. Right? The last year, so I went to _____ two months ago, it was definitely quiet, but business was done. People did come to the show, maybe not in the same level it was two years ago, but it's kind of back. So hopefully, by next year, trade shows will be back where it used to be, and be a good source of leads for you. And I'll show you in a couple of slides now, some business strategies, how to use trade shows to your favor. And finally, directories, again, when I started out back in the early 90s as a manufacturer selling to retailers, again, there's nothing called internet, so there was directories, once called a chain store guide, there's a website right there, it's a great directory, gives some retail buyer themes, or, at the very least, _____ the retail. We all think of, like, Best Buy and Walmart, but there's really hundreds of smaller or regional retailers to be a good fit for you, and do as much volume combined than one large retailer. So don't count out these small brands retailers, it could be a good fit for your go to market strategy.

So there is _____ it's interesting. My wife would think, oh, you play golf and have dinner with your vendors, it's more than that. Today, buyer the alarm is, most of our alarm responsibility on their plates, they literally ran midsized companies. My best line is close to a billion dollars a year in annual sales, just my line. Right? They're very busy, there were a lot of hats, so if you reach out to a buyer, going back to, don't feel bad, just tell us up on their plate. Obviously, more today than it was maybe 10-20 years ago, buyers are more spreadsheet literate, they know their numbers inside and out, and typically, we thought we had the best thing, that's how they view products, with your products _____ sales will _____ enough margin, and will turn X number times for a time. So yeah, they're very special area. There also other KPIs like markdowns, shrink, other KPIs to help them manage your business. Mondays are always a bad time to give your potential supplier, to reach out to a retail buyer. Why? Because we think sales is the biggest for most retailers, so Monday mornings, the buyer is out there, getting sales data and putting reports for serial management. So if I'm a new supplier I don't want to bother a buyer on Monday, call them on a Tuesday, Wednesday, or Thursday. Larger retail buyers have a staff that watch them. I got eight buyers and four assistants in my last gig. In most retail, the retail buyer does not manage the inventory, I know they place the order, that's usually a separate team. However, the retail buyer is accountable for the inventory if it doesn't sell through. Right? So the buyer is working with his inventory plan to make sure inventory is in the right stores at the right time. And finally, we talk about marketing, at a high level, read a buyer is managing various marketing events where it's in store, online, and sold. But you can see here that the retail buyer is very, very _____ job, it's kind of cool. The retail buyer's only position in retail that affects every department at retail, could be international. We call sourcing, it could be accounting or AP. It could be visual merchandising or in-store visual marketing. It could be store marketing or buying teams, IT, legal. Right? So again the buyer is the king or queen of their own kingdom, but they're pulled in multiple directions.

So retail buyers, when deciding what products to keep, which was not to move forward, they look at four things. One is the custom man, if your product is a face mask, right, the demand is probably _____ it was maybe two years ago. Right? But the product was the next smart home product. Right? Make it a little bit easier. Okay? Look at the quality of your availability. Look at your pricing compared to the competition. Market trends, see there's some categories, they are growing leaps and bounds. During COVID, there are five categories very well, products help you work at home, products help you stay at home, products help you cook at home, products help you work out at home, and find plenty of you play at home. Right? Last year in 2021, it was six categories, product help you travel from home. Right? So I looking at market trends and see where are _____ buying, where are they shipping towards to. Also look at store policy, there's some retailers who can't carry certain products due to whatever rules they have. So that's also in consideration, as you're talking to potential retail partners, and finally, like you and I at home, they have their own _____ budgets, they have a checkbook, there's no _____ in the backyard, they don't budget, they have to apply to, they can't be on inventory. So these are the four things they look at, they say yes to a _____ supplier. But end of the day, a retail buyer wants to beat the competition, and drive more _____ to stores, their website, or even their catalog. So one _____ gets asked a lot is if _____ contact me at _____ Best Buy, should I cold call or should I cold email. There are pros and cons. Well, I say cold calling, you can get immediate feedback right away. Email? It's cheap, it's easy to do. Right? Disadvantage of cold calling is who like to do it? I don't like doing it. Most people don't like cold calling. They are only being rejected. For me, emailing, the biggest advantage is it's spam, if I don't know who you are, I'm going to _____ a small business owner, I get usually hundreds of emails a week asking me for my time, don't _____ delete, delete, delete, delete. So which of the two methods have a higher success with a retail buyer? It's really the cold calling, hard to believe, but reach out to a retail buyer, you can have few minutes of his time, and then email them what I discussed and go a lot further than them trying to spam them to get some information. I will tell you also from personal experience, one of the _____ I made as a manufacturer is do not send samples, unless the retail buyer has asked for a sample, don't send one. If you might _____ so many of free samples where I've been asked, like, how am I going to call back, _____ in a large department with some of these samples. I have no space in my office. Right? I usually gave away or throw in the garbage. So do not send sample unless asked upon by the retailer. Now, we are doing cold calls to a business retailer, the two robots is voicemail, as well as gatekeepers. The gatekeepers got to be persistent. Over here, she will let you even talk to that trigger by over the phone or in person. As for voicemail, it's to stay alive, I personally would leave a voicemail, I would try again, maybe before hours or after hours, the buyer is going to get a little time on his or her calendar. Now, by the way, we do reach out to a buyer for the first time, but the purpose of that call is not to sell them your product. It's hard to believe, just a phone call, is it a second date, whereas another phone call or in person meeting. That's the purpose of that initial cold call or phone call to a buyer. You have 60 seconds to two minutes at most to get the

buyer online before he or she hangs up the phone. In this pitch, the first one I do is with you yourself, then come here to work for, you know, be honest, my name is _____ retail buyer go. Real quick one _____ orbiter company, where _____ we have young brands scaling retail. Now, this is really important, and hopefully you're taking notes, before you go into your pitch, while you're calling, ask the buyer is it a good time to talk, I cannot tell you whether the buyer would tell you, you know, my own job is a bit of a _____ that's some salesperson is trying to sell me, asking the person, hey, is this a good time to talk. Maybe only I _____ that was my wife, maybe I didn't see the caller ID, and I got _____ in five minutes. So I always ask, before you go into pitch, is it the time to chat with he or she. Right? If they say yes, then tell them why you want, why are you calling them. Well, I'm a young supplier, I got some investment, I've been _____ for a short time, looking to expand, I thought you'd be a great place to talk to you. Or I've been a customer of yours for many years, been shopping at stores, I know this is a gap in your _____, I got a product to fill that gap, do you have time to talk. So these are some possible appointment making phrases. And as I said earlier, most buyers don't like to experiment with untested or unproven vendor, that's true. So _____ Best Buy or Walmart store or smaller retailers, get some sales, get some reviews, and then, go after the bigger retailers. Right? By the way, if you happen to do talk to a retail buyer, largest mall, you'd hear about play for objections, these are the more common ones, and how best to answer them.

So the first one is, I don't want to be the first retailer to carry it, right? And that makes sense, especially if you're unknown onto a vendor. So maybe you talk about your marketing strategy, how you enjoy _____ stores or their website, maybe offer a guaranteed sale. So if by chance you're probably going to sell through _____ time, you buy it back, no questions asked. Another one is, hey, I'm already been taught to open up _____ means they have no money, and as consumers with inflation, we all kind of understand it. Right? So maybe you offer extended payment terms – for most retailers, payment terms are usually net 30, net 60, which means that when you ship a product to a buyer on May 2nd, net 30 terms means you have 30 days to pay your invoice. Another option is instead of offering extended payment terms, offer consignment – I'm a big fan of, but it's strategy where to _____ Best Buy, they purchased 50 pieces, but I got paid 50 pieces, I'll pay you _____ actually sales, year by year, so if I _____ in April to Best Buy, I always thought three months in May, I'll get paid in June for three units. But the strategy is if a buyer doesn't have the money to buy your product. This is probably the most common one, your prices are too high, and it's very easy for young brands, especially without experience in negotiating to lower the price, I don't recommend that. Talk about the quality. Talk about the sales. Talk about the reviews. Do not lower your price if you can, because if you start lowering your price, you set a precedent, and then you start making less money. And if I'm a company that invested capital in your business, I'm here to make money, not lose money. Right? So do not lower your prices, almost as a last resort. And finally, the last objection is, I have similar products in my assortment. If you have current products, ask, maybe offer better service, better margins, or better terms, so they can consolidate a couple of brands into

your own business. So that means the retailer has less brands to manage, which makes the job easier, which was our topic earlier. Now, if we get the green lights to send a sample, they want to move forward through the objections. Right? Make sure you have the whatever their name. My name is not easiest to spell. Make sure you ship the right address.

Last year, we advised working from home, so make sure _____ it goes to the house, _____ to their store, to their corporate office. So make sure you verify the name, and where did you ship those samples. And finally, internally, you're selling your team _____ once I follow up, because send someone today _____ tomorrow is probably too soon, send somebody today, and follow up in a month, now it's like too late. I recommend usually about two weeks, once the buyer has received a sample to follow him or her, and see what their thoughts are, and what our next steps could be. I mentioned trade shows is one of the strategies that a brand could use to build the awareness, and find retail buyers. Here's some tips on making your next trade show a success. So make sure the treasure you commit to, you've done some research, I've seen trade shows where why that brand there, they shouldn't be there, all right, doesn't make sense. So make sure the trade show is a fit for you. Have a strategy there – why are you going there to meet new retailers? Are you going to talk to existing retailers? Are you here to get PR coverage, media coverage, or your _____ partners with alliances, so why are you going to trade show, right? Make sure to have people, if you're a one-man operation, you might bring other people, but that is tough. I've done it, it's long days, you got to eat, go to bathroom breaks, mental breaks, so I have people to go with you to cover the booth. Also people who do a couple of shows with you, because they're friendly, they're polite. I remember a trade show in 2020, at least two booths, the people in the booth were half asleep, they're exhausted, maybe jetlag or they're bored on their phones. Right? Now, walk away. So make sure _____ are friendly, they're polite, and show _____ by language. You also depend on the type of product you have, maybe I saw you _____ more technical questions, in case the buyer wants to stump you. I'll see a trade show a lot of other exhibitors who are probably just as good as you are, but _____ people into your booth, a demonstration. Right? _____ if you can to demonstrate your product, and if you can't do that, have a video, a TV screen show your product in use, if you can't do a demonstration in your booth. Make sure it's really important and see if there's a flaw, with many small brands, have a protocol in place to pop up on leads, at many places I put my business card in, I have a big _____ retailer, and I get many, many return email calls back. So make sure to use all this money to go to trade show, make sure that you have a process in place to pop on leads, prospects or likely customers. And finally, make sure you always say thank you, and then get those free cookies. So let's say you get the green light, the buyer says, hey, Hall, I'm ready to invite you into my office here in Dallas, what are next steps. You want to get a _____ folder, right? And the components are really simple, _____ or your company to market research or to some lawyers on your product, company your brand, brochures or slicks as they call them in the industry, having your price list, very important, having a hard copy of your deck, because retail buyers like writing notes, so

in case that there's no video monitor in their conference room, now these have a hardcover deck to kind of walk the buyers through. And you might include your business card with your folder.

When developing a proper presentation, you're getting common sense, but again, I've seen a lot of mistakes made, don't overlook slight loss of information, keep it simple to the point, make sure the slides or the sequence of slides make sense, so your pricing slides are the first slide, right? _____ more to the end of the deck. Again, don't assume buyer knows every feature and benefits, so make sure you list them out, or, at least, discuss it at a high level in your presentation. And when you do meet with a buyer, make sure you use common sense. So arrive on time, don't smoke before, don't wear a lot of perfume, don't chew gum. These are things, again, common sense things, but again, doing this for a long time, I see mistakes made when I was a retail buyer. Make sure samples are working, especially the night before, have a big _____ with a retail buyer, and the product doesn't work. I've seen it done before, and it's very embarrassing, so make sure your _____ are working before you meet with a buyer, make sure you have copies, enough copies _____ buyer bringing himself, and to our team members, make sure you have enough copies for everyone on their side to take notes. Small talks should be brief. Don't talk about the baseball, the weather, whatever. Keep it – if you have an hour, keep it an hour or less. Less than an hour, I guarantee you, you'll probably be thankful. All right. Also, you want to listen carefully, because with large retailers, so they're public entities, they can't share a lot of information, kind of information. But listen carefully, they might give you some tips and suggestions, so definitely listen carefully and take good notes, and again, like I said earlier, always follow up or follow through on those action items. But there, you are going to close the sale, so any day, talking to a buyer on the first date or the third date or the ninth date, go and close the sale, and hopefully make money for your business.

And finally, once you get the green light, they want to move forward, there are agreements and contracts, also a good lawyer will help you through that. Also see the things you want to look at, payment terms, and discounts, are the net 30, are there discounts, what you guys see as a small company, cash is king. So understand what the payment terms, discounts with that particular retailer. Back end program was marking allowances, or added allowances was required to move forward with _____ or different allowances to incentivize the retail buyer more, or if you have just like a product, so they send it back to you or they just try it in stores. Other things in supply be in their vendor manual, vendor agreement, we call it vendor compliance, so how do you take orders, how do you ship, how do you invoice and so forth. So these are things you need to make sure you know for the _____ we move forward, because we ship late, shipping complete, didn't get charged. Those charges eat into your gross profit. Returns, because returns of product, do they – what happened, what's the process, these are things which will probably be covered in your vendor agreement, that not makes you, you bring up in your meeting with the buyer. Other things that may not be addressed in _____ agreements, you should definitely discuss it. Product warranty is a stock

program. Are they going to drop ship? Who pays the freight? Is there a minimum order? These are things you want to make sure you address, before you sign a contract, and move forward to the next step in the process.

In summary, it's not retailers, isn't too difficult, roughly speaking, if all three is not principles. One give them _____ make sure you have your act together. Two, make sure you meet the buyer up, you even talked about earlier. And finally, always follow through on promises. You do that, you guarantee a long run with any retailer here in the US. And that is the end of my presentation. Any questions at all?

Hall Martin: I had a question for you. My question is you mentioned that the payments vary from one retailer to the next, and how long it takes to pay them back, what do you see out there in the market now.

Yohan Jacob: So for large retailers like Walmart, Best Buy, Target, typically, its net 60 payment terms. So that means that they have 60 days' period invoice. Small returns, I mean, net 30, you might see between midsize and large retailers, early payment discounts to be 1% 10 net 30, means that they pay their invoice in 10 days or less, pay additional 1% off, or you might say 2% 30 net 60. No retailer in the US is going to pay upfront, or pay a down payment by the way.

Hall Martin: So what do you coach startups to do about cash flow cycle from the time they put money out to build a product till the time they get it back from the retailer, what is you're coaching with them?

Yohan Jacob: So I always say that we believe our clients want our money, right, and since cash is king, we don't want to expose our clients to a lot of risk upfront. It's by starting small, so typically, we juggle for small retailers that will buy net 30, or offer open discount, that will require not even to where it gets started, and will pay on time. And once sales are consistent, once a client supply chain is bulletproof, and _____ once the client's getting paid on time, they make to scale for big opportunities. Typically, the challenge that our smart class have is consignment, there, you said they already paid a factory, other fixed expenses, and now, they want their Best Buy, for example, they might say, we want consignment, which means they are going to pay you the product that he sells through. Right? So that's usually, that's about the most commonly get asked, not the terms, but more like if it's consignment or you actually get paid on time.

Hall Martin: Great. My next question is, how do you know if you should buy into the in store advertisement program, what do you look for to say I should put money in there or not?

Yohan Jacob: That's a great question. So I would say that it depends on the retailer, and also the brand. We have some brands that have done certain marketing vehicles that worked with them, that have not worked for others. _____ is what you got to try,

like a bad test. Right? We are a retailer, a brand with Best Buy, we spend X grand on email blasts, and the results were, we had a similar brand do it with a different retailer and did very, very well. Let's try things, I would say that retailers, _____ email blasts, banner ads, paid search, it's very expensive. I always say try to do things yourself. So if you could do paid search, you could do influencers, content, you could drive traffic to a website it's usually my first choice before you invest in retailers, _____ vehicles could be very expensive, especially for smaller brands.

Hall Martin: I have one last question, and that is: how do you test new products in these channels, you certainly can't do it on the shelf at Walmart, but how do you test it before you get there?

Yohan Jacob: So I said earlier, let's start small, so maybe find some smaller retailers to get in store, or for Walmart or other large companies online, that's _____ you didn't sell online, _____ for sale while in store. So I would say for any young brand interested again into retail is by getting online, where a couple of _____ Amazon, and other dotcoms may find some smaller retailers. And then once sales are doing well in smaller metrics, then it makes sense to reach out to bigger, get more opportunities.

Hall Martin: Great. Well, if there are no more questions, I want to thank you, Yohan, for joining us today, appreciate your sharing such great information. We'll make the recording available to everybody, and there's a lot of good content in there as well. How best for them to get back in touch with you?

Yohan Jacob: I was listening here on this last _____ they have any questions go to our website, retailbound.com, you can definitely meet me on LinkedIn, or shoot me an email at yjacob@retailbound.com.

Hall Martin: Great. Well, I appreciate you sharing that with us today. Thank you, Christian, for the shout out there as well, for Yohan, and with that we'll go and close it out and looking forward to next time.

Yohan Jacob: Take care guys.

Hall Martin: Thanks so much Yohan. Thanks very much for joining us through questions, thanks.