

## **Section 7 Questions**

### **Is money needed to make the proof-of-concept model?**

Yes, over \$5,000	<b>1</b>	<b>2</b>	
Yes, under \$5,000	<b>3</b>	<b>4</b>	<b>5</b>
Yes, under \$1,000	<b>6</b>	<b>7</b>	<b>8</b>
No	<b>9</b>	<b>10</b>	

### **Is money needed to make the refined prototype?**

Yes, over \$5,000	<b>1</b>	<b>2</b>	
Yes, under \$5,000	<b>3</b>	<b>4</b>	<b>5</b>
Yes, under \$1,000	<b>6</b>	<b>7</b>	<b>8</b>
No	<b>9</b>	<b>10</b>	


### **Is money needed for the Patents, Trademarks, Copyrights etc.?**

Yes, over \$20,000	<b>1</b>	<b>2</b>	
Yes, under \$10,000	<b>3</b>	<b>4</b>	<b>5</b>
Yes, under \$5,000	<b>6</b>	<b>7</b>	<b>8</b>
No	<b>9</b>	<b>10</b>	


### **Is money needed for research and development, before the product can be manufactured?**

Yes, over \$5,000	<b>1</b>	<b>2</b>	
Yes, under \$5,000	<b>3</b>	<b>4</b>	<b>5</b>
Yes, under \$1,000	<b>6</b>	<b>7</b>	<b>8</b>
No	<b>9</b>	<b>10</b>	

**If more money must be spent on research and development before the product will be provable viable, can you afford to risk the amount required?**

No					
Possibly	2	3	4	5	
Probably	6		7		8
Yes	9		1		

**If more money must be spent on research and development before the product will be provably viable, and you can afford to risk the amount required, is the probability of coming up with a valuable technology great enough to warrant the risk**

No					
Possibly	2	3	4	5	
Probably	6		7		8
Yes	9		10		

**If you are an individual or owner of a small company, and you will have to invest savings or borrow money to finance this project, are you sure that you will not be endangering your family's or company's financial security by investing or borrowing the amount you have in mind.**

Very high risk					
Probability of risk	2	3	4	5	
Possibility of risk	6		7		8
No risk to our security	9		10		

**Will your suppliers agree to produce "Extra" inventory each time you order, and keep it in stock for you at no charge. ie: if you order 1,000 units will they build 1,500 and let you pay for the additional 500 as you need them? Note: Many suppliers will do this if you negotiate with them.**

No, they will not	1	2			
I am presently negotiating with them	3		4		5
Yes, some of them will	6		7		8
Yes, all of them will	9		10		

**How long do you estimate it will take to do the research and development necessary to perfect the product?**

Over two years	1	2	
Under two years	3	4	5
Under one year	6	7	8
It is complete now	9	10	

**Is money needed to do more market research before producing the product?**

Yes, product will require extensive and expensive research	1	2	
Yes, under \$5,000	3	4	5
Yes, under \$1,000	6	7	8
No, I can do it myself	9	10	

**How much time will be needed to complete the marketing research?**

Under two years	1	2	
Under one year	3	4	5
Under six months	6	7	8
It is complete now	9	10	

**If the plan is to manufacture the product yourself, is money needed for equipment and facilities?**

Yes, over \$100,000	1	2	
Yes, under \$100,000	3	4	5
Yes, under \$10,000	6	7	8
No	9	10	

**Is money needed for start-up inventory and supplies?**

Yes, over \$50,000	1	2	
Yes, under \$50,000	3	4	5
Yes, under \$20,000	6	7	8
No	9	10	

**Is money needed to do marketing and set up distribution channels for product?**

Yes, over \$50,000	1	2	
Yes, under \$50,000	3	4	5
Yes, under \$10,000	6	7	8
No	9	10	

**Will money be needed to pay stores "slotting allowances", which can run as high as a million dollars, to use their shelf space for the product introductions?**

Yes	1	2	
Probably	3	4	5
Possibly	6	7	8
No	9	10	

**Is money needed to develop and build in-store displays or racks for point-of-purchase?**

Yes	1	2	
Probably	3	4	5
Possibly	6	7	8
Yes	9	10	

**Is money needed for facility and equipment insurance policies?**

Yes, over \$5,000	1	2	
Yes, under \$5,000	3	4	5
Yes, under \$1,000	6	7	8
No	9	10	

**Is floor space available in any existing facilities that can be utilized?**

No	1	2	
Slight chance	3	4	5
Good possibility	6	7	8
Yes	9	10	

**If you are going to use a contract manufacturer, will they cover you on their product liability insurance policy with a “rider” or will you have to borrow money for a separate policy?**

I will have to borrow over \$10,000 per year	1	2	
I will have to borrow under \$5,000 per year	3	4	5
Manufacturer will cover me with their policy for under \$1,000 per year	6	7	8
Manufacturer will cover me with their policy at no extra cost	9	10	

**If money is needed for the project, have you determined exactly how much will be needed including interest on the amount borrowed?**

No, not sure	1	2	
Am working on it	3	4	5
Have determined approximate figures	6	7	8
Yes, have exact amount	9	10	


**If money is needed for the project, have you determined exactly when it will be needed?**

No, not sure	1	2	
Am working on it	3	4	5
Have approximate dates	6	7	8
Yes, have developed a cash influx schedule	9	10	

**If money is needed for the project, have you determined how the money will be repaid?**

No							
Working on it	2	3	4	5	6	7	8
Yes	9	10					

**If money is needed for the project, have you determined what you are willing to give up in return for the investment?**

Unwilling to give up equity or profit							
Will give up only a small percent of net profit	2	3	4	5	6	7	8
Yes, open to many options	9	10					

**Have you created a business plan or prospectus?**

No	1	2		
Working on one	3	4	5	
Its almost finished	6	7	8	
Yes, it is complete	9	10		

**Are the labor figures presented in the business plan based on actual time studies or “guesstimates”?**

Guesstimates	1	2		
Hypothetical	3	4	5	
Time studies using similar products	6	7	8	
Time studies using the actual product	9	10		

**If your business plan or prospectus has been completed, has it been reviewed by a banker, entrepreneur, or venture lender who has financial, manufacturing, and marketing expertise in the specific area of your product?**

No	1	2		
Planning on it	3	4	5	
In process now	6	7	8	
Yes, looks good	9	10		

**Are the materials figures presented in the business plan based on actual quotations or guesstimates?**

Guesstimates	1	2		
Quotations based on similar products	3	4	5	
Quotations based on verbal descriptions of actual product	6	7	8	
Quotations based on “production release” drawings	9	10		

**Have you checked with “Commercial Trade Exchanges” to see if you can “barter” or trade your services or products for other services and products you need?**

Not a barterable commodity	1	2				
Working on it	3	4	5	6	7	8
Yes, we can trade our products and services	9	10				

**If there are other investors already involved in the project how many of them are “odd-lot” investors with less than 100 shares? (These investors are costly to support with annual reports etc.)**

All of them	1	2	
Most of them	3	4	5
Few of them	6	7	8
None of them	9	10	

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