

Section 9 Questions

What profit markup do you expect to add to the products cost?

Under 20%	1	2	
20% or over	3	4	5
30% or over	6	7	
40% and over	8	9	10

What annual rate of return on investment, after taxes, do you expect the product to achieve?

Under 20%	1	2	
20% or over	3	4	5
30% or over	6	7	8
40% and over	9	10	

Have you had a Certified Public Account, who is an expert on present tax law, review your business plan to be sure your product will not have any hidden tax traps which will cause it to be less profitable than your projections? (A good example is package designs and artwork may not be able to be expensed and instead must be capitalized and deducted when the design is abandoned. If you had counted on deducting them as an expense your figures may be incorrect.)

No	1	2				
Accountant is presently reviewing plan	3	4	5	6	7	8
Account has given plan his "blessing"	9	10				

Have you conducted a recent focus group of consumers, end-users, and resellers or retailers of the product to reconfirm that the perceived value meets or exceeds the cost-of-goods-sold plus all profit margins?

Perceived value is less than cost + profits				
Perceived value is the same as cost + profits	2	3	4	5
Perceived value is slightly greater than cost + profits	6	7	8	
Perceived value is much greater than cost + profits	9	10		

If there are similar products on the market, does it appear that this one will be at least as profitable as they are? (You must estimate their costs of goods sold)

Less profitable	1	2	
About the same	3	4	5
A little more profitable	6	7	8
Yes, quite a bit more profitable	9	10	

Is there enough profit in the product to allow you to pay royalties in the event that another party's patent issues before your does?

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

If someone else will be manufacturing the product for you, will they agree to long term agreements with provisions which control cost to you?

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

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