



# GROW NORTH

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## Mastering the Co-Man Search

foodops

Where are  
you in your  
journey?

- Choosing the right time and considerations
  - Revenue
  - Company size
  - Growth Plan
  - Sales and distribution channels
  - Current capacity and constraints
  - Ingredient and Packaging procurement
- Understand why you are choosing a co-man
  - Focus
  - Time commitment
  - Not your area of expertise

# Challenges

- AURI/R9/FoodOps Gap Analysis Summary
  - The entire environment is lacking connectivity to a statewide system that supports innovation, growth and resilience.
  - We don't have enough in state services
  - Current costs and MOQs are too high
  - Over the last 18 years we have not planned for growth (ranked 32nd).
  - We have underutilized capacity.
- Understanding the Co-mans
  - Cost & Efficiency
  - Overhead
  - Hit the easy button
  - Forecast, MOQs and Capacity



# Considerations

- It's all about finding the right partner
  - Dating
  - Home search
  - Buying a new car
- You should be approaching \$1M in revenue
  - Proven sales history
  - Cash flow
  - More structure

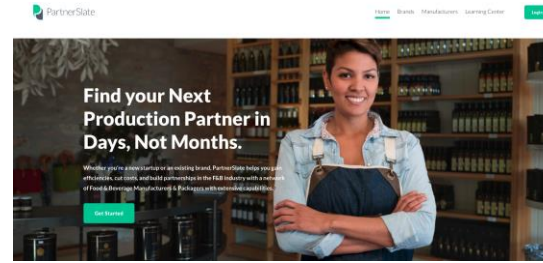


# More Considerations

- MOQ – can you meet it?
- Certifications (Organic, SQF or 3<sup>rd</sup> Party, Allergens, nonGMO, Kosher, etc)
- Food safety program/Quality systems
- Location and distribution/3PL
- Are you welcome in the plant?
- How is feedback received/acted on?
- Do you understand what your sales/distribution channels require from you?

# More Considerations

- [Partner Slate](#)
- [Food Ops](#)
- [Rodeo](#)
- [Whole Brain Consulting](#)
- [MDA](#)



# Develop Your Strategy

- Know your numbers
  - COGS/Margins
  - Forecast (1-2 Years Out)
  - How did you arrive at your forecast (velocity, turns, UPSPW)?
- Have the most complete specifications sheets for your products
  - Formulation
  - Ingredients (Supplier Approval Program)
  - Certifications
  - Testing
  - Labeling & pack out
  - Ti-hi pallet configuration
  - SL
- Know your process
  - Unit Operations
  - Lead times
- Know your timeline
  - Development/scaleup
  - Initial pipeline
  - Follow up orders (2 and 3)
- NDA and questions prepared



# The MSA

- What is it?
- Timeliness
- Communications/Expectations
- Key Points

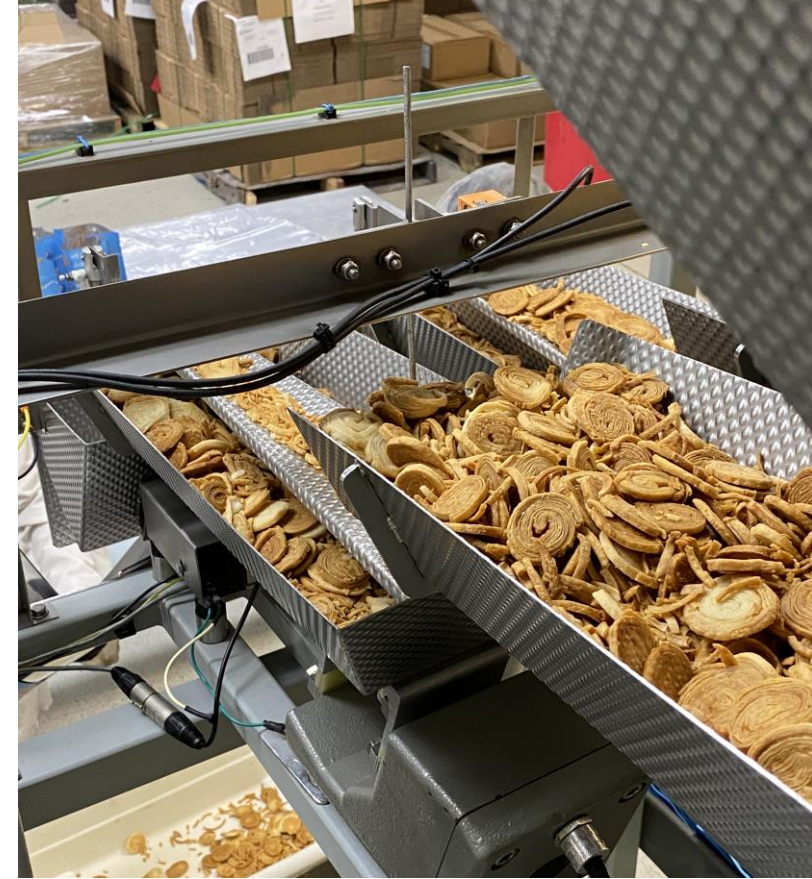




# MSA Key Points

- Products must be produced to the specifications
- Must produce to at least FMSA
- Define lead times
- Define MOQ's
- To address Volumes your will provide a 90 day forecast in lieu of a volume commitment
- You own all formulas
  - Expect to pay for their R&D services, otherwise they may have claim to your formulas
- You have the right to refuse the product within 14 days if the product doesn't meet specifications
- Must document all of their certifications that you are counting on.
- Tolling fees well defined
- Payment terms defined
- Terminations defined
- NDA
- Assignability if you sell you company
- Lawyer stuff like Indemnification and Insurance.

# Closing Comments



- Thank you for attending
- Slides can be made available for you
- Stay prepared
- Contact Jim/John if you have questions