

For Office Use Only  
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SLR: \_\_\_\_\_

# WIN

## PRODUCT ASSESSMENT SERVICE

### PAS III

### Confidential Registration and Disclosure Document

Please Print or Type

Name of Firm : \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone No: \_\_\_\_\_ Fax: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Product Name: \_\_\_\_\_

**INSTRUCTIONS:**

Please answer as many questions as possible. Failure to supply adequate information may have a negative impact on your application as our evaluators need this information to assess the risk profile and market potential of your product. Thank you for your cooperation.

**DISCLOSURE AGREEMENT**

I understand and agree that:

1. This disclosure is made on a confidential basis. However, this confidentiality does not extend to samples provided unless specifically requested.
2. Any recommendations made by the WIN Product Assessment Service consultants, employees or partners are not binding on Wal-Mart Stores, Inc. and Wal-Mart is under no obligation to purchase any quantities of the product disclosed herein.
3. I should make a copy of this completed form as I<sup>2</sup>/WIN and/or INNOVATIVE PRODUCT TECHNOLOGIES, INC. may destroy my application and corresponding documents at any time at the option of I<sup>2</sup>/WIN AND/OR INNOVATIVE PRODUCT TECHNOLOGIES, INC..
4. Samples will not be returned and may be disposed of at the discretion of WIN AND/OR INNOVATIVE PRODUCT TECHNOLOGIES, INC. unless destruction is requested in writing.
5. Wal-Mart Stores, Inc., WIN, INNOVATIVE PRODUCT TECHNOLOGIES, INC. and its contractors, agents, employees, volunteers and consultants are not liable for the recommendations or advice offered through the WIN Product Assessment Service.
6. **THE PRODUCT ASSESSMENT FEE IS \$275 IN THE US AND \$295 ELSEWHERE. CHECKS MUST BE IN US DOLLARS AND MUST ACCOMPANY YOUR ASSESSMENT REQUEST.**

I hereby certify that the information provided herewith is, to the best of my knowledge, true and accurate

\_\_\_\_\_   
 Print Name

\_\_\_\_\_   
 Signature

\_\_\_\_\_   
 Date

**PRODUCT INFORMATION**

Product type/class \_\_\_\_\_

Brand name \_\_\_\_\_

How long have you been selling this product?      Years \_\_\_\_\_      Months \_\_\_\_\_

Product description (Please enclose samples and promotional literature) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

List DIRECT and INDIRECT competitive products: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Product advantages: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Product disadvantages: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Identify target end user market(s) and size: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What is your sales volume for the last 3 years and your current year's projection? (Units not \$)  
Units: \_\_\_\_\_ (Current year projections)      Units: \_\_\_\_\_ Year: \_\_\_\_\_  
Units: \_\_\_\_\_ Year: \_\_\_\_\_                      Units: \_\_\_\_\_ Year: \_\_\_\_\_

Product wholesale price range (Please include price list): \_\_\_\_\_

Largest competitor's wholesale price range: \_\_\_\_\_

List your top three current major accounts and your sales volume with them:

1. \_\_\_\_\_ Volume \$: \_\_\_\_\_
2. \_\_\_\_\_ Volume \$: \_\_\_\_\_
3. \_\_\_\_\_ Volume \$: \_\_\_\_\_

Channels of distribution: What types of outlets/distributors are you currently selling your product to and what new types of outlets/distributors would you like to sell to? (Please check all that apply).

Now	Like	
In	To	Channels
___	___	Informal local channels, such as craft shows.
___	___	Those with a high degree of personal selling available (high end specialty stores).
___	___	Channels providing some promotional support (specialty stores & catalogs).
___	___	General merchandise stores which provide at least limited promotional support.
___	___	Smaller mass merchandisers with at least some point of purchase promotional support.
___	___	National mass merchandisers offering wide distribution, but little promotional support.
___	___	Electronic channels of distribution (Internet & Home Shopping).
___	___	Industrial/institutional/government channels.

Promotional budget for the last 3 years (\$):  
Year: \_\_\_\_\_ \$: \_\_\_\_\_  
Year: \_\_\_\_\_ \$: \_\_\_\_\_  
Year: \_\_\_\_\_ \$: \_\_\_\_\_

Next year's promotional budget for this product (\$): \_\_\_\_\_

Patent action taken:

Provisional patent application: Yes \_\_\_\_\_ No \_\_\_\_\_  
Patent applied for: Design \_\_\_\_\_ Utility \_\_\_\_\_ Other \_\_\_\_\_ Date \_\_\_\_\_  
Patent issued: Design \_\_\_\_\_ Utility \_\_\_\_\_ Other \_\_\_\_\_ Date \_\_\_\_\_

Are there any product safety issues associated with this product? Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, please enclose a one page summary of test results and identify testing agencies involved.

Product liability insurance: Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, company name: \_\_\_\_\_ Amount \$ \_\_\_\_\_

NOTE: Wal-Mart requires proof of product liability insurance (\$2,000,000 minimum).

## VENTURE INFORMATION

How long has your firm been in business? Years \_\_\_\_\_

Ownership: Sole Proprietor \_\_\_\_\_ Corporation \_\_\_\_\_ Partnership \_\_\_\_\_ LLC \_\_\_\_\_

For this product, do you: Manufacture \_\_\_\_\_ Contract Production \_\_\_\_\_ Distribute \_\_\_\_\_

Do you have EDI (Electronic Data Interchange)? Yes \_\_\_\_\_ No \_\_\_\_\_

Freight terms: \_\_\_\_\_ Minimum ship qty: \_\_\_\_\_ Shipping point: \_\_\_\_\_

Current production capacity for this product (Units): \_\_\_\_\_ Per: \_\_\_\_\_

What percentage of total production capacity are your currently running? \_\_\_\_\_ %

Funds available to finance next year sales of this product \$ \_\_\_\_\_

Total number of employees (full-time equivalent) \_\_\_\_\_

Number of employees involved in production of this product (FTE) \_\_\_\_\_

Firm sales last three years (\$)

Year: \_\_\_\_\_ \$: \_\_\_\_\_

Year: \_\_\_\_\_ \$: \_\_\_\_\_

Year: \_\_\_\_\_ \$: \_\_\_\_\_

Do you certify that:

- forced labor, prison labor, or illegal child labor are not and will not be used in the manufacture of your products? Yes \_\_\_\_\_ No \_\_\_\_\_
- OSHA safety standards are maintained in your plants? Yes \_\_\_\_\_ No \_\_\_\_\_
- your company is in compliance with EPA regulations? Yes \_\_\_\_\_ No \_\_\_\_\_
- your product does not infringe upon the intellectual property rights of others? Yes \_\_\_\_\_ No \_\_\_\_\_

Do you wish to be referred to Resource Partners in your state? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please rank your needs in order of importance:

Financial \_\_\_\_\_ Management \_\_\_\_\_ Marketing \_\_\_\_\_ Technical \_\_\_\_\_

Company Classification (optional): \_\_\_\_\_ Male-Owned \_\_\_\_\_ Female-Owned  
\_\_\_\_\_ Caucasian \_\_\_\_\_ African American \_\_\_\_\_ Asian Indian American  
\_\_\_\_\_ Hispanic American \_\_\_\_\_ Native American \_\_\_\_\_ Asian Pacific American  
\_\_\_\_\_ Eskimo \_\_\_\_\_ Aleut American \_\_\_\_\_ Native Hawaiian

**DO NOT FORGET TO ENCLOSE THE PROPER PRODUCT ASSESSMENT FEE**

Check here if samples are being sent separately:

# **AN INTRODUCTION TO THE INNOVATION INSTITUTE (I<sup>2</sup>)**

## **THE INNOVATION INSTITUTE AND THE WIN INNOVATION CENTER...**

The WIN Innovation Center (formerly known as the Wal-Mart Innovation Network) is an inventor/innovator assistance service that provides inventors, entrepreneurs, and product marketing/manufacturing enterprises with an honest and objective third-party analysis of the risks and potential of their ideas, inventions, and new products. WIN and/or INNOVATIVE PRODUCT TECHNOLOGIES, INC. is an expression of support for inventors and innovators by the Innovation Institute, the Center for Business and Economic Development of the College of Business Administration at Southwest Missouri State University, Wal-Mart Stores, Inc., and our WIN and/or INNOVATIVE PRODUCT TECHNOLOGIES, INC. Affiliates.

WIN has two components. The first, launched in 1991, is our Preliminary Innovation Evaluation Service (PIES), which is for inventors and people with new product ideas. The second is our Product Assessment Service (PAS). We started evaluating products for Wal-Mart in 1993 as part of our Support American Made program. We have made two important changes in that program--we have improved and expanded our product assessment format, and we now invite manufacturers and product marketing firms world-wide to submit their products for an assessment of their potential in the American marketplace.

Just as most inventors do not have the expertise to patent their own inventions, most lack the know-how to determine the commercial potential of their ideas and inventions. This is why WIN focuses on invention evaluation. We feel we can best serve inventors by helping them avoid costly mistakes. The same is true for entrepreneurs and product marketing/manufacturing enterprises, especially if they are entering a new market where they have little or no experience. Even large firms can benefit from a systematic, multifaceted, third party review of their ideas, inventions, and new products.

## **THE WORLD INNOVATION NETWORK...**

Because we have long recognized the importance of inventors and innovators world-wide, we have expanded our horizons. Inventors and innovators everywhere can now take advantage of the same invention evaluation and product assessment services we have offered to individuals and companies in the United States. To us, this makes a great deal of sense: just as inventions and new products from the United States have enriched the lives of people elsewhere, the creative efforts of people in other nations have greatly affected our welfare. Innovation knows no boundary!

The World Innovation Network utilizes the same invention evaluation and product assessment services, and the same team of evaluators, as the WIN Innovation Center. Evaluations are performed from the perspective of the U.S. economy. We realize that the U.S. economy is but one segment of the world economy, but it is the one our evaluators are most familiar with. Over time, we hope to correct this situation by licensing the PIES evaluation format and procedures to reputable companies or organizations in other countries. We now have a very limited number of resource affiliates in other countries and we will be expanding our cooperative efforts with sources of management and technical assistance outside of the United States (in the U.S. our resource partners now number over 1600). However, we will continue to serve those who wish an opinion of how their idea, invention or new product is likely to be received in the United States.

We will be making some minor changes in our materials, but for now inventors and innovators wishing to utilize the services of the World Innovation Network can print out the appropriate Registration and

Disclosure materials found in the Forms section of our web site ([www.wini2.com](http://www.wini2.com)). Please note there are two Registration and Disclosure forms. Inventors and people with ideas should use the Invention Registration and Disclosure Form, while those with new and established products should use the Product Registration and Disclosure Form. **As noted in our Registration & Disclosure forms, the fee for an invention evaluation is \$275 in the United States and \$295 elsewhere; checks must be in US dollars (the extra \$20 covers the cost of air postage outside of the US). The fee for a product assessment is \$275 in the U.S. and \$295 elsewhere.**

### **THE INNOVATION INSTITUTE...**

The Innovation Institute was established in 1979 to carry on the research function of the Experimental Center for Innovation at the University of Oregon. The Center was one of the first three innovation centers in the United States and it was part of the National Science Foundation's experiment to test various incentives for stimulating industrial and product innovation in the United States. The Oregon center was unique in the NSF experiment in that it was the only center to focus on assisting independent and small business inventors. Dr. Gerald G. Udell was the Principle Investigator for the Oregon experiment and served as the director of the center from 1974 until the completion of the experiment in 1980. It was there that Dr. Udell developed the PIES (Preliminary Innovation Evaluation System) used by the WIN Innovation Center today (see below). Equipped with a background in product development at General Electric, Dr. Udell started work on the PIES format immediately upon assuming leadership of the Oregon center in late 1974.

Upon completion of the Oregon experiment Dr. Udell continued research on the PIES format in the private sector through the Innovation Institute. The Innovation Institute still continues this research mission as it is currently involved in research that will lead to the ninth edition of the PIES format. This research is part of the Institute's continuing effort to improve the evaluation format and to stay current with the needs of today's inventors. To the best of our knowledge, no other innovation evaluation format has benefited from this much research conducted over such an extensive period of time.

The Innovation Institute started its evaluation service, The Inventor's Services Program, in 1980 as part of its research efforts. In 1988, it launched a cooperative service with Southwest Missouri State University. Work on a new cooperative venture, The Wal-Mart Innovation Network (WIN), was started in 1990 when David D. Glass, President and CEO of Wal-Mart Stores, Inc., learned of the program.

### **THE WISDOM OF EVALUATION...**

Innovation always starts with an idea, which when pursued turns into an invention and, after a lot of hard work, into a potential new product which then requires even more hard work and expense to launch into the marketplace. Innovation would never happen if inventors were not excited about their inventions.

However, caution is likewise necessary. Without it, you may end up spending a lot of time, money, and effort pursuing an idea which solves a problem for you, but which lacks commercial potential. When this happens, you end up putting that time, money, and effort into a project that doesn't go anywhere. That's time, money, and effort which could be invested in another project.

No one really knows what the odds are as to whether an idea will be successful in the marketplace. That depends on the commercial quality of the idea and the quality of the venture which develops and markets it. The estimates of the number of ideas needed to find or generate one new product in corporate environments varies between about 50 and 500, depending upon the industry or market involved. The odds which face inventors at the idea stage are higher; a fair estimate is between 100 and

1,000 depending upon the market your new product will enter. The best way to improve these odds is to eliminate those projects with low commercial potential early and focus your efforts on those of reasonable potential. You won't eliminate risk, but you can greatly improve the odds by evaluating your ideas and inventions. This is true for new and expanding products too. It's easy to overlook things, and high volume and sophisticated channels of distribution often have different and demanding expectations. That is why we provide both invention/idea evaluations and product assessments. Mistakes made in the marketplace are often very costly and can be fatal to a new product.

### **THE PAS-III PRODUCT ASSESSMENT SYSTEM...**

Many of the questions we ask in the PIES format are relevant to product evaluation or assessment as well. For the most part, it is a matter of perspective. That is why we were able to use the PIES format to evaluate products as well as ideas and inventions. In 1993 we decided to modify our format to accommodate that perspective and to address more clearly the issues faced by product decision-makers.

With the cooperation of Wal-Mart we launched a six year experiment designed in part to test and refine the new product assessment format. The results of that experiment (called Support American Made) are now available to entrepreneurs and product marketing/manufacturing enterprises world-wide.

Many new products are not suitable for review or introduction through large discount/mass merchandise stores. Pursuing improper channels of distribution can lead to serious consequences. Thus, we try to steer you in the right direction. Please refer to paragraph #3 of the Innovation Registration Disclosure page for a summary of recent evaluation results. Results may vary over time depending upon the nature of inventions/innovations submitted to WIN.

### **THE PAS-III PRODUCT ASSESSMENT MANUAL...**

Like the PIES format, PAS uses an assessment manual to increase the amount of feedback we can provide. We experimented with other approaches, but decided that an assessment manual would provide a good deal more feedback and do it at a lower cost to you. The manual explains each of the criteria and discusses why they are important. One of the earliest conclusions to come out of the Oregon experiment was that inventors can't act on that which they do not understand. We have carried that lesson over to the PAS program as we have developed a manual that explains each of the criteria used in the system. By so doing we hope to maximize the benefits derived from the PAS program. Our objective in preparing the manual was, and remains, to assist you to make better decisions about your new and existing products.

## **PRODUCT ASSESSMENT — Frequently Asked Questions**

### **My product is already in the marketplace. Why should I get an assessment?**

This is one of the questions we are asked most frequently. After all, once a product reaches the marketplace, isn't the need for evaluation or assessment over? The question sounds logical, but the need for assessment, and even reassessment, occurs throughout the product life cycle, even at the end. There are a couple of important factors here.

First, the bulk of smaller enterprises don't conduct formal evaluations during the idea generation or research and development phases of the innovation process. In contrast, the vast majority of large corporations do. It is not unusual for issues that should have been resolved during the research & development phases to surface and cause great problems well after a product has been introduced into the market. Generally speaking, the further a product has penetrated the market, the more expensive it is to correct problems. Product recalls are no fun.

Second, just because a product has been successfully marketed, doesn't mean it is ready for the big leagues. Sophisticated buying organizations, which include most national level buyers, typically have much higher expectations than smaller local or regional buying groups. In addition, their requirements are different. For example, packaging requirements are frequently simple and limited to protection issues with electronic and mail order buyers. However, with mass merchandise buyers, promotional issues are generally paramount. A lot of products fail to make the grade at mass merchandisers because of packaging shortcomings. We have worked with Wal-Mart for more than ten years and we have evaluated thousands of products for them.

As a result, we have a very good idea as to what it takes for a product to be successful with sophisticated buying organizations. Ramping up to do business with such firms is often very expensive and generally you don't get a second chance. It pays to get it right the first time.

Third, products that have been marketed on a limited basis may not be well known outside of their market area. Getting buyers to take the time to even look at products unknown to them is often difficult, particularly if the firm is new to them also. Entrepreneurs have been using PIES evaluation reports for years to establish a point of credibility and get their foot in the door with national buyers. An assessment won't sell through a product, but it might help get someone's attention.

### **Should I send samples?**

Yes. Samples are important in judging the design and perceived quality of a product and the appropriateness of its packaging. Please note that we do not return samples, and unless you specifically tell us to destroy them, they will be donated to charity or otherwise disposed of.

### **Will you treat the information I send you confidentially?**

Yes. We recognize that confidentiality is very important when it comes to sales histories and similar information. We won't disclose the information you send us to anyone without your written instruction.

### **Will your product assessment help improve our chances of success with new buyers?**

We hope so, but obviously there are no guarantees that this will happen. Buyers differ significantly in their expectations and it is a very good idea to make sure that your marketing mix -- product, promotion, and pricing -- is appropriate for new channels of distribution.

One of the purposes of our Product Assessment System is to serve as a validity check before attempting to gain an audience with a national level buyer. Sometimes even simple mistakes can cause major delays and outright rejections. It pays to make sure your product is ready for their review. Second chances are difficult to come by.

Another purpose of our program is to provide credibility for those with products of merit. Credibility is

important. When a firm and its products are not well known at the national level, it is typically very difficult for that firm to gain the attention of a buyer. For example, it is generally much easier for Proctor and Gamble to launch a new household product than it is for Peter and Gloria. Sometimes it pays to have an independent third party endorsement of your product.

**If I send my product to you, how do I know I will get a positive endorsement?**

You don't. The only thing we guarantee is a candid, objective assessment of the merits of your product. This is the way it has to be. The credibility of our evaluations is directly tied to our objectivity and competence. Our research indicates that the system does work. By separating the wheat from the chaff, we increase the number of products that get through the maze at sophisticated buying organizations.

**Is your product assessment system the same as your invention evaluation system?**

They have the same roots dating back to Dr. Udell's research for the National Science Foundation in the Seventies. This means the two systems have a long history of research and refinement behind them. Many of the questions used are very similar. However, we have modified a number of them to be more appropriate for products already in the market. In addition, we have added a group of review points that are not relevant to inventions. We added them because experience indicated that these issues were often overlooked by manufacturers and product marketing firms.

**What kind of real life experience do you guys have?**

No, we are not a bunch of academics. Even within the university environment we don't use pure academics with little experience outside the classroom. Dr. Udell has a strong academic track record, but he is also a graduate of General Electric's highly respected Marketing Management Development Program and he has held a variety of positions in corporate and smaller enterprises, as well as being an entrepreneur himself. For the most part, our product assessment team is made up of people with hands-on experience, strong professional backgrounds, and training in our evaluation/assessment procedures. We stress competency, rather than history.

**INNOVATIVE PRODUCT TECHNOLOGIES, INC** was started 1990, it's founder and CEO, Pamela Riddle Bird, was the director of one of the largest publicly funded innovation centers in the United States. She has cancelled thousands of inventors and entrepreneurs for nearly two (2) decades in all phases of new product development. Ms. Bird has appeared on numerous television networks as a national product development and commercialization expert. She was interviewed by ABC television 20/20 as well as highlighted in the Wall Street Journal. She has authored over 70 articles, papers, reports, many of which relate to the innovation and new product development, as well invention evaluation process.