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# The Pocket Rocket; A Case Study

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**The Retailer Perspective**

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# Problem Number 1—Identifying The Risk

- How Do You Know There Is A Risk When There Are--
    - Hundreds Of Buyers Buying
    - Thousands Of Suppliers Supplying
    - Millions Of Consumers Consuming
    - It Never Stops. It Never Slows Down.
      - 8,000 New Items A Week (WMT-US, Sam's Club-US and walmart.com)
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# Identifying the Risk; Some Suggestions

- Hire the Best People
    - A Success Story
  - Contract Third Party Support
  - Build Smart, Efficient Processes;
  - Review New Items
    - All New Items (Practical?)
    - New Items In Higher Risk Categories
      - Toys
      - Infant and Toddler
      - Small Appliances
      - Furniture
      - Private Label
      - Direct Import
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# Identifying the Risk; Some Suggestions

- Build Relationships In Merchandising
    - No Substitute For Alignment With Buyers
      - Share Their Space
      - Dedicate Specific People To Specific Buyers
      - Go With Buyers When They Buy
      - Attend Key Merchandising Meetings
    - Teach Merchants To Self-identify The Risk
    - Create Checklists and Briefing Documents for Buyers
    - Earn Merchant Trust—you're Not Here To Say No; You're Here To Help Them Avoid Buying What They Can't Sell.
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# Assessing The Risk; Two Key Questions

- Can You Sell It?
    - Regulatory Issues
    - Practical Compliance Considerations
  
  - Should You Sell It?
    - Safety
    - Risk Mitigation Measures
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# Can You Sell the Pocket Rocket?

- Regulatory Prohibitions
    - Few If Any Sales Prohibitions
    - Some Customer-Use Prohibitions
      - Time
      - Place
      - Manner
      - User
  - Regulatory Restrictions
    - Age Restrictions
    - Required Licenses, etc.
    - Additional Equipment
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# Should You Sell the Pocket Rocket?

- Safety
    - Safe For Intended Use by Intended User
    - Safe For Foreseeable Misuse?
  
  - Risk Assessment Process
    - Create your own
    - Use Existing Models
    - Be Disciplined, Be Consistent
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# Should You Sell the Pocket Rocket?

- **Common Risk Assessment Factors:**
    - ❑ Vulnerability Of Likely End-user
    - ❑ Likelihood Of Failure
    - ❑ Likelihood Of Injury In The Event Of Failure
    - ❑ Likely Severity Of Injury
    - ❑ Obviousness of Hazard
    - ❑ Adequacy of Warnings
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# Should You Sell the Pocket Rocket?

- Consumer Risk Mitigation Measures
    - Warnings
    - Incorporating Safety Features
    - Cross-Merchandising with Safety Equipment
  - Company Risk Mitigation Measures
    - Indemnity Agreements
    - Insurance
    - Branding
    - Importing
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