



Copy/Paste Co-Packer Outreach Script & First Meeting Questions

A co-packing relationship requires as much trust as you do your co-founder and employees. I've included cliff notes on every question with context on why you're asking this question and what answers you're looking for. Knowing why you're asking these is just as important as knowing what:

Q: What type of food products and capabilities do you specialize in?

Even though you've already done research prior to contacting, you never know what other goods or services or capabilities they might have. If your company will expand into new categories or would like to R&D in the future, this is the time to see if they can scale into those products with you. Sticking to 1 or maybe 2 co-packers will save you time, stress, and will protect your formula secrets over time.

On that same note, just because they say they are capable of "x" doesn't mean they're the best at it. You want to know how long they've been performing those activities, and if it is new, whether you are going to be a guinea pig. Better to know that info upfront than in the middle of your first run.

Q: What are your minimum order quantities (MOQs)?

Co-packers all have a number that maximizes efficiency for machinery + labor. If they tell you a ridiculously high number, they're not being snooty. They're a business too and have to set boundaries to protect their team.

what I was looking to produce at that time was more like 10,000 units! Haha

The first co-packer I ever called on told me his minimum was 250,000 bags of my coffee creamer—

You never know what a co-packer's MOQ is until you talk to them, just know that if you are a small startup that you'll hear more "No's" than "Yes'es". And that's okay! The right one will hear your story, believe in your business, and that have much more flexible MOQs for smaller entrepreneurial start-ups.)

Q: From this baseline MOQ, how much bigger can I grow with you? Do you have a particular success story customer who's made that journey with you? No need to disclose their brand name.

The main takeaway I want you to look for here is how they answer the second portion. If it seems like he or she is struggling to think of one customer, that should be a red flag. If it comes easy or they say how hard it is to choose their one favorite,

that's a great sign of a track record of creating successful businesses. It means they deliver for their entrepreneurs through the long haul. Trust, partnership, and reliability makes or breaks a business.

Q: Do you offer R&D services for your customers? If so, what does that include?

What you're looking for is for them to say "YES we do, and that looks like _____." (see next paragraph for specifics)

Unless you yourself have an extensive background in food science, you want a production partner who's invested in helping you develop the best commercialized formulation and to provide all the stress testing, microbials, water activity testing, and shelf life.

There are horror stories of co-packers who offer to produce for cheap, but don't take any responsibility for safety testing. If your products get customers sick and there's a recall, those co-packers will have inserted a statement of non-liability when you signed the contract...meaning this legal AND financial liability is fully on YOU.

Q: What certifications do you have? Gluten Free? Non GMO Project Verification? Organic? I'm looking specifically for "xyz."

Many co-packers have invested in the time, money, and resources to have officially certified nutritional claims. Remember the dangers of nutritional claims we talked about in Part 3? Yes, it pays to work with a co-packer who already has or is willing to get certified for you, because it can be a long and expensive process.

Letting them know what matters most to you will help both of you determine if their facilities are a match.

Q: I plan on selling in the USA (list any other countries you foresee). How do you give peace of mind to your customers regarding compliance? Do you have an internal regulatory department who can guide on FDA compliance for packaging? If I don't have a specific packaging supplier, will you help find me the best one?

Similar to your question above, co-packers who invest in Quality Assurance and Regulatory teams will give you peace of mind. Their job is to protect you and to protect them from any lawsuits that arise from irresponsible labeling. They will nix any

packaging, claims, or labeling on your products before they even run production. Again, unless you have a background in FDA compliance and international food guidelines DO NOT COMPROMISE ON THIS.

Q: Will you source the ingredients for me, or do I need to purchase and source the supply chain myself? What is your vetting process for suppliers?

Co-packers that offer to do this for their clients can often deliver a better end price because they may already be purchasing the same ingredients for their other customers. Volume pricing is your best friend to protect margin.

What you want to hear in their process for vetting suppliers is thorough diligence. Preferably, they

require third party lab testing and SQF verification. You want them to screen for mold/microbial contamination and to be extremely picky about what ingredients are brought in house. Thank them later if they tell you they won't bring in "x" supplier for your formula, even though they are the cheapest *wink* *wink* red flag *wink* *wink*

Q: What are your lead times from the date that a purchase order is placed? What are the payment terms?

This answer is important because you need to consider your cash flow + your growth projections + contingent plans.

Some co-packers have payment terms like 50% down upon placing a PO, then 50% after the inventory ships to your fulfillment center. They say their typical lead time from PO to Production is 4 weeks because they use your down payment to go purchase materials. This means that for 4 weeks AT MINIMUM, you will be out of pocket 50% and likely will not receive your product for 6 weeks total. Do you have enough runway to stay afloat?

If you believe that you can pre-sell or explode sales in that time frame, then it works out. Just remember that once they finish production, you're due the remaining 50%.

This being said, everything is negotiable and terms of payment can be changed if both parties mutually agree. If a co-packer sees your potential, they'll be excited to be your partner. If you know they're the right team, who will let your business soar after offloading to them, you should tell them why you're wanting to work with them specifically.

Q: Are you Safe Quality Food (SQF) certified? What was the score on your most recent audit?

Minimizing your risk in every single area you can is the key to success + least amount of operational stress. Every major retail store requires that production facilities provide third party SQF auditing

verification. If your future distribution plans even potentially includes large retailers like Whole Foods or Kroger, a co-packer that is SQF is vital.

Q: Are there any questions that I should have asked you?

Lastly, every co-packer operates a little differently. There might be points of differentiation that they want to make to you so that they win your business.

Let loose and talk about each other's "why" and vision for the future!

I hope that this copy/paste template and question guide helps you find the best partner possible like I've found in HB. This is all hindsight 2020. I wish I knew what to ask for going into it, but trust me when I say that my journey has been made a lot easier by having a co-packer team that I can rely on.



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