

SO HOW DOES IT WORK?

- You will connect your store with ours via the Mothership Connect app.
- Once a customer places an order for a PoweredBy product on your website, you will be emailed an invoice.
- The invoice that you receive will be for your cost of each product on the order plus any shipping costs associated with the order. Your cost for each product is determined by the current MSRP of each item and your profit margin which is agreed upon in the contract. Your cost for shipping for the order is determined by the order size and shipping destination. Shipping rates by order size and destination can be viewed in the Mothership app and can change from time to time.
- Once the invoice is paid by you, we will receive the order and will prepare it for shipment.
- As soon as you pay the invoice, the inventory for your customer's order will be secured. To avoid inventory stock-outs and to ensure fast shipping for your customer, it is imperative that you pay the invoice quickly.

HERE IS HOW TO GET STARTED

PREPARE YOUR STORE

- Sign up for **Shopify** if you have not already.
- Our suggestion when signing up for Shopify is to use their Basic Shopify Plan, this is the \$29 option.

REGISTER WITH US

- If you haven't already, fill out the <u>registration</u> form.
- Once we review your submission, we will either request more information, or simply approve what you have provided, and you will be emailed a contract for digital signing via DocuSign.

SIGN THE CONTRACT

After you've registered you will receive a contract via DocuSign from us. Please
review the entire DocuSign contract before digitally signing it. The contract must be
signed by an owner or officer of your company as well as by our CEO. Once both
parties have signed the contract, a PoweredBy representative will be notified and
will send you an access key for our product catalog.

ADD AN AGE VERIFICATION SYSTEM

- There are very specific federal laws which require retailers of CBD products to verify
 the age of each customer that purchases. This goes far beyond an entry pop up on
 your web store, that is required as well but a 3rd party age verification service is
 required in order to sell CBD products online. PoweredBy CBD
 recommends AgeChecker.net for this.
- If you'd like more information, please fill out our <u>AgeChecker registration form</u>. We
 will send you an invite to use AgeChecker.net. Please note that this is only available
 to retailers in the United States.
- If you sign up through us the monthly fee will be waived, you will just pay a small fee per age verification.

CONNECT WITH US VIA THE MOTHERSHIP CONNECT APP

- Download the Mothership Connect App through the Shopify App Store. There is a \$49 monthly fee to use the app. When you sign up through us, we will take care of the 2.5% transactional fees.
- We will send you an access key to connect with us via Mothership Connect and view our product catalog.
- Once downloading the app, at the top of the page, there is a location to input the access code that was sent to you.
- Please note that all products ship from Las Vegas, NV

SETTINGS WITHIN THE MOTHERSHIP APP

- There are a variety of settings that you are allowed to change and adjust. These
 settings can be found by going to Mothership > Suppliers > Manage. Each supplier
 connected to your Mothership store will require you to adjust any settings
 individually. Please read this section carefully as we break down some of the
 importances of these settings.
- Shipping:
 - o This is where you will see all the shipping rates that we are going to charge you. This has nothing to do with what you charge your customers.
 - o This is where the Beskpoke shipping app comes in handy which we talk about down below.
 - o You are unable to change these settings, this is simply there for your reference
 - o Remember, is up to you if you would like to charge your customer for shipping. If you would like help with matching your shipping prices on your site with your shipping costs in mothership then please contact us and we will be happy to assist you.
- Invoices and Orders:
 - o You will be charged on a per order basis. This is something you cannot change unless our accounting department has discussed otherwise with you.
 - o You can view all outstanding invoices and orders here also.

- Imports and Margins:
 - o *Default Markup:* Here is where you can add a percentage-based markup to all products you input into your store. Keep in mind that we are going to charge you for the orders based off the set MSRP. You can also add a per-product markup by going to that specific product in Mothership.
 - o *Publishing Scope:* You can determine if you want new products and collections to import to your Shopify store automatically or manually.
 - Here you can also set to hide any products that are currently out of stock. The products will republish if stock becomes available in the future.
 - o Automatically update your store to reflect changes made by the supplier: This section is where we highly suggest certain options. You have three choices when tracking our pricing:
 - 1. Track supplier's pricing changes using default and product markups.
 - 2. Track supplier's pricing changes and set to the price of the supplier's MSRP.
 - 3. Do not track pricing changes.
 - o We will always suggest option 2 (Track supplier's pricing changes and set to the price of the supplier's MSRP). This is because, if we ever change the price of a product to be higher than the price of what you have it listed for on your website and you were not aware, you will then be losing money on the sale. We change our prices on a daily basis and want to prevent this from happening to you. If you implement a default markup, this will still apply, it will just track it based off the listed MSRP.
 - o *Product Metadata:* If we are the only supplier for your store this is not necessary, but if you have multiple suppliers (yourself included) we suggest creating a unique Auto-Tag for all PoweredBy products. This will allow you to separate what products are being shipped by who, and what products you or another supplier are fulfilling. This will also allow you to create collections in your Shopify store by applying the tags.

IMPORT OUR PRODUCTS

- After you've chosen your settings, you are ready to import products and collections.
 You can do this one by one or you can import all products and all collections in
 bulk. Remember, products and collections are independent. For example, adding or
 deleting the CBDfx collection won't automatically add or delete the products that
 are meant for that collection.
- Please note, importing all products and all collections will take approximately 3 hours or sometimes longer depending on your internet connection.
- If you import all products and collections, the products will be added to collections after all products and collections have been imported into your store.

SHIPPING

- A best practice for online dropship stores is to let your customer know where items are shipping from.
- If PoweredBy CBD is not the only supplier for your store (you count as a supplier as
 well if you fulfill orders for items that your stock yourself) then it makes sense to let
 customers know that the products will ship from Las Vegas, NV This way the
 customer will expect a separate package instead of calling you to ask where the
 rest of the order is after they get the first part of their order.
- Due to the nature of the product, there are several shipping restrictions. This is a changing list, but as of currently within the United States, we are unable to ship to Kansas, Idaho, Nebraska, and South Dakota.
- Internationally, these are the countries we can ship to:
 - o Austria
 - o Belgium
 - o Denmark
 - o Finland
 - o France
 - o Germany

- o Netherlands
- o Norway
- o Sweden
- o Switzerland
- o United Kingdom

Please make sure these restrictions are implemented within your Shopify settings.

PAYMENT PROCESSING

- Because the sale of CBD products is considered high risk, Shopify will not approve you to use their payment processing system.
- You will need a third-party to take care of this for you and we recommend using Adept Payment Processing.
- Please get in contact with us and we will connect you with our account representative over there to get you all set up.
- PoweredBy CBD is not liable for any credit card transaction fees that incure.

SET YOUR SHIPPING RATES

- Another challenge that drop-shippers face when setting up their store is how to handle shipping rates.
- If a customer orders product from your own stock, which you fulfill, and from PoweredBy CBD stock, which is shipping from Las Vegas, it becomes difficult to charge the customer the right amount for shipping.
- PoweredBy CBD has thought of this and has a solution. We recommend using the <u>Bespoke Shipping</u> With Bespoke Shipping app, you can have a completely custom shipping algorithm that can be 100% perfect.
- You can connect to carrier APIs or create your own rates. The app requires PHP code but the app developer will write the code for you, all you need to do is explain your rates and share our rates (found in Mothership App).

- PoweredBy CBD will not charge you for domestic shipping.
- There are also several international countries we are unable to ship to. This list is constantly changing, so please get in contact with us to find out what those are if you are not using the Bespoke Shipping app.

BE PREPARED TO FIGHT FRAUD

- There is an inherent risk of fraud in selling online by credit card.
 PoweredBy CBD recommends using a chargeback prevention or chargeback insurance company like Signifyd or Riskified.
- If your invoicing with us is on a per-order basis, you'll need to ensure that all orders are legitimate before paying your invoice from us. Once you pay your invoice for the order then we will ship the order.
- If you are on payment terms we highly recommend using a service like Riskified's Shop Protection Plan. With this plan, you'll be able to set your Shopify store to authorize payments and not capture them; then you can have Riskified auto-capture the payments once the order is approved and insured. Orders won't be sent to us until payment is captured and the order has the 'paid' status in Shopify.

USING STITCH LABS INVENTORY MANAGEMENT?

- Set up an auto-tag in the Mothership Connect app before importing any of our products. Make it a unique tag that won't be on any other products except for ours.
- Import our products via the Mothership Connect app
- Create a supplier for our products in StitchLabs
- For any product in Stitch Labs that has the unique tag that you created, you'll want to do 3 things:
 - o Set the supplier to us
 - o Make us the Primary Supplier
 - o Make the item drop-shippable
- Set the channel listings to "Stitch is NOT master of stock"
- These changes will prevent our items from showing up on your packing slip in your shipping solution (ShipStation, shippo, etc). They will also prevent your StitchLabs account from trying to constantly update inventory. Mothership Connect will be the master of inventory so it's important that the channel listings are set up in stitch as Stitch Labs is NOT the master.

Not registered? **SIGN UP NOW**