**PRODUCT EVALUATION SHEET**

Answer the questions below to evaluate possible products. Write down the points that you assign to them. Being 1 the worst scoring and 4 the best one.

**a) Product Characteristics**

1) Attraction. The majority of consumers consider the product useful or decorative.

* The product is of low quality and/or it has a bad look.
* The product achieves the standard quality but it does not attract much attention.
* The product is of good quality and quite appealing.
* The product is of excellent quality and highly appealing.

2) Market size

* It appeals to a very limited market (fishing rod for left-handed people).
* It appeals to a specific and small market (plastic surgeons).
* It appeals to a specific but large market (high school students).
* It appeals to a large and varied group of people. Anybody could buy it.

3) Size. Big products are difficult to store and dispatch.

* It needs a delivery van to be transported.
* Too expensive shipment.
* It is easy to be transported.
* It goes into a pocket or wallet.

4) Storage life. Yesterday’s bread is difficult to sell and so it is last year’s fashion.

* It gets spoilt easily, it gets dry, it melts, it loses validity.
* It is seasonal, a trend or it has a month expiry date.
* It can last a year or more, or at least the whole semester.
* It has unlimited life storage.

5) Safety. Products must be safe for consumers. Avoid toys with small parts or sharp borders, cosmetic products that can produce allergic reactions, food that can get rotten, etc.

* The consumer must learn its use with detailed and complex instructions.
* It has cutting borders.
* It is safe for teenagers and adults.
* Even a baby can handle it.

**b) Production**. It is not recommended the use of electric or special tools. The best products for a mini company are those requiring an intensive production and interesting to be produced.

6) Materials. Materials must be easily found.

* All materials have to be bought to different and distant suppliers.
* The majority of materials can be obtained in the city, but some key elements have to be bought to a distant supplier.
* The material suppliers are local (close by).
* The material suppliers are local (close by) and besides they have work experience with mini companies.

7) Special Knowledge. Avoid those products requiring many workers or special practice.

* Only artists or electronic engineers can make tem, etc.
* It requires a previous training, with a lot of possibilities of errors.
* It requires basic painting, dyeing or sanding
* Easy to assemble and with few possibilities of error.

8) Safety. Avoid breakable products, requiring a special packaging or containing hazardous chemical elements.

* It requires special security measures (use of a blowlamp).
* Tools are dangerous (soldering iron, fragile or sharp products, metal bells, etc.).
* It requires a simple manual tool and safe material (screwdrivers, pincers or sandpapers).
* Assemblage and packaging are totally manual.

9) Work. The production should be carried out during the whole life of the mini company and everybody should be able to take part in it.

* A few members produce everything that has been planned, in one or two sessions.
* The production can be only carried out by a small group of the mini company members.
* All members can make up the assembly line, but they produce everything that has been planned in 2 or 3 weeks.
* Production can be carried out throughout the mini company life, fulfilling the sales needs and with all the members making up the assembly line.

10) Packaging. It must be simple and appealing.

* Packaging is more complicated than production.
* Packaging is easy but expensive.
* Packaging is easy and cheap.
* Packaging is easy, cheap and very appealing.

**c) Financial Considerations**. The price must be reasonable and profitable. If there are different products, it would be appropriate to have cheap, average and expensive products. The guides below are for the main product.

11) Price. Can it be sold at a competitive price that is profitable and allows to pay commissions? The majority of JA products are sold between 5 and 15 euros. Lower prices need more sales and more expensive products are more difficult to sell.

* Price higher than 50 euros or lower than 1 euro.
* Price between 30-50 euros or between 1-3 euros.
* Price between 3-5 euros or between 15-30 euros.
* Price between 5-15 euros.

12) Gross profit margin. It must be 35% -45% at least.

-Gross Profit Margin (GPM)= selling price—(less) cost price( the cost to make the

 product or service)

E.g.: GPM= 40 €--25€= 15€

-Gross Margin Percentage (GMP)= selling price—(less) cost price X(multiplied by) 100

 (divided by) selling price

E.g.: 40€--25€:40€X100= 37,5%

-Selling price I wish to sell for = cost price\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ X (multiplied by)100

to achieve a required % profit (divided by)100—(less)required profit margin

E.g.: 25€: (100—37,5)X100= 40€

* Gross margin < 35%
* Gross margin = 35-40%
* Gross margin = 40-50%
* Gross margin > 50%

Add up the points here:

Points Rating

35-48 excellent

Discuss the results with the other members. Sum up your reasons to recommend or refuse the product.

Product

Points Rating

25-35 Good

19-24 Acceptable

13-19 Poor

12 Unacceptable