



**Maine Small Business
Development Centers**

Building Maine's Future, One Business at a Time.

RETAIL TO WHOLESALE

CONSIDER WHOLESALE FOR YOUR
GIFTWARE OR FOOD-BASED BUSINESS

Purpose of the Webinar



- Looking to grow your business? Considering wholesale for your giftware or food-based business? Then this is the session for you.
- Join [#MaineSBDC](#) Business Advisor Peter Harriman and Chris Cole as they discuss the essentials in getting into wholesale with [@nemadeshows](#). We will discuss the advantages, how it's different from selling at a retail level and common mistakes business owners make when going into wholesale!
- This is the 1st in a 5 Part Series on Wholesale
- This is being recorded, slides will be sent to attendees

Who are we and Who do we work for?

- Chris Cole
- Maine Small Business Development Center
at the University of Southern Maine



55 Exeter Street,
Portland, Maine 04102
Phone: [\(207\) 780-4844](tel:2077804844)
www.mainesbdc.org



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Our Differentiator: Research, Breadth, and Time



One-on-One Advising

Business Advisors work with clients in a confidential manner one-on-one



SBDCnet

Ordering Research – Business Plan Samples, Trends, Map Analysis, etc



Industry Standards, helping with company specific Financials



VerticalIQ

Up-to-date Industry Reports

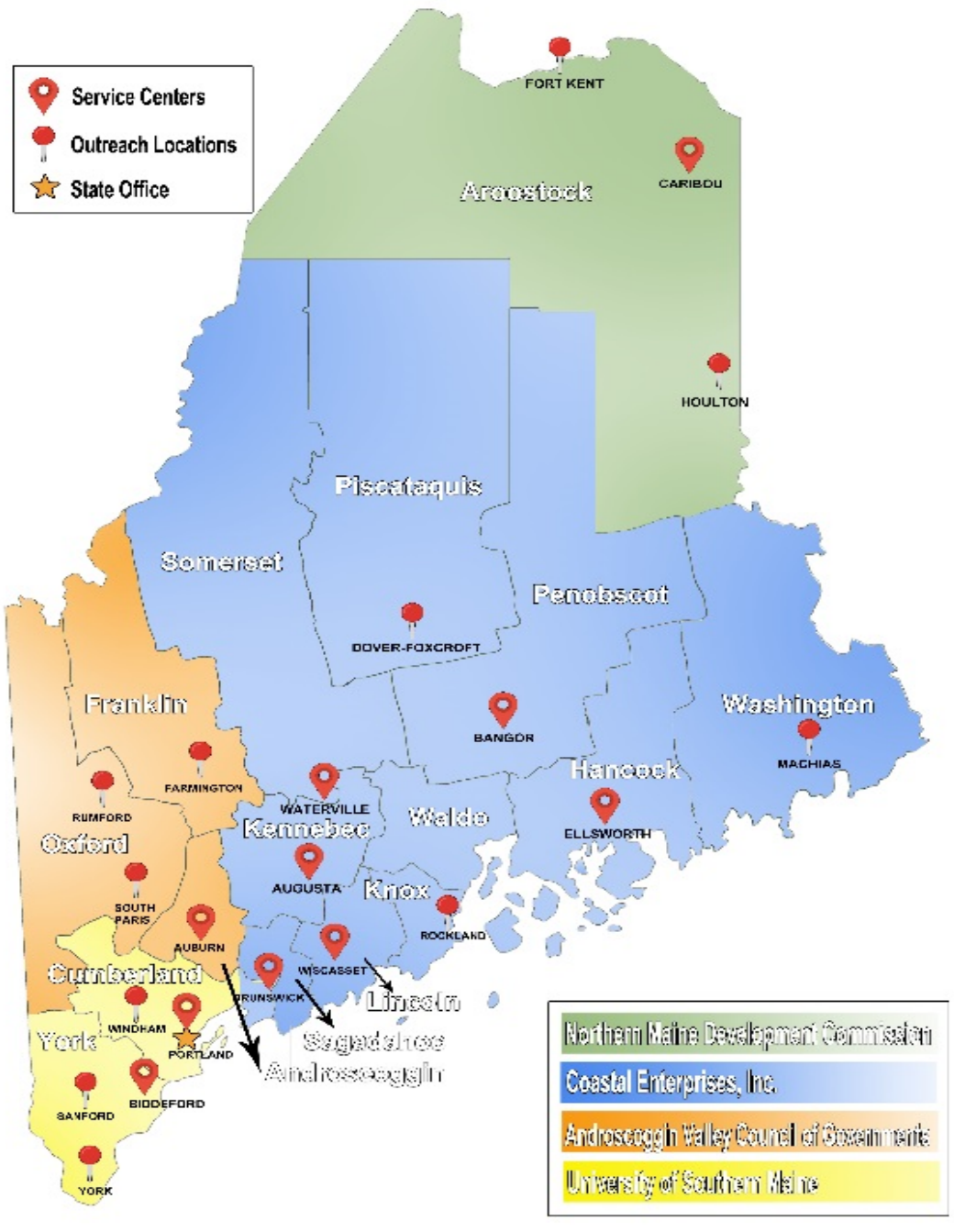


General Information about a Wide Array of Topics with Full-Time, Trained and Certified Staff

DISCLAIMER

- The SBDC does not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.





Our Advisors

Cover 21 Locations
Throughout the
State of Maine

SBDC Hosts Across Maine



- USM



- CEI



- NMDC



- AVCOG



https://www.mainesbdc.org/

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Maine Small Business
Development Centers

Building Maine's Future, One Business at a Time.

REQUEST ADVISING

ADVISING

LEARNING

RESOURCES

CLIENT STORIES

LOCATIONS

ABOUT

COVID

A group of approximately 18 staff members of the Maine Small Business Development Centers are posed for a group photo outdoors. They are arranged in two rows, with some sitting on chairs in the front and others standing behind them. The background shows greenery and a stone wall.

We are here to help your small business.

OR Find us on YouTube

The image shows a YouTube channel page for 'Maine Small Business Development Centers'. The channel has 648 subscribers. A red circle highlights the 'Subscribe' button. The video player shows a grid of people in a virtual meeting. The video title is 'What you should know about the Maine SBDC?' with 931 views and 2 years ago. The video description mentions that the pandemic has changed the way everything works, but the dedication to helping small businesses remains. It also includes a link to the website: [https://mainesbdc.centerdynamics.com/...](https://mainesbdc.centerdynamics.com/)

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Helping Small Businesses Do Big Things

Maine SBDC

AMERICA'S SBDC MAINE

Maine Small Business Development Centers

648 subscribers

Subscribe

HOME VIDEOS PLAYLISTS COMMUNITY CHANNELS ABOUT

What you should know about the Maine SBDC?

931 views • 2 years ago

The pandemic has changed the way everything works, but what hasn't changed is our dedication to helping the small businesses of Maine! With virtual meetings and a little creativity, our Business Advisors are still here to help you out. Request Advising today: [https://mainesbdc.centerdynamics.com/...](https://mainesbdc.centerdynamics.com/)

"Take Me Higher" by Jahzzar is licensed under a Attribution-...
READ MORE



Overview

The advantages

Wholesale pricing vs retail (quick overview)

Is there a demand

Team and materials

Pricing terms and strategy (very brief overview)

Other Common Terms and terminology

5 Common Mis-Steps

Steps to Scaling Up

The Advantages

More predictable income

Managed inventory

Reduced waste / aging inventory

Less overhead

Selling in quantity

Exposure to more markets and increased customer base

Pricing Comparison

RETAIL

Cover your cost of goods sold

- All the materials that go into making the product including packaging and labeling

Cover your overhead expenses

- Labor, utilities, rent, support staff, advertising and marketing, insurance, professional fees, licensing, transportation, shipping, office supplies, software programs, etc.

Build in a comfortable profit margin

Price to the market

WHOLESALE

Cover cost of goods sold

Cover overhead expenses

Build in a profit margin

Know your floor price

- What is the least amount you can charge and still make a profit (multiple discount)

Understand in general wholesale customers will mark your product up by at least 2 times what you sell it to them

Bub 'n Mutha's

Started in 2018 as a sole proprietorship making rubs using Maine products such as Raye's mustard, Maine Maple crystal maple, Highland Farms blueberry powder, and other local ingredients.



Is there a Demand for your product

Research the market –

Public library , associations, economic development centers

SBDC can help with industry reports from vertical IQ and SBDCnet

Do you offer a new or different product

Although there might be a demand locally, is there a demand regionally or nationally

Is the retailer a good fit for your product and do their company values align with your company values

Stonewall Kitchen
from a home spun
idea to a nationally
recognized brand

Stonewall Kitchen is a
specialty food producer
based in York, Maine.
The company was founded
as a homemade products
stall at a local farmers
market in 1991 and today
sells in 42 countries.



The Team

- The team that sells retail are often geared toward direct to consumer sales. Evaluate your current team (sometimes that is yourself and a business partner) Do have the right talent and skills to enter into the B2B wholesale market?

UPCs & Barcodes

- For most B2B buyers, having UPCs and barcodes for your products are required to be retail-ready. Barcodes are often one of the most important things retailers need to bring you into their stores. They identify products throughout the supply chain and help with inventory management. *The best place to get barcodes is directly from the official GS1 registry to ensure they are unique.*
- <https://www.gs1us.org/>

Packaging & Presentation

- Packaging is almost as important as the product itself. Consider your product attributes (size, durability, shelf-life) and who's buying your product before developing a packaging solution. Does it draw the consumer in? In the case of food products people eat with their eyes first!

Sea Bags Success wasn't overnight

Sea Bags began in 1999 as a hobby business and just celebrated the opening of its 50th retail location and has wholesale accounts as well as thriving online sales.



Pricing Strategies

- It's important to understand the differences in pricing strategy between B2C and B2B. There are a number of strategies to consider when it comes to wholesale pricing, but it's important to ensure your pricing is competitive enough to allow retailers to make a healthy margin and cover their overhead.

Catalog and Supporting Materials

- It is essential to create effective marketing materials. Along with your product catalog and line sheet, a one-page sell sheet with a quick snapshot of what your product(s) are and do can help push initial conversations along. In addition to product information, ensure your marketing material reinforce telling your brand story and unique selling propositions

Sales Rep Groups or Distributors

- What channels do you intend on using to penetrate the B2B market? If you're on a tight budget and the prospect of building out a dedicated sales team isn't an option you might need to utilize independent sales representatives or a distributor. These individuals or groups sell your products in exchange for a commission

Pitching to Retailers

- Buyers need information on why your product is better than other solutions or what they're currently carrying, and how your product will make the store money.
- [Pitch 101 – How to Talk About Your Business - YouTube](#)

Scaling up

- Requires leadership, planning, a commit to growth, moving to automation or reduction of production labor, hiring the right team



Rectangular Snip

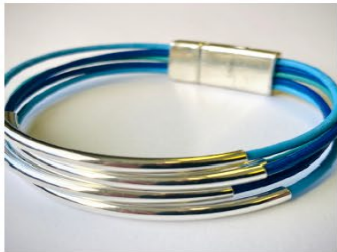
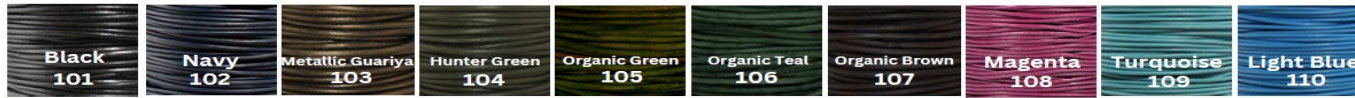


FIVE-STRAND BRACELET

\$18 | SMALL | MEDIUM | LARGE

Available in 10 leather colors.

MSRP: \$36

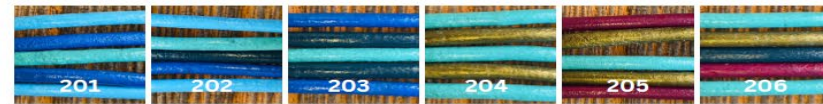


MULTI-COLOR FIVE-STRAND BRACELET

\$18 | SMALL | MEDIUM | LARGE

Available in 12 color combinations.

MSRP: \$36



Rectangular Snip



SILVER (S) OR BRASS (B) FLOWER BRACELET

\$18 | CHILD'S | SMALL | MEDIUM | LARGE

Available in 15 leather colors.

MSRP: \$36





SILVER (S) OR BRASS (B) CUFF BRACELET

\$26 | SMALL | MEDIUM | LARGE

Available in three leather colors.



MSRP: \$52

Rectangular Snip



GIFT BOX

\$1 | ONE SIZE (SKU: 001)

Each gift box measures 3.5"x3.5"x1" and is produced from recycled paper. Each box features a stamped MacKenzie Rose Designs logo and contains a cotton filling and a business card.

MINIMUM ORDER: \$250

PAYMENT TERMS: All orders - payment due before shipping

SHIPPING: Flat rate \$15 for orders under \$500 / Flat rate \$20 for orders over \$500

Follow up postcard



LEATHER BRACELETS

Made in Portland, Maine

OUR PRODUCTS

- Made from genuine leather sourced from the U.S. and Spain
- 10+ unique bracelet styles
- Stylish magnetic and buckle clasps for everyday wear
- Lots of colors to choose from!



www.mackenzierosedesigns.com



HOW TO ORDER

ORDER DETAILS

- \$250 First Order Minimum, \$150 reorders
- Orders ship within 4-7 business days
- \$15 flat rate shipping for orders under \$500
- \$20 flat rate shipping for orders over \$500

WEBSITE

To order, please visit our website and complete the wholesale inquiry form. If you are the right fit for us, you will be given access to our wholesale shop!

FAIRE

If you are a Faire retailer, please order here:
www.mackenzierosedesigns.faire.com



Have questions? Contact us!

(207) 831-3575

hello@mackenzierosedesigns.com



142 High Street, Suite 527
 Portland, ME 04101
 (207) 831-3575

hello@mackenzierosedesigns.com

Minimum Order Quantity: First Order \$250, Reorders \$150

Payment Terms: Payment due before shipping

Shipping: USPS \$15 Flat Rate for orders under \$500, USPS \$20 Flat Rate for orders over \$500

CUSTOMER DETAILS		PAYMENT INFORMATION	
Company:	Name:	Name:	
Website:	Phone:	CC #:	
Tax ID:	Email:	Exp Date:	
Billing:	Mailing:	CVV:	
City:	City:	Zip:	
State: Zip:	State: Zip:	Signature:	

SIZING CHART						
XS – 5.5"		SMALL – 6.25"		MEDIUM – 6.75"		LARGE – 7.5"
Five-Strand Bracelet						
SKU	COLOR	SMALL	MEDIUM	LARGE	UNIT PRICE	TOTAL
101	Black					
102	Navy					
103	Metallic Guariya					
104	Hunter Green					
105	Organic Green					
106	Organic Teal					
107	Organic Brown					
108	Magenta					
109	Turquoise					
110	Light Blue					

Leather Cuff Bracelet									
SKU	COLOR	SILVER (S)			BRASS (B)			UNIT PRICE	TOTAL
		SM	MD	LG	SM	MD	LG		
01	Black								
02	Dark Brown								
03	Light Brown								
Gift Boxes									
SKU	COLOR	QUANTITY						UNIT PRICE	TOTAL
001	Light Brown								
							SUBTOTAL		
							SHIPPING		
							GRAND TOTAL		
DO YOU NEED PRICE TAGS?									
Price tags feature “MacKenzie Rose Designs” on the front. The back side includes the bracelet size and a blank price sticker.									
YES					NO				

Mailing Address:
P.O. Box 1531, Scarborough, ME 04070

How to Prepare Your Business for Wholesale

Jan
18
2024

Thu 12:00 PM to 1:00 PM

Rectangular Strip

🖥️ Online

Facilitated by [CEI SBDC](#)

Topic: Managing a Business

In this seminar, Business Advisors Chris O'Brien and Peter Piconi will help you prepare your business for wholesale markets and wholesale trade shows. We'll discuss the nitty gritty including topics such as:

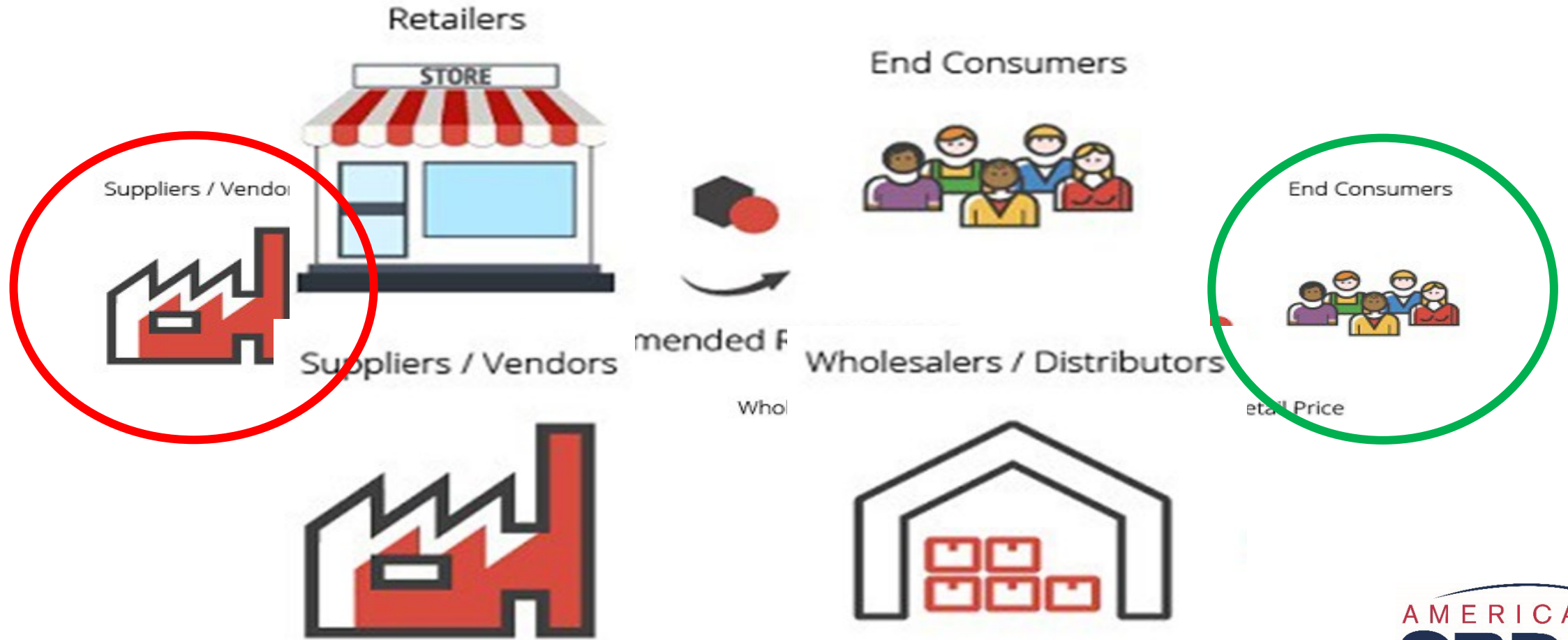
- Forms
- Credit terms
- Price lists (also sign up for our Wholesale Pricing session) *Shipping
- Marketing (also sign up for our Trade Show Booth Design session)
- Price tags and barcodes
- Sales materials & brochures
- Trade show specials
- After show best practices

These essential topics will help you be better prepared to impress wholesale buyers to create lasting and profitable relationships.

[How to prepare your business for wholesale](#)

LET'S TALK MORE ABOUT
PRICE

Where are you at with Pricing?



The First Three

Pricing Terms to Know for Wholesale:

Keystone

Markup

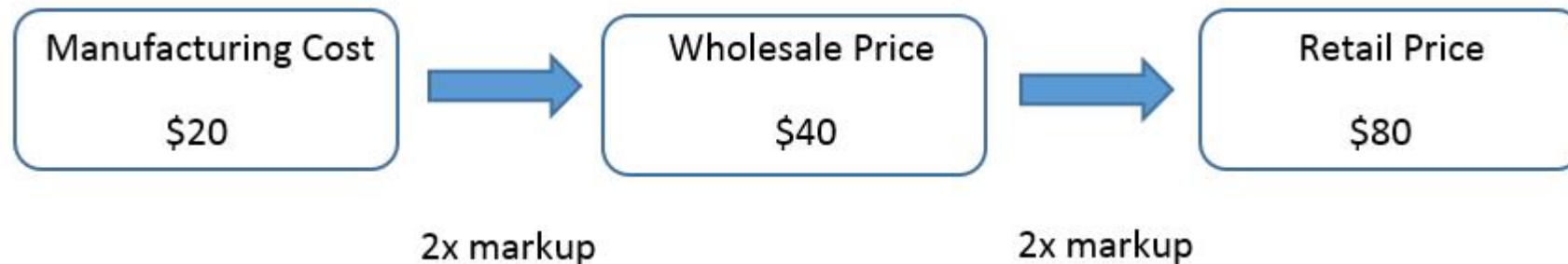
Margin

What is “Keystone”?

Keystone markup or keystone pricing refers to **selling something at double its wholesale price or its cost**. In other words, a keystone markup occurs when there is a gross margin of 50 percent of the cost price. Alternatively, the markup is 100 percent of the sale price.

<https://marketbusinessnews.com/financial-glossary/>

Keystone Pricing example:



Markup – not Margin

Definition:

Markup is the amount that you increase the price of a product to determine selling price. Put another way, it is the amount above cost that you are selling your product for.

Calculation:

$$\text{Markup} = ((\text{Sales Price} - \text{Cost}) / \text{Cost}) \times 100$$

Example

$$\text{Markup} = ((\$20 - 10) / \$10) \times 100 \quad (\text{Keystone})$$

$$\text{Markup} = ((\$10) / \$10) \times 100$$

$$\text{Markup} = 1 \times 100 = 100\%$$

A More Likely Scenario:

A Buyer says that they Markup **125%**

First take your cost = \$10 and multiply by percent = 125% = 1.25

$\$10 \times 1.25 = \12.50 This is the amount of Markup

Add the amount of Markup to your Cost to get your Final Price

$\$10 + \$12.50 = \$22.50$ Price with 125% Markup

Which Product Do You Believe Has the Higher Markup?



DIAMONDS

100%

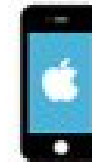
Higher-quality diamonds tend to have lower markups.



BOTTLED WATER

4,000%

A \$2 water bottle generally costs the manufacturer around 5 cents to make.



APPLE IPHONES

40-65%

The iPhone 11 Pro Max ranges in price from \$1,099 to \$1,449, but the actual cost of components is around \$500.



NAME-BRAND CEREAL

44%

Versus generic brand cereal

Sources:
www.thekitchn.com/grocery-store-biggest-markup-23004498
www.rd.com/list/10-outrageous-markups-you-d-never-guess-you-were-paying/
www.businessinsider.com
www.fool.com



Margin – not Markup

Definition:

Margin is the difference that a product is sold for and the cost. It is the amount of money earned from the Sale. It is sometimes called Gross Margin.

Calculation:

$$\text{Margin} = ((\text{Sales Price} - \text{Cost}) / \text{Sales Price}) \times 100$$

Example

$$\text{Margin} = ((\$20 - 10) / \$20) \times 100 \quad (\text{Keystone})$$

$$\text{Margin} = ((\$10) / \$20) \times 100$$

$$\text{Margin} = 1/2 \times 100 = 50\%$$

A More Likely Scenario:

A Buyer says they must maintain a **75% Margin**

First take the desired profit margin of 75% and subtract it from 1 =
 $1 - 75\%$ or $1 - 0.75 = 0.25$

Then take your cost and divide it by that number

$\$10 / 0.25 = \40 – So you know what they will sell for

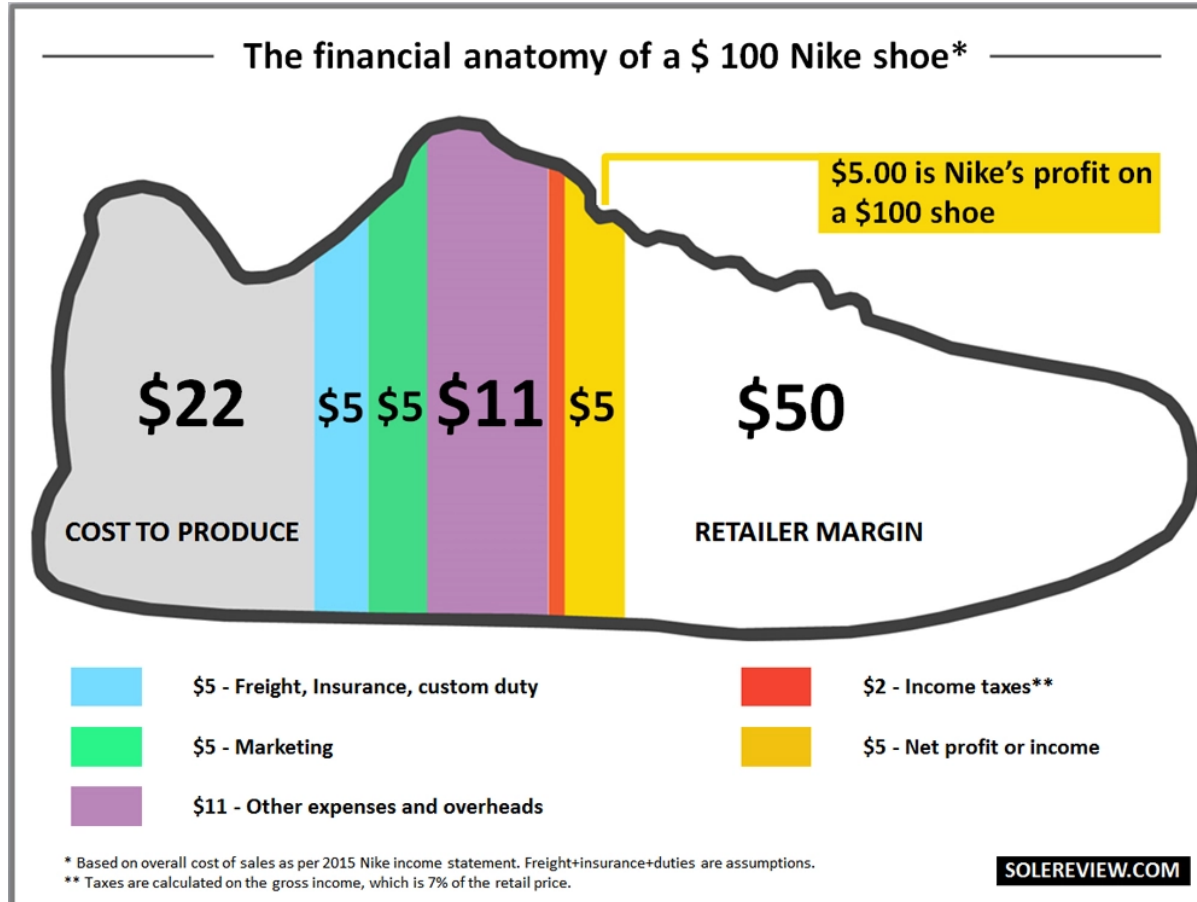
Check the math:

Margin = $((\text{Sales Price} - \text{Cost}) / \text{Sales Price}) \times 100$

Margin = $((\$40 - \$10) / \$40) \times 100$

Margin = $(\$30 / \$40) \times 100 = \frac{3}{4} \times 100 = 75\%$ Margin

Let's give a real-life example of Margin



- Nike Profit Margin =

$$\text{Margin} = ((\text{Sales Price} - \text{Cost}) / \text{Sales Price}) \times 100$$

$$\text{Margin} = ((\$50 - \$45) / \$50) \times 100$$

$$\text{Margin} = (\$5 / \$50) \times 100$$

$$\text{Margin} = 0.1 \times 100 = 10\% \text{ Margin } (\$5 \text{ Profit})$$

- Retailer Profit Margin =

$$\text{Margin} = ((\text{Sales Price} - \text{Cost}) / \text{Sales Price}) \times 100$$

$$\text{Margin} = ((\$100 - \$50) / \$100) \times 100$$

$$\text{Margin} = (\$50 / \$100) \times 100$$

$$\text{Margin} = 0.5 \times 100 = 50\% \text{ Margin } (\$50 \text{ Profit})$$

Bonus = Retailer used Keystone

(100% markup on \$50 Cost)

How to Remember Them

Calculation:

$$\text{Markup} = ((\text{Sales Price} - \text{Cost}) / \text{Cost}) \times 100$$

$$\text{Margin} = ((\text{Sales Price} - \text{Cost}) / \text{Sales Price}) \times 100$$

Remember the Phrase: “Costs March Up, Sales March In”

“Costs March Up” – COST Markup

“Sales March In” – SALES Margin

Pricing Strategies - Overview

Cost Plus Pricing (Simple Markup)

Competitive Pricing

Value Based Pricing

Price Skimming

Penetration Pricing/ Discount Pricing

Keystone Pricing

Manufacturer Suggested Retail Pricing
(MSRP)

Dynamic Pricing

Multiple Pricing/ Bundle Pricing

Loss Leader Pricing

Psychological Pricing/ Charm Pricing

Premium Pricing

Anchor Pricing

Economy Pricing

How to Price for Wholesale

Jan
25
2024

Thu 11:00 AM to 12:00 PM

Rectangular Snip

🖥️ Online

Facilitated by **USM SBDC**

Topic: Managing a Business

Pricing your products right is essential to success! In this webinar, you'll learn what it really costs to produce your products. We'll delve into three pricing methods that will help you determine if you are pricing your products correctly. We'll also discuss how going from retail to wholesale affects your price and common terms you will want to know.

Funded in part through a cooperative agreement with the U.S. SBA. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. Contact mainesbdc@maine.edu

Fee: No Cost

[How to price for wholesale](#)

10 Other Common Terms

Minimum Order Quantity (MOQ)/ Order Minimums

- Usually set to a specific \$ Amount versus # of products

Lead Time/ Turn Around Time

- How long will it take (Does it include shipping)

Shipping Window

- Commonly a two week window, it is the period that you take the order between when there can be a cancellation – so if an order is placed February 1st then they could cancel up to February 15th

Drop Ship

Net Payment Terms

- Cash on Delivery, Net 30,60,90
- 1/10 net 30 (1% discount if paid within 10 days, otherwise due in 30 days)

Common Terminology Continued

Return Policy (Defective/ Unsold/ Product Liability Insurance)

Chargebacks

- Usually deducted from FUTURE orders

Purchase Order/ PO

Product Line/ Line Sheet

Vendor Compliance

- Basically an information packet or guidelines that buyers expect from their vendors

What could go wrong?

Let's Explore 5 Common Mis-Steps (In no particular Order)

1st – Letting Mistakes or Fear of Mistakes Stop You

- You WILL make mistakes
- Jump into Wholesale ONLY When you are Ready
- Prepare with Education (Like this Webinar!)

#2. Not Understanding How Costs Affects Price, or understanding YOUR Price

Do your costs stay the same?
So why is your price the same?



◦Keystone

◦Margin

◦Markup

◦Cost

#3. Making It Hard to Buy From

Too High Minimums

Long Lead Times

Cumbersome Ordering Process

Offering Too Many Options/Products

#4. Choosing the Wrong Buyers

Are the Buyers Reaching your Market? Do You Understand Your Market?

Is there Synergy between the Buyer and Your Business Branding?

What are their Terms? Their Vendor expectations/guidelines? Are they willing to negotiate?

#5. Not Following Up

Whether it be leads, potential leads, current buyers or past buyers.

Customer Services should CONTINUE even after an order is placed

- It is easier and Less Costly to MAINTAIN a client versus getting new clients

Set up a system or calendar to schedule follow ups

Check in within two weeks of the first delivery

(Gentle) Persistence can pay off

Steps to Scaling Up

#1 – REALLY Understand your Price

Prepare/ Research

- (Re)Look at your Business Plan:
 - Look at the Industry Trends
 - Look at your Service Offerings
 - Look at your Marketing
 - Look at your Competitors
- Learn the New Terms and Costs

Create

- New Materials –
 - Line Sheets
 - Purchase Orders
 - Term Sheets
 - Brochures
 - Packaging Requirements/ Labeling Requirements

Set Realistic Goals and Expectations

Attend a Trade Show (Guest or Booth)

<https://www.nemadeshows.com/>

THE BEST NEW ENGLAND WHOLESALE SHOWS

*Our juried shows present the finest New England-made giftware,
specialty food, and home furnishings for wholesalers.*

Buyer Registration For
Spring is Coming Soon!



New England Made

March 16-18 2024

Portland, Maine

Check out our new
online store! Shop NEM
wholesale all year round!



How to Design a Booth for a Wholesale Trade Show



Wed 11:00 AM to 12:00 PM

Rectangular Snip

Online

Facilitated by [Maine SBDC](#)

Topic: Managing a Business

Presented by Stefa Normantas, New England Made Shows

You have 3-7 seconds to capture someone's attention before they walk by your booth. Creating a booth that sells for you is the difference between a successful show and a loss. However, there's tons of design tips and tricks that aren't intuitive and make the difference in sales. Register for this class to learn what makes a buyer stop, connect with you and your products and make the sale!

Funded in part through a cooperative agreement with the U.S. SBA. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. Contact mainesbdc@maine.edu

Fee: No Cost

[How to design a booth for a Wholesale Trade Show](#)



ASKING FOR HELP

Straight Talk from NEM Peers

Straight Talk from Your Peers: What I Wish Someone Had Told Me About the NEM Show

Feb
21
2024

Wed 11:00 AM to 12:00 PM

🖥️ Online

Facilitated by [Maine SBDC](#)

Topic: Managing a Business

Panel discussion with seasoned NEM exhibitors moderated by Stefa Normantas, New England Made

You don't know what you don't know! Register now to learn from your peers with their hard-earned wisdom. They'll discuss what they wish they knew as they developed their wholesale business. Save yourself time and money as you learn what marketing, sales and operational challenges they've overcome and how they've done it.



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