The Book on Fulfillment

The Critical Questions You Must Ask Any Potential Information Product Fulfillment Partner

Bret Ridgway
Bryan Hane

The Book on Fulfillment

INTRODUCTION

Are you an information marketer or a fulfillment company?

If you're an information marketer and your business is up and running at all, you can quickly find yourself wearing any or all of the following hats:

- Marketer of Your Information Products
- Public Speaker
- Marketer of Your Speaking Services
- Information Product Developer
- Transcriptionist
- Audio Editor
- Shipping Clerk
- CD/DVD Duplicator
- Travel Planner
- Product Assembler
- Customer Service Manager
- Order Taker

So you probably find yourself asking questions like:

"Which of these hats should I be wearing?"

"How can I manage my time to grow my business as efficiently as possible?"

"Where should I be applying my efforts to maximize my info marketing business?

When you're starting out, you probably have to do most (or all) of these tasks yourself. You should have an understanding of what all is involved in producing and delivering your products to your customers.

But, if your business is growing, you'll quickly find out that too much of your time is being spent on the mundane tasks – copying binders (or running down to the local quick print shop), duplicating CDs and labeling them one at a time, packaging things together, putting things in boxes, running down to the local post office or UPS, etc. This means you're probably not spending your time where you get the biggest bang for your buck – marketing your products and services and creating additional products.

When is the right time to outsource your duplication and fulfillment requirements? Ultimately, you'll have to decide when that right time is for yourself. But what do you value your time at? $100 per hour, $200 per hour, more? Then how long does it make

sense for you to be spending your time doing $10 or $20 per hour tasks? If you're spending an hour per day running products to the post office that's an hour you're not investing in growing your business.

And what is your opportunity cost? The time you're spending on $10 per hour tasks is time that's lost forever. And time most definitely is money in the information marketing business.

When you're spending time working in your business rather than working on your business then opportunities will slip by without you even noticing them. There is a time when outsourcing your duplication and fulfillment needs makes perfect sense – both from a time management and a financial standpoint.

When you've decided the time is right to outsource your information product fulfillment (or infofillment as we call it) then it's time to begin your search in earnest. But there are lots of fulfillment companies out there. How do you choose the one that's the best fit you?

Fulfillment is definitely not one size fits all. This book was written to help guide you through the process of selecting a fulfillment company. It outlines the questions you should ask of a prospective fulfillment vendor to help you determine if they're right for you.

We hope we'll have the opportunity to work with you if it makes sense for you. And, if it doesn't, then that's okay. We hope the content covered in the following chapters helps you build a stronger, more successful information marketing business and to find the perfect fulfillment partner for you.

Bret Ridgway and Bryan Hane
Co-founders
Infofillment.com

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The Book on Fulfillment is organized into three primary sections:

- Questions about Customer Service
- Questions about Production/Assembly
- Questions about Warehousing/Shipping.

3 bonus sections are also included. First, you'll find some great articles from Bret Ridgway that can help you build your information marketing business. Next, you'll find a summary of all the questions in this book you can copy and send to a prospective fulfillment partner. Third, you'll find recommended resources.

Here's a section by section breakdown:

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"Customer Service is a critical part of any vendor relationship"

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Questions About Customer Service

How Do You Handle Customer Service?

Customer service is a critical part of any vendor relationship. A fulfillment house may offer any or all of the following means of customer support:

- Telephone Support
- Email Support
- Ticket-based Support System
- Video Tutorials
- Online Chat
- Website Support

In most cases support is provided free of charge with purchase of a product or service. But that's not always the case and you'll want to know what you're getting into before you commit to a relationship. This is particularly true in the software market. To the best of our knowledge no fulfillment companies presently charge for customer service.

The critical question, in our opinion, is "How do I get a hold of someone in the event of an emergency?" For example, let's say you land a prospective last minute joint venture partner just before your new product launch, but they say they need to see the actual product first before they'll do a promotion. It's already fifteen minutes til five eastern time. What do you do?

Can you pick up the phone and call someone or are you forced to send an email or submit a support ticket and wait for a response?

Obviously, you'll need to decide for yourself what level of customer service best fits your needs. Some companies boast of specifically being only "production machines" and make it very clear you will never, ever talk to a real person. If you want to be able to talk with someone if you have a question then you probably want to avoid this type of service. If the

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ability to talk by phone isn't important to you then that type of service may be a perfect fit for you.

The questions you should ask:

- What methods of customer support do you offer?
- Is support free or is there a cost involved?
- On what days and during what hours is customer support available?
- What are your response times?

"A fulfillment partner that understands and does information marketing may be able to help you in other ways"

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Who Have You Worked with Previously?

The track record of any company you're considering working with should be one of the major criteria in your decision making process. There are hundreds of companies capable of manufacturing your information products and it can be a real challenge to sort through all your options and make the best choice.

Any company you're considering will probably have some testimonials on their website from satisfied customers. You should definitely listen to or read these testimonials but, more importantly, you should talk with some of their clients directly. What has their experience with the vendor been like? What's gone well? What may not have gone so well and what did the vendor do to make it right?

Does the vendor have experience working with companies such as yours? Some fulfillment companies ship every type of product under the sun and others focus specifically on a particular type of product, such as information products.

Does the fulfillment company understand the information marketing business or do they just make and ship your stuff? One that understands information marketing may be able to offer additional services and resources to help you grow your business.

Finally, you should find out the names of some of their former clients and talk to them. Why did they leave? Any business that's been in business for a few years or more will have clients that departed. Maybe it just wasn't a good "fit". Or maybe they left because the fulfillment company failed to perform some important function properly. Once you've gathered that information, go back to your potential fulfillment partner and find out what's been done to improve those processes or procedures that created the previous problem.

Choosing a fulfillment partner is one of the most important decisions you'll make for your information

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marketing business. Be sure to do your due diligence to make the best possible informed choice for you.

The questions you should ask:

- Can you provide names, phone numbers and email addresses of 3-5 clients you currently work with?
- Can you provide names, phone numbers and email addresses of 3-5 clients you previously worked with who have left and why they left?
- What changes have you made to address the reason any of those clients left?
- How long have you been in business?
- How many orders can you handle per day?

"If you don't already have a shopping cart you need to evaluate the features and benefits of various carts and determine which best fits you"

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How Do I Get Orders to You?

When you set up with any fulfillment house you'll have to set up a way to get order information to them so they can ship your orders. Some fulfillment houses have their own proprietary system which you can upload orders to from your own shopping cart.

In all cases this can be done manually, but ideally you should be able to automate the process so it's entirely hands off for you. The preferred method for receiving orders is NOT an individual email per order due to the inherent unreliability of email.

Many information marketers use either Infusionsoft or 1ShoppingCart as their online order taking system. Some use our own RedOakCart.com system. If you don't already have a shopping cart you need to evaluate the features and benefits of various carts and determine which fits best for you. Each has its own levels of functionality and price.

With 1ShoppingCart you can generate a .CSV file that is emailed to your fulfillment partner. They'll then import that file into their own backend system and handle the order fulfillment from there.

Infusionsoft allows you to generate either a .CSV or an .XML file which you send to your fulfillment house.

If you're using our own RedOakCart system then you don't have to worry about forwarding orders because your order taking functionality and fulfillment functionality are all built into one system.

If you're using any other system you'll need to decide how hands-off you want the order notification process to be. Some fulfillment companies will log into your cart for you one or more times per day and export any new orders into their system for you. But some information marketers prefer to handle the export process themselves and not have anyone else within their cart. The choice is yours.

If you speak at events and process sales manually you'll need to get that order information into the

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fulfillment system yourself. This is done via either the manual entry of the orders or the importation of a spreadsheet into the system.

The questions you should ask:

- How do I get orders into your system?
- How many times daily do you “pull” orders for shipping?
- What are the double checks to make sure an order isn’t missed?

What is Your Pricing?

"How much is it going to cost?" A fair enough question and one you'll obviously be asking your prospective fulfillment partner fairly early in your conversation. The question you should expect in return is "Can you tell me all about your product?"

In other words, what does your product consist of? There are many variables that go into the pricing of any information product and any fulfillment company that tries to quote you a price without having a full understanding of what the specific components of your product are is just plain crazy.

Here are the specific questions we'll ask any information marketer that contacts us for pricing:

- Any CDs or DVDs in your product? If so, how many of each?
- How do you envision packaging those discs? Individual jewel or DVD style cases, in plastic sleeves within a two or three ring album, in multi-disc DVD style cases, in a clamshell album?
- Any print component(s) in the product?
- How many separate print components?
- How many pages in each?
- Single sided or double sided printing?
- Black and white or color printing?
- Any tabs or section dividers of any type?
- What type of binding method do you want?
- Any other ancillary components such as a bonus disc, read this first guide, sales flyers for other products, etc.?

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"Be sure there aren't extra charges hidden in the fine print"

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As you can see, there are many variables that go into the determination of the price of the product. You'll find some websites that offer a pricelist for simple products such as a single CD in a jewel case or a DVD in a DVD-style case.

But, if your product contains multiple components it's not feasible to determine a unit price until the product specifications are known.

Another variable that can go into determining your per unit price is the quantity being produced. As we discussed earlier in the book, if your product contains discs then there is that point where it's less expensive to replicate your discs then to duplicate them. That point is typically at the 1000 unit level.

If you're doing lower volume runs of a product then your fulfillment partner may or may not offer quantity discounts. Typically, if you're doing a small run of anywhere from 10 to 100 units you're not going to see incrementally lower prices until your volume gets into the level of several hundred units. Obviously, check with any prospective vendor to find out where the quantity breaks lie with them.

Be sure you're aware of ALL charges upfront and make sure there aren't any extra charges being hidden in the fine print. Some fulfillment houses will charge a setup fee for a job if you don't do at least "x" units. And "x" can vary from company to company. Infofillment does not charge any setup fees.

Secondly, some may hit you with extra charges every month if you're not moving a certain level of products out of their facility. If you're moving hundreds of products per month this won't be an issue. But, let's say you only shipped 10 units last month of one of your products. Be sure you're not going to be hit with an extra charge for slow moving inventory. Or some type of storage charge regardless of how much product you move. Any extra charges that come into play must be factored into your per unit cost.

It's also important not to be penny wise and pound foolish. Here's what we mean.

"Have a plan in place to deal with your customers in case your product launch is more successful then you anticipated"

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We've seen it time and time again, especially with new authors who get a book published for the first time. They become so consumed with getting the lowest possible unit cost on the printing of their new book they order 5000 copies right out of the gate. So instead of paying $3.98 or $4.98 per book they get the unit price down to $2.98.

Hooray, they saved a dollar or two per copy. What happens next? 100 cases of books weighing 40 pounds or more each arrives at their home. They get stacked in the corner of the bedroom or in the garage, and there they sit, month after month after month. Sure, a few cases are opened and some books ship, but you're continually stepping around boxes and cursing yourself for ordering so many books.

You've tied up thousands of dollars in inventory that you hope you can sell. Hey, but you saved $1 or $2 per book.

If you're producing a "big box" package, you might also save some on the unit cost by producing more initially. But, unless you have a proven track record and can pretty accurately predict how many units you can sell, you're better off spending more per unit and having a lower quantity produced initially. "Big box" packages can cost $30 to over $100 depending on what all is included in your package.

So, you can conceivably tie up tens of thousands of dollars in production for units you hope you can sell all because it saved you some on the per-unit cost.

But what do you do if you sell more product than you expected?

Have a plan in place to deal with your customers in case your product launch is more successful then you anticipated. If you ask your fulfillment house to produce 100 sets of a product for a launch and you sell 300, you've created a potential problem you'll have to deal with to keep your customers happy.

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More units could take several days to produce.

We recommend you have some digital component to your package that people can begin to read or listen to right away while they are awaiting arrival of the physical package. Or, if the package price justifies it, pull out a disc or small manual that can be shipped immediately to keep them happy until the “big box” arrives. Produce more of these up front than the full packages so you can immediately fulfill a portion of the package to all your customers.

It’s primarily a matter of managing customer expectations. If you proactively keep your customers informed about the status of things you can greatly reduce any possible negatives that can result from having a back order situation.

Pricing is definitely an important part of choosing a fulfillment company. But it shouldn’t be the only factor you’re evaluating. If you’re just shopping for the lowest price you’re ignoring all the other critical elements discussed in this book that you should consider- service, turnaround times, quality, etc.

You really want a fulfillment “partner” who is there to lend guidance to you. If you simply want the cheapest price it’s out there. But if price is your only consideration when choosing who’s going to produce the information product you’ve poured so much of your heart and soul into then, as they say, “You get what you pay for.” The choice is yours.

The questions you should ask:

- How much will my product cost to produce?
- Are there any quantity discounts?
- Are there any setup fees?
- Any charges for slow or non-moving inventory?
- What else do I get for my money – resources, training, etc.?

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What are Your Payment Terms?

How quickly you have to pay for jobs done for you by your fulfillment partner is an important consideration, as it should be for any vendor you work with.

Depending upon the size of the job, some fulfillment companies may require you to pay a deposit of 50% or more of the total price of the job up front to cover raw material and labor costs associated with putting your product together. This can be a significant amount if you're planning a large new product launch.

Then the balance will be due upon completion of the job or on some type of net terms – be it net 10, net 30 or something else.

Some may offer prompt payment discounts if you pay in full within a specified period of time.

Others may require you to put a credit card number on file which charges can be billed against as they're incurred or on some type of set schedule – weekly, bi-weekly, monthly, etc.

Just be sure you understand what you're dealing with when you go into the relationship. Cash flow is critical when you're trying to build your business.

The question you should ask:

- What are your payment terms?

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What Other Services Do You Have Available I Should Be Aware Of?

Some fulfillment companies offer no more than shipping services. You have product sent to them and they fulfill individual orders as they come in. Which is fine if that's what you need.

Others have the ability to manufacture your information products for you – be it duplication or replication of CDs or DVDs or printing components such as manuals, in addition to providing the shipping services.

Still others can help in the actual creation of the product for you, including editing, mastering and more.

Obviously you need to assess your requirements first to help determine which fulfillment operation may be the best fit for you. Here's a list of other services that a fulfillment company might offer that could be of value to you:

- Audio recording
- DVD mastering
- Audio editing
- Video editing
- Online shopping cart
- Event recording services
- Graphic design services
- Call center
- Customer service
- Packaging recommendations
- Training webinars/teleseminars on information marketing
- Mailing services
- Variable data printing

The question you should ask:

- What other services do you offer that might benefit me?

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Questions about Production/Assembly

What are Your Order Minimums?

Some fulfillment companies are what are known as “print-on-demand “ outfits and others require some minimum quantity of a given product be manufactured every time a production run is made.

A print-on-demand service may be a great option if your information product is a simple product – for example, a single CD or DVD or a small manual. Services such as LeadGenDiscs.com exist that can typically crank out a copy of your product within one business day and get it dropped in the mail to your customer.

Pricing is reasonable and the advantage of not having to carry any inventory can be a great benefit to you.

If your information product is more complex then print-on-demand probably isn’t the way to go. First, if you’re selling a product for a couple hundred dollars or more you want to get it into your customer’s hands as quickly as possible. The longer it takes generally the higher the volume of product returns.

If a product is what we call a “big box package” it may consist of multiple components – 10 or more CDs. DVDs, one or more binders and other components. A print-on-demand service will typically takes two days or more to get your product made and shipped to your customer. If the lag time isn’t an issue then you may want to consider print-on-demand. Be prepared to pay a higher per unit cost if you’re having them done one at a time versus producing several units.

If a fulfillment house isn’t print-on-demand then they’ll have some minimum order quantity, typically around 12 units. The philosophy is to keep product on hand so orders can always ship within one business day of an order being received.

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Be careful to watch for setup fees that are imposed if you're not ordering "x" quantity of your product. As long as you order at least "x" then the setup fee is waived.

At Infofillment our minimum run of a product is 12 units. We are not a print-on-demand service with the exception of our LeadGenDiscs.com self-mailer product.

The questions you should ask:

- What are your order minimums?
- Do you offer any print-on-demand options?
- Are there any setup fees or other costs not included in the per unit price?

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What are Your Production Turn Times?

How quickly your product will be manufactured and available for shipping under normal circumstances is an important consideration for any information marketer. You'll typically see this discussed in terms of business days, not calendar days

Within our company production turn times are 5-7 business days for any size of production run. We're a firm believer in having product on-hand so that orders can be fulfilled immediately. If you use a print-on-demand type facility and have a multiple-component product then they usually can get the product out the door within 2-3 business days.

If you're doing a large product launch where you'll have multiple discs that will be replicated then longer lead times will normally be required. A disc replicator typically wants 10-14 business days to produce your discs because the glass mastering and production processes involved in disc replication take longer than in a disc duplication process.

Every supplier we're aware of will offer "rush services" if a quicker turnaround time is required. We've seen this vary from 5 to 20% of the normal price of the job depending upon the manufacturer. If you have a specific launch date that product must be ready for then rush services may be needed, but best to plan ahead and avoid these if at all possible.

For normal production needs you may set up with your fulfillment partner reorder points and reorder quantities. That means when inventory reaches a pre-determined level your fulfillment house will automatically manufacture and restock your inventory to some pre-determined level. That way you never entirely run out of inventory and are assured your orders can be promptly filled.

The questions you should ask:

- What are your normal turnaround times?

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- Is this business days or calendar days?
- Are rush services available and, if so, at what additional cost?
- How do I know what quantity of product I have on hand and when I need to have more produced?
- How do you establish reorder points and quantities?
- Can my returns be reworked automatically and charged at a lower rate so I might not hit reorder points as quickly?

Do You Replicate or Duplicate Discs?

We've been providing manufacturing of information products for our clients for several years. Typically, these products contain CDs and/or DVDs as part of the package. We're frequently asked if we replicate or duplicate the discs we produce for people. People want to know what the difference is between the two and if it matters at all.

CD/DVD duplication in its purest definition means to copy discs. Actually, there are two different means to copy a disc - replication and duplication. Here's a brief explanation of each:

Replication - Starting with a glass master that contains the data for the disc, a metal stamper is formed. The stamper is loaded into a molding machine and molten polycarbonate is then injected into the mold, thereby manufacturing the disc with the data stamped into the disc. A reflective aluminum layer is applied and the discs are printed with artwork.

Duplication - Starting with pre-manufactured blank recordable discs, the data is "burned" onto the discs one at a time. The process takes several minutes per disc depending on the speed of the recorder and the amount of information you are recording.

A common question we get is "Does it matter if I have my discs replicated or duplicated?"

Some people will tell you not to duplicate audio or video but only replicate. Others say there's no difference at all. There is NO data difference between a processed duplication and a glass mastered replication disc

But, there are some differences and sometimes they may have an impact in your situation. The reality has more to do with the playback equipment than the manufacturing process. Older, "set top" DVD players that hook to your TV sometimes have problems

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playing duplicated discs but rarely have problems with replicated discs (rarely doesn't mean never).

Industry experts estimate that among the current installed drive base (computers and players) about 98% of the CD players will play duplicated CDs, and about 90% of the DVD players will play duplicated DVDs.

No matter which way you go, your discs should have a label. Why? So people will know which side is up and which side is the read side of your disc. Replicated discs are typically silk-screened. Duplicated discs are usually either thermal printed or paper labeled.

The ultimate decision is, of course, yours as to whether you'll have your discs replicated or duplicated. You'll have to weigh the larger up front cash commitment with replication vs. your ability to sell your product and the potential differences between replicated and duplicated discs. Why is your up front outlay greater with replication? Because your typical minimum commitment to replicate is 1000 discs, where duplicators will do much smaller runs – sometimes even one at a time!

Speaker Fulfillment Services is a duplicator of discs. This enables us to do smaller runs (allowing you to tie up less money in up front inventory) then if you were replicating your discs.

Replication is a more cost effective option if you're confident you can sell all the units of a product you've had produced in a reasonable time frame. You will save money per unit vs. having discs duplicated.

So, here's a quick summary of the pros and cons of Replication vs. Duplication.

Replication

Pros – Ideal for large runs (1000+ units)
Costs less per disc than duplication
Compatible with all players

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Cons – Larger up front expenditure
Slower turnaround time than duplication
More inventory to store
Typically will have set up fees
Large re-run quantities and time if your sell more then you expected

Duplication

Pros – Ideal for short runs (10 – 500 units)
Faster turnaround time than replication
Easier and quicker to scale up or down based on sales levels
Lower investment to test and launch new products
Less money tied up in inventory leaving you more money for marketing

Cons - Some drives cannot read recordable media
More expensive per disc than replication

Ultimately, the decision is yours. Take a look at the pluses and minuses of the alternate manufacturing methods before deciding whether replication or duplication is right for you. You'll know the difference in costs between the two only after you've decided what type of disc packaging you want for your product and gotten quotes from possible suppliers.

The questions you should ask:

- Do you replicate or duplicate discs?
- What are your turnaround times?
- How much does it cost per fully packaged disc?
- Are there any setup fees or other hidden costs?
- What are your disc packaging options?
- How easily and quickly can more be produced if I sell more than I expected?

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What Do You Do When I Run Low on Inventory?

If your fulfillment partner isn't a print-on-demand facility they should maintain some inventory on hand so that orders can be fulfilled as soon as they come in. You're going to need to establish reorder points and reorder quantities for your various products. In other words, when you get down to some predetermined quantity of a product your fulfillment house will automatically make more.

These values are usually initially determined for new products by your best guesstimate of what quantity of product you expect to sell in a certain period of time. Estimate too high and you invest more in inventory then you needed to up front.

Estimate too low and you risk running out of product and having customers wait longer to receive their orders. This is especially a challenge on larger new product launches where anywhere from a few hundred to a few thousand units of a product might be sold.

Over time you'll get a feel for how much of a product you're going to move on a consistent basis. You can then adjust reorder points and quantities based on this volume. The objective is to never run out of inventory entirely so orders can be fulfilled promptly.

You'll need to decide if you want to automatically have your fulfillment partner rework any product returns and place back into inventory for you.

You'll maintain inventory within some range so that additional units are produced and put into inventory before you've entirely run out of your stock of that product. It is much easier for your fulfillment partner to pre-establish these guidelines and to not have to await your approval every time you get low on product to go ahead and produce more.

If you're going to update a product you'll need to decide what you want done with the existing inventory of that product. Do you continue to ship the previous

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version until you run out and then begin shipping the revision? Or do you rework the previous version to make it consistent with the new version? Or do you tthrow away all old inventory and immediately switch to a revised version?

The answer is influenced by different factors. How significant the updates to the product are is a key factor. If you have a multiple component product and, for example, you made changes to only 1 disc out of 10 in a set then you'll probably want to rework the existing inventory. But, if there are several updates to the product then the quantity remaining on hand of the older version may be the deciding factor.

Just be sure that the product you ship to your customer matches up with what they purchased from your website or from you at an event. Don't deliver an older version of a product to a customer if the latest whiz bang concept covered only in the newer version is what induced them to purchase in the first place.

The questions you should ask:

- What are your recommendations on the establishment of a reorder point and a reorder quantity for my product?
- How do you handle it if I don't want to pre-approve automatic production of more units?
- What is the process when I want to update an existing product?

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What are Your Quality Standards and What Do You Do to Ensure Quality?

The goal of any fulfillment company will be to ship out 100% perfect product 100% of the time. Inevitably though, somewhere along the way a product will go out the door that isn't 100% perfect. What your fulfillment partner does to fix any problem should be of paramount importance to you.

But a more important question might well be "What do you do to ensure quality?" In other words, what quality control processes and procedures do you have in place to make sure problems don't occur in the first place?

When a CD or DVD is duplicated or replicated how do you know the disc copied properly? Do you visually inspect the disc? Do you let the machine verify the disc in some way? Or do you actually load some percentage of the discs into an actual CD or DVD player and make sure it plays properly?

When a manual is printed how do you verify that everything printed properly?

When a product goes to final packaging how do you verify that all components have been included and the product is ready to ship to end customers.

Quality should be a given with any fulfillment partner. But how they ensure their quality standards are being met is something you should do your due diligence **on.**

The question you should ask:

- What are your quality standards and what do you do to ensure quality?

Questions about Warehousing/Shipping

What Shipping Options Do You Offer?

Most fulfillment houses will offer you a variety of shipping options to choose from. This typically will include any or all of the following:

- United States Postal Service (USPS)
- United Parcel Service (UPS)
- Federal Express (FedEx)
- DHL

For example, at Infofillment we utilize two primary carriers for our outgoing shipments - UPS and the Postal Service

For higher ticket items where good package trackability is critical we recommend UPS for domestic shipments. Costs are determined by product weight and destination.

For lower ticket items and most international shipments we recommend the postal service.

For pallet shipments we make arrangements with a local shipping company on an as needed basis.

Once your product has been developed your fulfillment company will be able to make up a sample and tell you what the shippable weight of your product is. You'll need to decide how important trackability and delivery times are to you and let them know your preferences and then they can provide you with the shipping costs.

A factor most people don't realize comes into play is whether the address you're shipping to is a residential or business address. If you're utilizing a carrier like

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UPS or FedEx it is more expensive to ship the same package to a residential address then it is to a business address.

When an order comes in via your shopping cart you may not be able to determine in advance whether that address is business or residential. Whether an address is considered business or residential is based upon what the carrier thinks – not on what you or your client think.

From our experience, your best bet is to assume you're shipping to a residential address and set your rates accordingly. You don't want to undercharge and lose money on shipping.

Some shopping carts offer the ability to do real time shipping calculations. If yours does you may want to consider this option. It can be challenging to set up and we've seen instances where it didn't work properly, which can cost you sales. Realtime shipping calculations also usually don't take into account any after the fact charges such as extended delivery area surcharges. So, proceed with caution. It may be a great solution for you and it may not. You'll need to decide.

When we're asked about setting up shipping our usual recommendation is to go with flat rate shipping. Set up shipping rates for your product for three separate areas:

- United States
- Canada
- Everywhere else

You should view shipping as a game of averages. You might make a little bit on shipping for one shipment and lose a little bit on the next, but, on average, you're covering your costs. This simplifies the set up of your shipping options in your shopping cart considerably.

Another thing you'll need to consider is how you want to handle an order that comes through your cart as "approved" but you see that the customer has

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selected an incorrect shipping method. For example, they're located in Australia but selected the U.S. shipping rate in their order.

You may decide to eat the extra cost yourself and go ahead and have the order shipped by your fulfillment house. Or you may tell the fulfillment company to hold the order while you go back and try to collect additional money from your customer to cover the additional shipping cost. It can be a tough decision.

A good shopping cart won't even allow the possibility of this happening, as it should only show the shipping options that apply based on the ship to address your customer has entered when they placed their order. But some don't and you'll need to deal with how you want to handle these scenarios.

A final thing you'll want to find out is if your fulfillment partner is charging you their actual shipping cost or their actual cost plus some type of markup.

Because the carriers (UPS, FedEx, DHL) have "after the fact" charges they hit the shipper with – things such as extended area surcharges, residential delivery charges when a package was classified as business, or package intercept fees -your fulfillment house may charge a small markup across all shipments to cover these situations rather than do an after the fact shipment by shipment analysis to see if there are other charges to be passed along.

They're not trying to make money on your shipments, they just don't want to lose money. You still save money because of their volume discounts vs. shipping the package yourself.

The questions you should ask:

- What shipping options do you offer?
- What method do you recommend and why for my product(s)?
- Do you charge me actual shipping costs or actual costs plus some markup?

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Are There Any Surcharges if My Product Isn't Moving?

You always have to watch for hidden costs with a potential fulfillment partner. Some will actually tack on additional charges to your bill if you haven't turned over your inventory as quickly as they'd like. So now not only is your positive cash flow down because your sales aren't where you'd like them to be, it's also down because the fulfillment company hits you up for additional money during a down sales cycle. Ouch!

Now we certainly hope you're moving enough of your product that this is a non-issue, but it's certainly a question you'll need to ask as you're evaluating a potential fulfillment services provider. If you have a product you don't think will be a big seller and you're potentially faced with some type of non-moving inventory charge, be sure you amortize any non-moving inventory charges across the quantity of units you had produced. This will give you the actual per unit cost, which could be vastly different from the initially quoted price.

Any ancillary costs, such as set-up fees, graphics charges, storage fees, etc. need to be factored into the calculation of our actual per unit cost. So always be sure to ask in advance your potential supplier to outline everything you might encounter so you can make the best informed decision possible.

The questions you should ask:

- Do you have any additional charges for non-moving inventory?
- What other ancillary charges should I be aware of?

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How Much Do You Charge For Storage?

We talked in the previous chapter about the issue of per unit costs and making sure that you consider all that you may be charged for into the per unit price of your product. One of those costs we want to discuss a little bit more is the issue of storage costs.

Typically, a fulfillment house will not charge you for storage of a product they have produced for you. But you want to be sure that's the case. If you're going to do a large run of a product that will result in several pallets worth of finished product to be stored make sure you're not going to encounter a pallet holding fee for that product.

The reason that you usually won't get a storage charge on product the fulfillment house has produced for you is that their profit is typically in the making of your product and not the holding of it.

On the other hand, if you have a product made elsewhere and shipped to a fulfillment house to fill your orders then you can anticipate, in most cases, some type of storage charge. An example of this would be a book you have published. If the printing is done somewhere else then your fulfillment company then the fulfillment company is not generating any revenue from manufacturing that product.

Yet, they have the costs of receiving it into their warehouse, verifying inventory levels, arranging a storage location, pallet racking for storage, and more. So you should expect some storage charge. Now, if your book is a component that is going into a "bigger box" package your fulfillment company is producing they may be willing to forego any storage charges. Bottom line – just ask.

We do charge a storage fee for books or other products shipped to us we will be doing fulfillment of only. At the time of writing this that fee is $12 per pallet per month. A pallet is measured at 40" x 40" x 40" of space which equals around 37 cubic feet of storage space.

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This may be a negotiable item with some companies. Just be sure to factor whatever that cost may be into your overall costs.

The questions you should ask:

- What items are subject to storage fees?
- How much do you charge monthly for storage?
- Is that per box, pallet, or some other criteria?

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How Quickly are My Orders Shipped?

Getting your product into the hands of your customer should be of major importance to any information marketer. Assuming you put into place a system for getting new order information to your fulfillment house as quickly as possible then the task falls in the hands of your fulfillment company to get your product out the door.

We're a firm believer in having product on-hand so that orders can be filled almost as soon as the order comes in. Our rule of thumb is orders that are received by noon (Eastern Standard Time) on any weekday will ship out that same business day. Orders received after noon may ship that same day, but will definitely ship no later than the next business day assuming that the product ordered is an item that is stocked.

If an order comes in over the weekend it will ship the following Monday assuming that Monday isn't a holiday.

If a two or three day lag in the shipment of an order is acceptable to you (or more importantly acceptable to your customers) then you may want to consider a print-on-demand fulfillment facility. You'll tie up less money in up-front inventory since you only pay when an item is produced but you may have a higher percentage of product returns and pay a higher per unit cost since you're producing one at a time.

The questions you should ask:

- How soon do you ship an order after you've received it?
- Aside from weekends, what other non-shipped days during the year do you have?
- Do you offer and print-on-demand services and what is the turn time?

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How Do I Know If an Order was Shipped?

Your fulfillment partner should be able to provide you access directly to their backend system where you can look up, in real time, the status of any individual shipment.

Depending on which carrier was used (and which level of service you utilized with that particular carrier) you should have what is called a “tracking number” for each individual shipment. UPS, FedEx and DHL all offer package tracking capabilities via their respective websites that can show you a fairly up to date status of a shipment.

Some categories of service from the U.S. Postal Service also offer tracking, but typically, the tracking capabilities of the Postal Service don’t rival those of the other carriers. And some classifications from the post office only provide what is called “delivery confirmation.” That means they can tell you if a package has been delivered or not, but not where it’s at in the delivery chain if it hasn’t yet arrived at its destination.

Where a package has a tracking number or a delivery confirmation number you should be able to access your fulfillment partner’s system with a private user name and password to look up the needed information.

In addition, your fulfillment company should be able to automatically email your end customer that tracking information for you. This eases the mind of your customer because they know their order is on the way and will greatly reduce your customer service burden. This email notification should be fully customizable.

The questions you should ask:

- How do I check the status of an individual package shipment?
- How do my customers know that their order is on the way”

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What Happens if There's a Problem With an Order?

Accuracy of your order fulfillment should be a given with any fulfillment house. Yet, despite all the checks and balances any fulfillment house should have in place, invariably sometime you'll have a problem with an order. Here are a couple of potential scenarios:

1) Incomplete or wrong product is shipped to the correct address
2) Correct product is shipped to an incorrect address

We believe that the most important thing in either of these situations is to get the correct product to the correct address as soon as possible. It's about keeping your customer happy. It's not about casting blame or pointing fingers.

Believe us, if there is any type of problem with an order here that, after the end customer is taken care of, there will be an immediate look into the matter to determine what caused the problem. Does a process or procedure need to be adjusted to avoid the reoccurrence of that problem? Was there a miscommunication of some type that can be fixed?

If an incomplete or wrong product is shipped to a customer the natural conclusion drawn is that the fulfillment company messed up. And this may well be the case. Any fulfillment company worth its salt will assume responsibility for the error without excuse and take care of correcting the situation as best it can be corrected at their expense.

This typically means the manufacturing of another unit of the product and the shipping costs associated with getting it out quickly to your customer. It will not include reimbursement to you of the retail price of the product if a sale is lost due to a shipping error.

Some companies may make other concessions to you for a sale lost due to their error. You'll simply need to check with your potential fulfillment partner as to how these types of situations are handled.

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In the scenario where the correct product is shipped but, for some reason, is undeliverable then the reason for the non-deliverability must be determined. If it's due to a manual keying error by the fulfillment company they should be able to correct the address and reship at their expense.

If the non-deliverable status is due to an impartial or incorrect address provided by your customer or something mistyped by you then your fulfillment company will be able to correct the address and reship the product. Expect, however, that the associated costs of the reshipment to be born by you under that scenario.

Mistakes may happen during the fulfillment process. Obviously, both you and your fulfillment partner want them to happen as infrequently as possible. We think the real measure of a great vendor is how they handle the situation when something unfortunate happens.

The questions you should ask:

- What do you do if you mess up an order?
- How do you handle it if I or my customer makes a mistake?

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How Do You Protect My Product for Shipping?

Having your information product arrive safely in the hands of your customer should be of significant concern. Almost nothing is more depressing then receiving a package that you can hear things flopping around in even before you've opened the box.

Obviously your chances of having a product returned for a refund increase significantly if your customer opens a box and find discs askew or bent or ripped pages in a manual. This is a nightmare you don't want have happen to you.

Your fulfillment partner should take special care to make sure your product arrives in mint condition to the end user. Individual components should be protected appropriately so damage doesn't occur during the shipping process. We've seen products sold for as much as $2000 that arrived in such poor condition they looked they weren't even worth $20.

Here's some miscellaneous packaging hints if you're doing your own product fulfillment or to make sure your fulfillment partner is following if you're outsourcing.

1. Make sure the shipping box is properly sized for the product. The product should fit snugly into the outer box, but not so tightly someone needs to use a pry bar to get it out. A properly sized box will also reduce the amount of void fill that may be needed, saving both on product costs and the environment.

2. If bubblewrapping manuals or disc cases (which we highly recommend for protective purposes) make sure the bubble side of the bubblewrap is away from the product. Inward facing bubbles can leave marks on the clear plastic overlay of binders or disc cases.

3. If a manual is included in your product we recommend that, if it contains more than 50 sheets of paper, that you do NOT ship the

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pages already inserted on the rings of the binder. Shifting and tearing of pages can occur during shipping and also the binder rings themselves can be damaged. The pages should be shrink wrapped with a firm cardboard backing (to prevent bending) and the end user will place the pages within the binder himself.

The questions you should ask:

- How do you protect my product during shipping?

"Requirement of an RMA prior to returning a product does make it more challenging for your customer, but will probably increase your customer service"

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How Do You Handle Product Returns?

If you're an information marketer one of the decisions you're going to have to make early on is how you want to handle product returns. Do you want to have them come back to your office or to be returned to your fulfillment provider? And, what kind of hoops do you want to make your customer jump through in order to return a product for a refund?

Some information marketers require their customers first get a Return Merchandise Authorization (RMA) number prior to sending a product back. This is particularly true for higher priced products. Requirement of an RMA prior to returning a product does make it more challenging for your customer, but will probably increase your customer service.

Regardless of whether you're going to require an RMA or not, you'll need to decide if product returns are going to come back to your office or be returned to your fulfillment provider. Some fulfillment companies do not accept product returns or their policy is that any returned product is simply thrown out. They don't have the time to inspect, repackage, and put back into inventory products that have been returned.

Here's how we handle returns within our company. When a product comes back to us, we will first attempt to discern why the product has come back. Reasons might include the following:

- Insufficient address
- Customer refused original shipment
- Customer opened product and decided not to keep it
- Address not known

If a product is returned due to an addressing error on our part, we will reship the product UPS 2nd day air at our expense and there will be no additional fulfillment fee.

If, however, the product was returned because of an insufficient or incorrect address provided to us and

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there was not an addressing error by us, we will reship the product at your expense. You will be contacted via e-mail regarding the return including the specifics of whom it was shipped to, what product was shipped and to what address it was shipped. After you have provided us with a corrected address, we will reship the product by your method of choice (rush vs. ground). Shipping costs plus an additional fulfillment fee will apply.

Products that are returned by your customer for refund are subject to a fee ($3.00 at the time of writing) for each returned item we receive. You are notified via email within 1 business day after a product comes back so that you may issue any necessary refund to your customer.

A returned product goes back to our “Returns Room” where it is reworked at a pre-agreed upon price and then placed back into inventory for you. This saves you money versus producing an entire new product from scratch. Rework is done as our production workload permits and is not on any set timetable.

Since we are able to reuse many of the components of a return the cost of a reworked product will be less then producing a new unit, saving you money.

If your customer clearly hasn’t even opened the bubblewrap of a product we will simply repackage it for you and return it to inventory. A “repackaged” product is going to be somewhere around $3 to cover the labor costs and a new clean white box.

It is commonplace in the information marketing to make the issuing of a refund contingent upon the return of the product purchased in “like new” or “resalable” condition. Sounds good, we just open the returned product, drop it into a new box, and throw it back into inventory. Right?

Well, that’s not quite reality. Most people do their best to return a product in good condition. They wrap it back up carefully in the original bubblewrap, insert it

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into a box, and ship it back to us. It is certainly in resalable condition to them.

But resalable condition as a common person would perceive it does not mean in like new condition such as a unit is coming off our production floor.

If they've purchased your product you certainly hope that they've taken the opportunity to give it an honest assessment before they decide to return it. Now, many times products come back that have obviously not even been opened – and these we treat as repackaging vs. rework to save you money. But even repackaging means a new box and some labor to put it back into inventory.

Back to the honest assessment. They've opened your product and probably looked through your manual and maybe played a number of your CDs or DVDs. Maybe they've even started working through the materials, highlighting some sections and are beginning to implement. But, for some reason, they decide it isn't for them and return it.

During the normal course of handling a page might get creased, a disc scratched, a case dinged up a little bit, or any number of other minor defects that in no way diminish the functionality of the product. The content is all still there – it just doesn't look quite as pretty as it did when it was first produced.

Does this mean the product is in "like new" or "resalable" condition. It certainly doesn't, as some rework will be required to put the unit back into salable condition and return it to inventory.

Are you going to deny a refund to your customer because a disc got scratched during handling or the corner of a couple pages got creased? Probably not. Or, if they gave it an honest shot and highlighted something in a manual are you going to deny them a refund? Again, probably not.

Or let's say a product comes back and a DVD is cracked on the corner. Would you deny a refund

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because it's not in "like new" condition". The customer would certainly claim it left them in good condition and the post office or carrier just handled it too roughly. Bottom line is people do try their best and return products in good condition. But good doesn't mean resalable.

In an idealistic world every product that's returned would be opened up and inspected one by one immediately and a comprehensive report would be in your inbox within 30 minutes as to what was returned, the exact condition of each component in the product, and then returned to our production department for rework or repackaging.

Unfortunately it isn't feasible for most fulfillment companies to operate in this manner. Too many packages are coming in the door to do a one by one inspection on the spot. There are some companies that do have a "dedicated" returns staff and, if immediate turnaround of any returns is critical to you they may be the best fit for you.

So you might say "Well can't you just open the box up and make sure everything is there? Again, it won't be feasible for most fulfillment companies. Most are manufacturing hundreds of different information products every month and it's difficult for any receiving department to know the exact components that go into each and every product they produce. It's a nice thought but it's simply not practical. Some, however, do offer this service and you'll want to factor this into your decision-making process.

Sometimes your customer might miss a disc or some other component they should have returned. It happens. And you can be sure that once in a while a customer will try and take advantage of you and not return a complete product. It will happen. You've got to accept it's going to happen if you're an information marketer. But those few bad eggs are few and far between and we hope it doesn't bum you out too much. Keep marketing.

Another issue that comes up is why can't the print component of a returned product be reused? Let me

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tell you a story – one time we thought we were doing a client a favor and placed a spiral bound manual that had been returned into a product. A new customer receives their product and raises cane because an obviously "used" product had been sent to them. What made it "used"? The previous recipient of the manual had highlighted a couple lines on one page in it before deciding to return it.

Our client was naturally upset even though we had tried to save them money by reusing a manual. A glance through the manual when it had come back had missed the highlighted page. So it was decided then and there that it wasn't worth the risk of missing something like that and chance upsetting a new customer by putting a used manual back into inventory.

Besides not being worth the risk, the time involved in going through a manual page by page (when sometimes the manuals are several hundred pages) simply isn't practical. And again, why even risk missing something like that? That's why our policy is to reprint any printed components of a returned product that has clearly been opened by your customer.

Please remember it is common with many fulfillment companies that, if they accept returns at all, that all returns are discarded. We developed our returns policies after careful thought about how we would want to be treated ourselves as an information marketer.

The questions you should ask:

- Do you accept product returns?
- How much does it cost per return?
- How quickly am I notified of any return?
- Do you rework my products and put them back into inventory or discard them?

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- What are the costs of reworked and repackaged products vs. a new unit?
- How quickly are returned products reworked/repackaged and placed back into inventory?

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Can You Ship Bulk Orders?

Any fulfillment company should be able to ship any quantity of your product to any location. Whether it's an individual order going to a customer in Texas or you're speaking at an event and you need 10 sets needed at a hotel in California for a seminar on a specific date or two pallets of materials needed for an event in Australia all should be easily handled by any reputable fulfillment operation.

If you're selling products to Amazon or Barnes and Noble your fulfillment partner should also be able to manage easily these types of orders for you.

If you're a public speaker who sells product at the back of the room and has product on location to give immediately to any buyers be sure to notify your fulfillment company well in advance of your event dates. That way you can avoid rush shipping charges and possible rush production charges.

Your fulfillment partner should also be able to help you in some way to get product returned to their facility that goes unsold at an event. The degree to which they are able to help is impacted by several factors, so just be sure to ask.

The questions you should ask:

- Can you ship items in bulk to events for me?
- Can you handle Amazon and Barnes and Noble type orders?
- What can you do to help unsold items get returned to you?

Bonus Section for Information Marketers

The 10 Biggest Mistakes I See information Marketers Make

#1 No upsells in their on-line ordering system

You've got them on your order page - primed and ready to purchase your product. They're in a buying mood. Yet, you don't offer them additional products they can purchase right then and there. Bottom line - you're leaving a lot of money on the table. I've seen up to 90% of purchasers take the upsell that was offered on certain products. And I've seen upsells work well where the "upsell" was priced at 3 times the price of the original product. You're only limited by your creativity, but if you aren't offering any upsell you know what your results will be - zero.

#2 No ride along offers with their physical product shipments

Similar to the upsell, you've got a new customer that has just received your product. Assuming you've delivered as promised on the quality of your content and you have a sharp looking package, then you have a prime prospect to purchase additional products from you. So include a promotional piece or two in your physical package that offers them additional items of yours to purchase. The only cost is the printing cost of the pieces you choose to include.

#3 Trying to do their own product duplication and fulfillment

I always ask people the question "Are You a Speaker or a Fulfillment House?" When you're first starting out the economics may require you to do it all yourself. But once you're rocking and rolling you've got to ask yourself the question "What's the best use of my time?" Is it running manuals at your local copy shop, burning CDs one at a time on your computer, searching for boxes and packaging materials, and running products down to the post office or the local UPS store to ship out everyday. The answer should be no. The most valuable use of your time is sales and marketing of your products and services and new product creation.

#4 Not investing some time everyday in marketing

Your products won't market themselves. Yet so many information marketers get caught up in the day to day of working in their business they don't spend any time working on their business. You must invest some time everyday in marketing. Do at least one thing a day that will help you to build your business. Write an article, make a call to a potential joint venture partner, send out a promotion to your list. Whatever, do something each day that is an investment in building your information marketing empire.

#5 Selling their product for too little

Too many information marketers price their products way too low. If you think you're going to make it in the information marketing business selling products for $15 then you're probably kidding yourself. The only exception would be if you have massive retail distribution selling thousands of units. Don't undervalue your products. If you're selling physical products for less than $97 you're going to have a tough go of it in this industry. Figure out how you can bundle a few things together to come up with $297, $497, $997 or higher priced products.

#6 Trying to make it perfect

Just get it done. It doesn't have to be perfect. I've seen product launches delayed months while the creator was crossing every "t" and dotting every "i" for the fifth time. Yes, I think you need to have your product proofread by another set of eyes. But it does not have to be perfect. Get it out there and start generating some revenue. You can always tweak it on future production runs. Should it look professional - definitely. But don't let your obsession with perfection get in the way of getting your product to market.

#7 Selling a product that isn't yet fully developed

This one tends to be a bigger problem for platform speakers than for regular information marketers, but here's the gist of it. A speaker offers a package from the platform that includes some components that are in development. They think it will take two more weeks to finish everything up. But, invariably, it ends up taking two months or more to complete. So you end up with a lot of unhappy customers who want refunds because delivery promises were not kept. The real key is to manage expectations. People will wait some period of time before things are in their hands, but if you keep pushing that delivery time out it will bite you.

#8 Not testing your on-line ordering system prior to launch date

You've put months worth of effort into creating your fantastic new information product. You've lined up joint venture partners and your offer is being blasted out to thousands of people. Then someone tries to order and they can't get their order through. Oops, you forgot to check your shopping cart system out ahead of time. Does everything work as it's supposed to? Is your fulfillment house getting copies of all your orders as they come in? Don't scramble around after the fact trying to get your ordering mechanism in place and fully tested.

#9 No "Read this First" or "Getting Started" document to guide users

You've assembled a comprehensive new course that's the latest and greatest on subject "x". It consists of 12 CDs, 6 DVDs, and a 400 page manual that arrives at your customer's door in a big box. You've definitely got "thump value". But when your

customer opens the box he is overwhelmed by your product because he doesn't know where to get started. So include some type of "Read this First" or "Getting Started" document that will outline for your customer step by step how to consume your information. If they immediately put your product aside because they don't know where to begin then chances are they'll never get going with it. Which means there's a significant chance they'll return it and nearly a 100% chance they'll never purchase anything else from you. So, tell them how to "consume" your product in a logical manner and you'll be ahead of the game.

#10 No unannounced bonuses in package

Everyone likes surprises. When you send your package to a customer be sure to include some unannounced bonus they weren't anticipating that further increases the perceived value of your product. It doesn't have to be another physical component - it can be a bonus they download or an additional file contained on one of the CDs or DVDs they weren't anticipating.

This article and the following are pulled from Bret Ridgway's groundbreaking course "The 50 Biggest Mistakes I See Information Marketers Make." Learn how to avoid these mistakes that cause info marketers to leave thousands of dollars on the table. For more information go to 50BiggestMistakes.com

10 More Mistakes I See Information Marketers Make

#1 No follow-up autoresponder series to help people consume their product.

When your customers receives your product for the first time they can easily be overwhelmed by all they've received. You might have a thick manual and case after case of CDs and/or DVDs. They just don't know where to begin.

First, you should have a "Read this First" or "Getting Started" document to help them through your product step by step. In addition to this you should have an autoresponder sequence that follows up with them and does the same thing. Tell them what to do first, second, third, etc.

If you don't your customers consume your product your chances of selling them additional products or services is significantly limited.

#2 Not having a product line and trying to rely on the sales of a single product.

Very few Internet success stories are a result of someone selling a single product alone. If you're always relying on selling to new customers then your chances of long-term success are minimal. It is always easier to sell a new product to an existing customer, so you must have a line of products that you can offer. It's impossible to do an "upsell" online if you don't have additional products or services to offer.

#3 Not attending live events to network.

Your best source of JV partners and others with which you can collaborate is by meeting these people in person at a live conference or seminar. That's where you build the rapport and trust that leads to long-term business relationships. If you're not attending a few events every year you are significantly restricting opportunities to help you grow your business even more.

#4 Trying to do it all digitally.

You're leaving a lot of money on the table if you are offering your information products in digital format only. Sure it takes a little work to convert a product to physical format. But, I've seen upsells online where a printed version of call transcripts convert at 30%, 40% or even higher. So consider some physical products to help you maximize your information marketing revenues.

#5 A lack of a consistent look and feel to all your products.

As you begin to increase your prescence in the information marketing world you're going to want people to recognize your products. This is done best by branding yourself

with a consistent look and feel to everything you do. Your information products should have the same look as your website so that people will know it's you. It's easier to sell a product to someone who is comfortable with you and branding is a critical aspect to helping increase that comfort level.

#6 Not investing a little up front to have some graphics created to give you a more professional looking package.

Many information marketers want a "Plain Jane" look to their products to keep their costs down. But, this can lead to your looking unprofessional and being perceived as not being worth what you are charging. Invest some up front for professional looking graphics that you can reuse on multiple products.

#7 Overproducing on an initial product launch to try and save a few cents on the per unit production cost.

If you commit up front to a large inventory run in order to shave a few cents off the unit price you're also committing yourself to a bunch of inventory that you hope you can move. Until you have a proven track record of the number of units you can expect to sell on a new product launch you are better off being conservative and spending a little bit more per unit.

#8 Packaging inconsistent with the pricing of your product.

Perceived value is critically important in the information marketing business. If you price your product at $97, $197, $497, $997 or more than your product should look professional and consistent with the price you're charging. You can't deliver CDs or DVDs in paper sleeves if you have a higher priced product.

#9 Not providing adequate sales tools for your affiliates.

Typically in the information marketing business sales made by affiliates is a significant portion of your product sales. If you're expecting big things from your affiliates then you need to provide them adequate tools to sell on your behalf. You need to have articles they can use, pre-written classified ads, banners, and more than make it easy for them to market on your behalf.

#10 No built-in "name capture" tools inside of your product.

If you're selling a book or any type of information product you should have embedded within your product ways to drive people back to your website to either purchase additional products or sign up for a newsletter. A lot of information products are passed around, so the person reading your book or manual may not be the one who originally purchased it. So you need to put in place ways to drive the reader back to your website to capture their name and email address so you can do follow-up marketing to them.

Perceived Value: What is it and Why is it Important to You as an Information Marketer?

In the information marketing world you'll frequently hear the phrase "perceived value" uttered. Simply put, it means how much people think your product is worth. How you choose to package the information you're selling will have a tremendous impact on how your customers perceive its value.

Let's take a look at the relative perceived values of different products from lowest perceived value to highest perceived value. Keep in mind the content is identical regardless of the packaging.

Example 1: Single CD

Low Medium High

Paper Sleeve ---- Jewel Case ---- DVD Style Case

If the CD is a free lead generation tool or a bonus item then a paper sleeve may be your best choice. The price that you're asking for the product will, to a large extent, determine what kind of packaging you want to utilize. If you're giving it away you need to go bare bones on your packaging.

But, if the product is selling for $47, $97 or more than you need to dress up the package. It needs to be more impressive so a jewel case with full color inserts or a DVD style case with a full color outsert will be called for. Remember, the content is identical. You are influencing the perceived value of your content by packaging it differently.

Example 2: 100 Page Manual

Low Medium High

Saddle Stitch - Perfect Bound - Spiral - 3-ring Binder

Again, the content is identical in each of the formats. But the public has been conditioned to equate the value of a perfect bound book with the bookstore price of around $20 or so. Put that same information into an 8-1/2" x 11" spiral bound document or a 3-ring binder then it appears to be more specialized knowledge and people are willing to pay more for it.

If you're selling a multifaceted product that consists of many CDs and/or DVDs and some printed materials that is going to have a ticket price of $497 or higher then you definitely want to stay toward the upper medium to high end of the perceived value scale.

How you choose to package the components of your information product is critical to how people will perceive its value. Be aware of the value scales above when you're deciding how you want your product to look.

For other great articles like these sign up for the Info Marketers Newsletter at:

InfoMarketersNewsletter.com

New Product Launch Checklist

More than 2 Months Pre-Launch

- [ ] Create the content – record audio(s) and/or videos, write manual.
- [ ] Determine what the product components will be – DVDs, Audio CDs, Data CDs, manuals, downloads, etc.
- [ ] If CDs or DVDs are included in product determine packaging (individual DVD style cases, multi-disc DVD style cases, plastic sleeves in 2 or 3-ring albums, paper sleeves, plastic sleeves included in printer binder, jewel cases, other.)
- [ ] If print component is to be included decide on desired binding method (3-ring binders including size, spiral binding, comb binding or perfect binding.
- [ ] Determine if printed component is to include tabs.
- [ ] Determine if any components are to be shrink wrapped.
- [ ] Determine if printed components are to be single our double sided.
- [ ] Determine if printed components are to be printed black and white or color.
- [ ] Determine if product will have any bonus items (physical or download).
- [ ] Get pricing from your fulfillment company.
- [ ] Begin lining up your affiliate and joint venture partners.

8 Weeks Before Launch

- [ ] If transcripts are to be included get audio transcribed.
- [ ] Get artwork developed for all printed pieces (CD labels, CD/DVD packaging, binders, etc.).
- [ ] Proof all artwork.
- [ ] Determine desired audio format for final product (.wav or MP3 files).
- [ ] Inform your fulfillment partner of launch date and quantity to be made.
- [ ] Develop complete assembly instruction document for fulfillment company.
- [ ] Provide fulfillment company with at least two contact names with phone and emails to ask questions.
- [ ] Continue work on affiliate and joint venture partners.

6 Weeks Before Launch

- [ ] Format transcripts into final “print” version (PDF or Word document).
- [ ] Proofread your transcripts and other written documents.
- [ ] Send transcripts and other written documents to printer.
- [ ] Quality check your audios and/or videos.
- [ ] Write thank you letter to include with the product.
- [ ] Send all artwork to your fulfillment company via disc or downloadable links.

6 Weeks Before Launch (Continued)

- [ ] Convert MP3 files to .wav format
- [ ] Break audio into tracks and add front/back music if desired.
- [ ] Send fulfillment company physical address where you want product mockup sent.
- [ ] Write sales copy for website.
- [ ] Develop your website.
- [ ] Continue work on affiliate and joint venture partners.

4 Weeks Before Launch

- [ ] Determine preferred shipping method and notify fulfillment house.
- [ ] Proof mockup and notify your fulfillment partner if okay or changes need made.
- [ ] Add the product to your online shopping cart.
- [ ] Inform fulfillment partner of product name(s) which product may be sold under and accompanying SKU numbers.
- [ ] Pay any necessary deposit on production job
- [ ] Continue work on affiliate and joint venture partners.
- [ ] Make sure your merchant account provider is aware of your upcoming launch.

2 Weeks Before Launch

- [ ] Setup and test the order notice delivery mechanism with fulfillment company.

Launch Date

- [ ] Make website live

Post Launch

- [ ] If your launch exceeded expectations notify fulfillment company immediately so additional units can be put into production.

The 10:1 Rule of Info Marketing - Arriving at a Price for Your Product

What's the 10 to 1 rule of information marketing? Simply put, it means the price at which you're selling your information product (assuming it's a physical product vs. digital delivery) must be priced a minimum of ten times your production cost for that product to be a viable product long term.

The 10:1 rule is one of the major reasons why info marketing is such a popular business model. Information marketers routinely get a ten to twelve times markup or more (in many cases, much much more) over their cost to produce the product. The attractive markup is why new information marketers come into the market every day.

No more busting your butt for a measly 10%, 15% or 20% margin over costs. The 1000% markup allows you to recoup development costs quickly, pay affiliate partners a meaningful percentage, and build a business of real value.

So, what's it all mean in real numbers? If it costs you $10 to produce your product then you should be selling it at around $100 or more. If you follow the pricing rule of "7" then it might be a $97 retail product. Some of you may be wondering "What is the pricing rule of '7'?" Well, research indicates that people, for whatever reason, tend to be more responsive to prices that end with the digit 7, so 37, 47, 97, 127, etc. So, if your product costs $30 to produce then it needs to be a $297 or higher product. If it's $100 to produce then that's at least a $997 product. And so on and so forth…

But let's look at it from another standpoint. What if you're producing an info product that costs you $30, but the market you're selling into won't spend more than $97 on that type of information product. What should you do?

If $97 seems to be the "number" in your market then you need to figure out what you can package for them that costs you no more than around $10. You may have to eliminate some of the content you wanted to include in your product to bring your numbers in line.

Maybe the additional material can be bonus downloadable info or be saved for a separate product. You decide what will work best for you. But the bottom line is you need to bring your production costs as close in line to the 10:1 rule as you can.

Now, if the product is simply a lead generation product for other higher ticket items that you sell then you can throw the 10:1 rule out altogether. Many marketers are even okay with losing money on that initial sale because they know their back end conversion numbers so well they know they don't have to make any money on that initial sale.

But if the product you're selling is one you want to be a highly profitable product then make sure you follow the 10:1 rule.

Diving Into the Digital Only Pond

These days many information marketers are seemingly like lemmings, following the crowd mindlessly into danger without testing the waters themselves first. And many will drown. The current danger is what I call the "Digital Only" pond.

There seems to be a big push these days to do entire information products in digital only format – PDFs, mp3s and the like. The belief is that due to the lower costs of digital delivery you will have increased profits. You may. Or you may not.

The natural conclusion one might draw from lowered delivery costs is that you'll put more money in your pocket for each sale because you didn't have to go to the expense of printing up manuals, duplicating CDs and DVDs, packaging it all together and shipping it to your customer.

But what about the sales you might have lost because of those people who didn't buy because they are tactile. They like to see the big box arrive and see all the stuff they have bought. They want to be able to curl up on the couch and read your manual, not stare at a computer screen for several hours reading a PDF. They want to be able to pop a CD into their car and listen to you on the go.

If these people didn't purchase because there wasn't a physical component to your package then you lost out entirely. And it's these lost sales that you must factor into the determination of your potential overall profits.

Do I believe you should have an immediately downloadable version of your entire course or at least parts of it? Absolutely. Immediate gratification is an important aspect of building an information marketing business. Do I also believe you should have a physical component to your package? Absolutely.

I can just hear some of you crying "But what about all the hard costs of doing a physical product?" Here's an interesting case study as reported by Dan Kennedy in the April issue of his 'No B.S. Marketing Letter' you'll want to consider.

"I have a client who switched delivery of a very elaborate home study course to PDF, online without lowering its $495.00 price, added a "deluxe option" including a printed copy i.e. "library edition" delivered in a box for $200.00 more, and in 3 months, over 65% of the 300 or so buyers have bit on the deluxe upsell, and overall conversions barely dipped a smidgen."

Interesting. Very interesting indeed. So here's the bottom line. Don't blindly follow the pack into the "Digital Only" pond. Test. Find out what your market responds to. You may make more money doing digital only. You may make more offering both. But don't assume one or the other will win up front. Test it and let the numbers tell you who the winner is in your situation.

Prospective Fulfillment Partner Questionnaire

To access a printable PDF version of this next section visit

TheBookonFulfillment.com/Questionnaire.pdf

Prospective Fulfillment Partner Questionnaire

Customer Service Questions

1. What methods of customer support do you offer?

_____

_____

_____

2. Is support free or is there a cost involved?

_____

_____

_____

3. On what days and during what hours is customer support available?

_____

_____

4. What are your promised response times?

_____

_____

_____

5. Can you provide names, phone numbers and email addresses of 3-5 clients you currently work with?

Company: _____ Contact Person: _____

Phone: _____ Email:_____

Company: _____ Contact Person: _____

Phone: _____ Email:_____

Company: _____ Contact Person: _____

Phone: _____ Email:_____

Company: _____ Contact Person: _____

Phone: _____ Email:_____

Company: _____ Contact Person: _____

Phone: _____ Email:_____

6. Can you provide names, phone numbers and email addresses of 3-5 clients you previously worked with who have left and why they left?

Company: _____ Contact Person: _____

Phone: _____ Email:_____

Reason for Departure: _____

Company: _____ Contact Person: _____

Phone: _____ Email:_____

Reason for Departure: _____

Company: _____ Contact Person: _____

Phone: _____ Email:_____

Reason for Departure: _____

Company: _____ Contact Person: _____

Phone: _____ Email:_____

Reason for Departure: _____

Company: _____ Contact Person: _____

Phone: _____ Email:_____

Reason for Departure: _____

7. What changes have you made to address the reason any of those clients left?

_____

_____

_____

8. How long have you been in business? _____

9. How many orders can you handle per day? _____

Production/Assembly Questions

10. How do I get orders into your system?

_____

_____

_____

11. How many times daily do you “pull” orders for shipping? _____

12. What are your double checks to make sure an order isn’t missed?

_____

_____

_____

13. How much will my product cost to produce?

_____

_____

_____

14. Are there any quantity discounts?

_____

_____

_____

15. Are there any setup fees?

_____

_____

_____

16. Any charges for slow or non-moving inventory?

_____

_____

_____

17. What else do I get for my money – resources, training, etc.?

_____

_____

_____

18. What other services do you offer that might benefit me?

_____

_____

_____

19. What are your order minimums? _____

20. Do you offer any print-on-demand options?

_____

_____

_____

21. Are there any setup fees or other costs not included in the per unit price?

_____

_____

22. What are your normal turnaround times? _____

23. Is this business days or calendar days? _____

24. Are rush services available and, if so, at what additional cost?

_____

_____

_____

25. How do I know what quantity of product I have on hand and when I need to have more produced?

_____

_____

_____

26. How do you establish reorder points and quantities?

_____

_____

_____

27. Can my returns be reworked automatically and charged at a lower rate so I might not hit reorder points as quickly?

_____

_____

_____

28. Do you replicate or duplicate discs? _____

29. What are your turnaround times? _____

30. How much does it cost per fully packaged disc?

_____

_____

_____

31. Are there any setup fees or other hidden costs?

_____

_____

_____

32. What are your disc packaging options?

_____

_____

_____

33. How easily and quickly can more be produced if I sell more than I expected?

_____

_____

_____

34. What are your recommendations on the establishment of a reorder point and a reorder quantity for my product?

_____

_____

_____

35. How do you handle it if I don't want to pre-approve automatic production of more units?

_____

_____

_____

36. What is the process when I want to update an existing product?

_____

_____

_____

37. What are Your Quality Standards and What Do You Do to Ensure Quality?

_____

_____

_____

Warehousing/Shipping Questions

38. What shipping options do you offer?

_____

_____

_____

39. What method do you recommend and why for my product(s)?

_____

_____

_____

40. Do you charge me actual shipping costs or actual costs plus some markup?

_____

_____

_____

41. Do you have any additional charges for non-moving inventory?

_____

_____

_____

42. What other ancillary charges should I be aware of?

_____

_____

_____

43. What items are subject to storage fees?

_____

_____

_____

44. How much do you charge monthly for storage?

_____

_____

_____

45. Is that per box, pallet, or some other criteria? _____

46. How soon do you ship an order after you've received it? _____

47. Aside from weekends, what other non-shipping days during the year do you have?

_____

_____

48. Do you offer and print-on-demand services and what is the turn time?

_____

_____

_____

49. How do I check the status of an individual package shipment?

_____

_____

_____

50. How do my customers know that their order is on the way?

_____

_____

_____

51. What do you do if you mess up an order?

_____

_____

_____

52. How do you handle it if I or my customer makes a mistake?

_____

_____

_____

53. How do you protect my product during shipping?

_____

_____

_____

54. Do you accept product returns? _____

55. How much does it cost per return? _____

56. How quickly am I notified of any return? _____

57. Do you rework my products and put them back into inventory or discard them?

_____

_____

_____

58. What are the costs of reworked and repackaged products vs. a new unit?

_____

_____

_____

59. How quickly are returned products reworked/repackaged and placed back into inventory? _____

60. Can you ship items in bulk to events for me? _____

61. Can you handle Amazon and Barnes and Noble type orders? _____

62. What can you do to help unsold items get returned to you?

_____

_____

_____

Please return completed questionnaire to:

Name: _____

Fax: _____

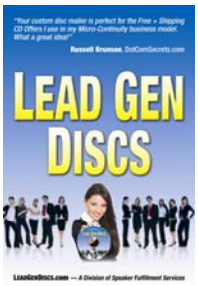
Email: _____

Recommended Resources

AM2- Armand Morin's highly popular Internet community, featuring weekly training from experts like Michel & Sylvie Fortin, Heather Seitz, Frank Deardurff, Lisa Suttora, Stu McLaren, Jeanette Cates, Bret Ridgway and, of course, Armand Morin. Gold and Platinum members have access to a vibrant discussion forum for quick answers to any pressing questions they have. All members have access to several live events every year, and even Silver level members receive tickets to live events throughout the year. Check out http://AM2.com

Glazer-Kennedy Insider's Circle - If you're an information marketer then, plain and simple, you need to belong to this organization. They offer you $613.91 of free information just for checking their stuff out. Just attended their last InfoSummit and there were nearly 900 people in attendance. This is where the movers and shakers in information marketing hang out. Go to http://freegiftfrom.com/bridgway.

How to Make an Audio CD Webinar - Join Bret Ridgway and Mike Stewart as Mike explains the latest software, hardware and technologies for how to easily make audio CD information products including a complete step by step demonstration. See the webinar at: http://howtomakeanaudiocd.com/bret/



Lead Gen Discs - The new print-on-demand custom self-mailer program from Infofillment that's perfect for free + shipping CD or DVD offers, monthly continuity disc mailing, handouts at events and more. For all the details visit http://www.LeadGenDiscs.com.

Newsletter Formula - Monthly newsletter and a membership site where you'll learn how to **A**ttract, **R**etain, and **M**onetize your newsletter subscribers. **ARM** yourself with the tools you need - Newsletter Formula. For more information visit http://www.NewsletterFormula.com.

Seminar Marketing Alliance Resource Team (SMART) - If you run your own seminars, workshops or training events then check out the most comprehensive course ever written on putting on a successful event at http://www.SeminarMarketing.com

Marketing Classics - Interested in marketing, advertising and copywriting? If you're promoting events you should be. SFS has a website featuring dozens of the classic marketing related books from the old masters like John Caples, Claude Hopkins, John E. Kennedy, David Ogilvy, Clyde Bedell, , Gary Halbert, Eugene Schwartz and others. For books from these and other great authors that can supercharge your copywriting and advertising efforts visit http://www.MarketingClassics.com.

Wildly Wealthy Webinars - Webinar pro Stephen Beck shares his best tips, techniques and tools for putting on highly successful webinars. See the webinar on maximizing your webinars at http://www.wildlywealthywebinars.com/bret-replay.

If you're going to sell online you need a merchant account. **PowerPay** is who Infofillment works with for our accounts and who we'd recommend to you. Our affiliate link for PowerPay can be found at: http://www.powerpay.biz/aff_704.htm

SendOutCards is a great system for acknowledging your clients, prospects, employees, vendors and more. Visit http://www.sendoutcards.com/42987

WishList Member - Powerful, yet easy-to-use software that turns Wordpress into a Membership Site. For more information to to: http://member.wishlistproducts.com/wlp.php?af=1201165

50 Biggest Website Mistakes - Frank Deardurff and Bret Ridgway's new resources shows you the common mistakes others make with their websites and how you can avoid them to make even more money online. Go to the site at: http://www.50biggestwebsitemistakes.com for full details.

Affiliate Toolbox Generator - Give your affiliates all the banners, emails and other tools they need to promote your products properly! Full information available at: http://www.affiliatetoolgenerator.com/affiliates/index.php?af=313

Ask Database - Outstanding research tool that helps you create new products and services from scratch, effortlessly grab more testimonials from clients, uncover new market niches using Google Adwords™ and quickly determine winning teleseminar content. http://www.askdatabase.com/cmd.asp?AF=112792

AudioGenerator.com - Add the power of audio to your website. http://members.audiogenerator.com/specialinfo.asp?x=24805

Client.Infofillment.com - Customer support site for Infofillment that has an extensive FAQ section, templates, and all the information you need to determine if Infofillment is the right fit for your duplication and fulfillment needs. http://www.client.infofillment.com.

Front and Back Music - Need audio tracks for your website or for a new audio product you're creating? These royalty free tracks from Mike Stewart are a great resource! http://1450edjf6sof7w7drhucwyo5yu.hop.clickbank.net/

Red Oak Cart - Tired of your shopping cart? Or just looking for the first time? Now available from Speaker Fulfillment Services is our own Red Oak Cart, which allows you to integrate your order taking functionality and order fulfillment functionality all within one system - no more worrying about order information getting transferred to your fulfillment house - it's already there! Full details at http://www.RedOakCart.com.

50 Biggest Mistakes I See Information Marketers Make - Bret Ridgway's groundbreaking course that will help you to eliminate the common mistakes that most information marketers make, which cause them to leave thousands of dollars on the table. Visit http://www.50BiggestMistakes.com.

Armand Morin's "Internet Marketing Explained" is literally an encyclopedia of Internet Marketing. If you're serious about Internet Marketing then this course should be part of your reference library. For complete course details go to: http://www.internetmarketingexplained.com/x.php?af=232402

In the interests of full disclosure some of these recommended resources are affiliate links and an affiliate commission would be earned by us if you make a purchase. These are the resources we use and they would not appear on this list if we weren't using them ourselves.

If you liked the information contained in this book feel fee to pass along a copy to any of your friends.

To request a FREE 15 minute consultation with Infofillment.com co-founder Bret Ridgway email:

bret@sfsmail.com

In your email please provide your full contact information including the primary domain for any product on which you'd like input.

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Just a few of our websites:

Infofillment.com RedOakCart.com MarketingClassics.com

LeadGenDiscs.com SFSRecommends.com 101TipsForEventPromoters.com

SFSBlog.com 50BiggestMistakes.com 50BiggestWebsiteMistkes.com

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