

# ALL Power Labs Authorized Representative Program

*Frequently Asked Questions*



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Berkeley, California

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## **A Summary of the Authorized Representative Program**

In putting together this program, we've considered the many permutations of "dealerships", "franchises", "resellers", "licensees", "service agents", "value added resellers", and the like. After much consideration, we've arrived at a role we're calling the *Authorized Representative*. This title is intended to cover an emerging collection of business development and technical support needs. It acknowledges that our scope of needed activities continues to develop, and we look forward to refining the particulars with our partners, as we learn together along the way.

At the outset, however, we are clear that what is needed is much more than an arms length reseller agreement. This will be an active participatory role, somewhat like a "value added reseller", but with opportunities and responsibilities extending well beyond a typical VAR. Authorized Representatives (ARs) will need to bring significant talent, passion and effort investments to the relationship, as well as some capital resources to set things in motion.

The ideal AR will have technical abilities in gasification and internal combustion engines, general business and logistics expertise, as well as financing expertise to enable purchase scaling. Few people come with all of these resources together by default. You should, at the very least, be willing to assemble teams or local partnerships that in time will address all the pieces of the puzzle.

### **Main Areas of Endeavor**

In terms of actual on-the-ground activities, we're proposing ARs begin with three main areas of endeavor, which we will describe in the following sections.

- 1. Product demonstration*
- 2. Last mile services*
- 3. Project development*

#### **1. Product Demonstration**

An Authorized Representative's most important activity will be regular product demonstrations. Because the Power Pallet is still an emerging product, people often want to see it in person to decide if it really works. We know it works, but that's often not enough for someone on the other side of the world. Also, traveling to Berkeley for one of our workshops, open houses, or a private demo is often inconvenient. Thus our primary near term goal with the AR program is to set up regular demonstrations in key regions of interest around the world where people can see a Power Pallet run.

#### **2. Last Mile Services**

In addition to seeing a Power Pallet run, most customers want to discuss other aspects of their project, and find someone to help them with larger system needs. This usually starts with the particulars of getting a Power Pallet in country and installed on site, then continues with operator training and setting up the local biomass fuel supply.

### ***3. Project Development***

The final area of effort we expect from ARs is project development. While we get around 10 serious purchase inquiries a day from our web marketing, there are many opportunities we'll clearly never find from a distance. Finding, pursuing, and converting these opportunities will produce significant long term wins for both you and APL.

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## **Overview of Requirements**

An entry level AR will start by buying a unit, proceed to operate it locally and have another unit on order for re-sale. When you receive the Power Pallet it will become a source of electricity and a demonstration unit. You'll test local biomass and get to know the machine on the most detailed level. We expect a lot of feedback from you, and we will help you resolve any issues you may encounter.

Once you can confidently operate the system, and identify problems and solve them, you'll have the best tool to sell it—expertise. With expertise and our technical sales presentation, you'll be able to give demonstrations, answer questions, and provide the tech support that is so critical for the success of this initiative.

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### ***Entry Level Requirements***

ARs are expected to meet the following requirements:

- **Purchase a Power Pallet**
- **Place a 50% deposit on a second Power Pallet**
  - At least one of the first two units must be a 20kW model.
  - The deposit on the second one is for us to prepare a unit for sale by the AR
- **Obtain or prepare the equipment needed to demonstrate the Power Pallet to potential customers**
  - This may involve purchasing electrical equipment to serve as a test-load (for example, halogen work lights, a fan, or any suitable load), storage space for storing biomass feedstock, preparing an area outdoors for hosting demonstrations, etc.
- **Learn the parts, functions, and operating procedures of the Power Pallet.**
  - ARs are expected to be proficient at using and describing the Power Pallet to potential customers.
- **Correspond with potential customers and schedule monthly demonstrations.**
- **Forward the contact information of demonstration attendees to APL.**

## ***Benefits of being an Authorized Representative***

- ARs get priority placement in the manufacturing queue.
  - ARs receive a 5% commission on sales generated through their leads.
  - ARs receive a 5% discount off of APL posted prices on Power Pallets ordered for their customers.
  - ARs will have their demonstration schedules and contact information featured on our website.
    - Since we receive 50,000 hits on our website weekly from an international audience, we will be sending people to you!
  - APL will refer customers from your region, including adjacent countries, for demonstrations, installations, commissioning, and troubleshooting.
  - ARs receive training and receive sales materials prepared by APL.
  - You will become the regional expert on small scale biomass energy production.
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## **Frequently Asked Questions**

***Q: How much is a Power Pallet and what is the manufacturing turn-around time?***

**A:** The current price of a 10kW Power Pallet is \$18,995 and the 20kW Power Pallet is \$26,995. Our turn-around time for Authorized Representatives is 90 days. Regular orders are 90-120 days. We continue to make improvements in our manufacturing process and our goal is to decrease the production time to 60 days in the near future.

***Q: APL sells gasifiers over the Internet; what if my customers buy straight from APL?***

**A:** If you generate the lead and provide a demonstration to a customer that purchases a Power Pallet directly from APL, you will receive a 5% commission. This is why it is important for you to provide us with the contact information of everyone who sees your demonstrations.

***Q: Aside from the 5% commission earned per sale, what other opportunities do I have to make money?***

**A:** Here is a list of various services you may offer that complement the business of selling biomass gasifier generator sets. You may:

- Charge up to \$100 (US Dollars) per person to *demonstrate* the Power Pallet
- Sell biomass fuel or fuel processing services, such as wood chipping, pelletizing sawdust, making briquettes, and testing experimental biomass fuels.
- Offer energy consulting related to the use of biomass—Return on Investment proposals, grid-tie guidance, assistance with grant applications, guidance on setting up micro-grids.
- Set up a micro-grid and collect revenue from customers.
- Offer financing for the purchase of Power Pallets

- Charge fees for training sessions, delivery, installation, and *commissioning*<sup>1</sup>. These services constitute a \$500-\$700 per day value.
- Charge fees for authorized service and maintenance.

**Q: APL posts the prices of their products online— is that the most I can charge?**

**A:** Although we post our price on our website, there is no restriction on what you may charge for the units you have purchased from APL, or extra consulting and “last-mile” service charges. These fees are for you to determine according to what is appropriate for your market.

There is added value that you can charge for, in having a Power Pallet in stock and in receiving the Power Pallet quickly, versus waiting for months for an order directly placed with APL. *Consider this analogy:*

A can of beer costs \$2 in the US domestic market, but bars in vacation resorts in the Caribbean can easily sell it for \$4 or more. A customer may complain that the beer costs more, but the bartender can respond in all fairness that the customer *can* have the beer for \$2—if he is willing to order it online, pay shipping and handling, and receive a warm beer in the mail next week. However, if he wishes to have a cold beer today, it will cost him \$4. In this example the customer isn’t taking into consideration the cost of shipping, duties, refrigeration, etc, to get a cold beer into his hand on a hot tropical island. Nor is he considering the value of getting something immediately and not having to wait for it to arrive. In the case of the Power Pallet, the AR can, at his discretion, charge more for the added value of having one in stock ready to deliver, which saves the customer the lead time for manufacturing and delivery.

There is also an opportunity to provide added value by receiving the unit at the airport or seaport, clearing customs, and delivering it to the customer. You could charge a fee for this service, or offer this service to justify a higher price.

**Q: How do I maximize my commission on the units I buy?**

**A:** Order them by the container load! For example, air freight to certain parts of the world may cost \$3000 per Power Pallet. We can fit four Power Pallets into a 20 foot shipping container; if it costs \$3500 to ship a container, the cost averages to \$875 per Power Pallet to transport them four at a time. Depending on the cost of shipping to your region, you could up-charge to \$1500- \$2000 for shipping/handling and make an extra \$625-\$1125 per Power Pallet. We would also suggest doubling an order with AR’s that are near your territory. For example—two AR’s in Africa order four Power Pallets and ship them to Tanzania. The order could be split with the split with an AR in Zambia or Uganda.

**Q: How do I get my 5% rebate on the first two units I ordered?**

**A:** Authorized Representatives are only qualified to receive the 5% rebate on the first Power Pallet they purchase *after doing six of the required monthly demonstrations*. The 5% rebate on their second Power Pallet is given *after 12 of the required monthly demonstrations*. The 5% discount will be automatically applied to the third Power Pallet ordered and each one after that.

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<sup>1</sup> *Commissioning* involves unpacking the Power Pallet, re-assembling the parts, and running the Power Pallet for the first time.

**Q: *What qualifies as a demonstration?***

**A:** A demonstration is the presentation of the APL scripted presentation to a *qualified prospect*. We require a minimum of one demonstration per month.

**Q: *Who counts as a qualified prospect?***

**A:** A qualified prospect is someone who is financially able to own and operate a Power Pallet, for example, the owner of a coconut processing plant who is interested in using biomass to power his plant. *A presentation about gasification to a group of college students does not count as a demonstration to qualified prospects.*

ARs are expected to email us the contact information of qualified prospects so that APL may contact them to discuss their interest in our products and to help close the deal.

**Q: *What can I charge for a demonstration?***

**A:** You may charge a maximum of \$100 (US dollars) per person for a basic two-hour Power Pallet demonstration. We leave it to you to determine the appropriate price in your area. This will compensate you for your time, fuel preparation, site preparation, etc. It is in your best interest to host multiple customers at each demonstration to increase your income and your chance of selling a Power Pallet. You *could* also provide an incentive to order from you; for example, if you charge \$100 for the demonstration, you could give the customer a \$100 credit if they purchase the unit from you.

**Q: *How much time does a demonstration need?***

**A:** You should allocate two hours for a demonstration. We recommend that you post the time of the demonstration and advertise locally. Someone who is genuinely interested in the product will have a lot of technical questions; our presentation materials will provide the answers to these questions.

We will provide a step-by-step presentation that will cover the basic science of gasification and how to operate the Power Pallet, along with hand-out materials. This will give you an outline to follow for your presentation. The presentation leaves time for answering questions along the way.

**Q: *How are demonstrations marketed?***

**A:** We will list your demonstration schedule on our website. When someone signs up for your demonstration, you will receive their contact information and they will be emailed basic gasification literature (as PDF files) to prepare them for your demonstration. This will help decrease the number of questions you need to answer during the demonstration. It also provides the qualified prospects a basic understanding from which you can offer detailed explanations.

You are encouraged to market regionally and on your own website. If someone signs up for the demonstration please forward their information to APL.

**Q: *Do I receive exclusive territorial rights or licenses?***

**A:** We sell our products globally via the internet and reserve the right to continue to do so. We are not offering exclusive territorial rights or licenses; the size of your *reserved/focused* territory is based on:

- your ability to demonstrate and service units throughout the desired area; this may include local language support for customers in your desired territory
- the convenience of the customers in your area
- how many Power Pallets are ordered to support the desired area

As long as an AR meets the program guidelines and is selling Power Pallets, we will not feel the need to have two representatives in the same area. However in a country like Italy, we could easily have two representatives in Northern Italy—one serving the western half, one serving the eastern half—as well as a representative in Southern Italy. The northern representatives will be servicing customers in neighboring countries as well. Alternatively, a large company could offer to import a huge number of Power Pallets and serve a larger territory.

**Q:** *What are “last mile” services?*

**A:** All Power Labs has sold Power Pallets and gasifiers all over the world, and has encountered a large variety of local requirements concerning the importation and servicing of our customers overseas. We’re looking for ARs that can engage this full range of issues and opportunities. We’ll need you to be comfortable operating as the local “go to” person for all technical and service requirements. ARs in different regions will surely establish different suites of services that relate to their local conditions. We leave this optimization to you, and encourage you to be creative in crafting your local solution.

Here’s a short list of some “last mile service” opportunities we think you’ll want to consider:

***Importation and transport to site***

- Organize full container imports to avoid expensive single unit air cargo shipping fees from APL in Berkeley, CA.
- Handle import paperwork, logistics and taxes
- Deliver product to site

***Assembly, installation, and training***

- Reassemble machine after shipping
- Install machine at site
- Complete on site wiring, enclosures, and other desired power equipment
- Test the intended fuel and prove proper operation. This will require ongoing learning on local fuel options, how to prepare them, and the pros and cons of the different options
- Train operators in daily running and maintenance
- Translate instruction documents into the local language

***Post-installation services***

- Establish an ongoing biomass fuel source. This can be either through providing the fuel at reasonable cost, or setting up the machinery for the user to prepare it.
- Provide regular maintenance, service and spare parts



- Directly operate customer machine(s) on a contract
- Operate a fleet of machines on a micro-grid power purchase agreement

*Add-on projects and auxiliary systems*

- Grid tie: Address local regulatory issues, sell appropriate intertie equipment, and install the system
- Expand the installation to include combined heat and power (CHP), thermal cooling, biochar and/or clean water solution
- Develop custom ancillary equipment that addresses local needs and uses

**Q:** *If I am no longer interested in being an AR, how do I exit the program?*

**A:** If at any time you are not interested in continuing as an AR, you can sell any additional inventory you have, inform us of your decision, cease giving demonstrations, and you will be removed from our list of representatives.

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We intend to make a major dent in the global energy problem with our personal scale waste-to-energy machines. We plan to build a long term, large scale, global operation to make this possible. It is expected that in years to come these efforts will return significant rewards—across multiple bottom lines—however in the near term there’s mostly just going to be lots of work.

Understand clearly that this will be a high opportunity cost engagement, appropriate for only the exceptionally motivated. There are many steps and many years between where we are now and the goals outlined above. Nonetheless, we hope you will seriously consider joining us for the adventure, as well as the ultimate rewards.

## What is the next step?

We are as excited as you are to get things started. Please be patient as we sort through the inquiries and respond to each personally. In the meantime, I would encourage you to visit our website to find answers to most of your technical questions about our products.

To express your interest in the program please reply with your questions and be sure to include the following information in your **first email**:

Your Name

Company Name (if applicable)

Location: City, Country

Desired "reserved" area

Ability to demonstrate and provide service within your area of interest

### **Please communicate initially by email.**

Considering we have over 250 AR applicants, the best way for me to give you my undivided attention would be for you to email me and schedule a Skype<sup>2</sup> Video call to discuss your interest in the program. This should be arranged once a majority of your questions have been answered and you are ready to interview for the role. The "interview" phase, for lack of a better term, gives us a chance to connect, getting to know each other and speak frankly about the possibility of forming a partnership.

The process of communicating with so many applicants will take a week or two. If you want to skip ahead and order a Power Pallet to get a unit in the queue, I will connect you with one of my sales staff to assist you with placing an order.

Thank you for your time and consideration. I look forward to your reply.

Dusty Swartz

Director of Sales

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<sup>2</sup> Skype is a free internet phone and video conference system. Using Skype for video conferencing is much less expensive than international long distance calls. Please go to <http://www.skype.com> to download their free calling software.