

BUSINESS TIPS FOR THE FIRST TIME INVENTOR

Written in 2005 and revised in 2008 by Edison Inventors Association member Jodi Carr, co-inventor of the patented Red E Bag®

Do you have an exciting new idea? Does your great idea solve a problem? Will others be interested in your idea? If the answer is “yes” to all the above, please continue to read.

After discovering and researching a marketable need for your idea, you then can make a decision. Do you invest the time, money and passion into developing your idea and bringing it to market or do you gloat in your brilliance and move on? Either way, you get excited. It’s fun to be creative. However, if you have an inkling of common sense, it’s likely you will move on. Inventors, like entrepreneurs, are risk takers. Few patents ever make money and well over 50% of businesses fail. You are aware of risks. For those who insist on leaping, you prepare a cushion of resources and knowledge that will help you when needed. A few things to consider before developing a new product or service are creating value through intellectual property protection and brand awareness, developing a business plan, selecting a manufacturer, packaging, shipping and continuing your education.

Consider protecting your idea. If it’s a service idea or product idea, consider filing for trademark protection for the word, phrase or image representing your service, product or company name, www.uspto.gov. Perhaps you would benefit from copyright protection for text, audio or visual creations, www.copyright.gov. Maybe a patent would make sense for your product, www.uspto.gov. But first, who is going to own this intellectual property? You or your company? Most likely, the answer is “your company”. If you form a company to research, develop and market your idea or service, you should get advice from your accountant and attorney or look into the pros and cons of each type of business entity. You should read the state’s statutes on your particular entity of choice, so you become aware of the legal responsibilities. The entity you form for your company, for example, a corporation or limited partnership, will directly affect your liability, responsibilities and taxes.

To make a company legal you need to register it with the Secretary of State in the Corporations Division. An Internet search for your state’s corporations division, should bring you to the correct web site. To see if your company name is available for registration, you conduct a name search. You can register online or mail it in. If you don’t want to supply your home address as the mailing address, consider getting a mailbox. There are additional steps to consider in forming a business, such as, establishing a checking account, getting a business telephone number, filing federal, state and local tax forms and obtaining required licenses and permits.

If you want to have a web site to market your product or service, which is a smart idea, you will need to conduct a search for domain name availability. You can search any domain name registration web site, such as, www.whois.net, but you’ll want to consider more carefully the company you actually register your domain name with. Some domain name registration companies also offer web site package services. You can register domain names in your company name, your product or service and similar names; for

example, we registered our product name, the plural version of our product name and our business name. They all are forwarded to one active web site. It is very inexpensive to register a domain name, so securing the right domain name for your company should be done right away. You can develop your web site at a later date. A registered legal entity and domain names are also considered intellectual property. You are accumulating value already. How much that value is worth depends on how successful your business is.

You project your business success through a business plan, which may also include an additional marketing plan. Business Development Centers specialize in classes and resources to aid the entrepreneur in documenting solid plans for success. You can also find business plan software or incorporate your own business plan from sample business plans. To complete your business plan, you will need to know how you will produce your product or service, your cost, your wholesale price, your retail price, your profit and your target market. You can project your costs with a Request For Quote from a manufacturer or two.

Manufactures can be found locally, nationally and internationally. A great source for locating manufactures and others who can provide packaging, labels and other products and services you may need is www.thomasnet.com. The more detailed the information you can provide a manufacturer, including, but not necessary, a prototype, the more accurate the Request For Quote will be. CAD (Computer-Aided Design) Specialists are capable of creating prototypes in 3-Dimensional models and 2-Dimensional drawings that can be submitted to a manufacturer. CAD models or drawings are particularly useful for metal and plastic products or parts. For textile products, a patternmaker can design and sew a prototype. For others, a homemade version of their product can be submitted as a prototype. It's best to select prototype assistance and manufactures by seeking someone who is knowledgeable of the materials needed for your product.

At this point, you are probably relying on professionals. If you respect their work, take seriously the recommendations and contacts they may offer. They may suggest a local or national manufacturer. There are several benefits of manufacturing locally and nationally. For starters, communication is directly with the owner, manager or sales representative of the manufacturing company; shipping may be less expensive, especially if manufactured locally, and in general, local and national manufactures have a faster turn-around-time with no customs delay. The drawback is they may be more costly than other countries, such as, China, India or Mexico. Lower minimum quantities and a familiar legal system are also a plus for manufacturing in your own country.

Unless your manufacturing services include packaging, you will need to see that your product gets packaged. Often you can start by packaging your product yourself. A packaging specialist or design specialist can help you create an attractive and functional package. Some large companies have their own packaging requirements that you'll need to follow if they retail your product. For some, packaging can be as simple as designing and printing a product label and displaying it through a clear sealed plastic bag. Your packaging requirements will depend on where you will be selling your product. Retail stores will require a UPC Bar Code, www.gs1us.org. International retailers or

distributors may require translations. For example, Canada as a bilingual country requires packaging text to be written in English and French.

Now that you've got a manufactured product in its package, you'll need to figure out how you want to ship it. You can ship your orders yourself or you can hire a fulfillment company to warehouse and ship your product. You can use an online shipping service, such as USPS, UPS, FedEx or DHL, and print shipping labels using your computer and printer. Some of these companies also offer pick-up service. If you can manage doing your own shipping, it's nice to do the work yourself, so you know the steps involved and it helps to save on costs while your company is small. Of course, if you have large quantity orders, you will probably save money by hiring others to ship for you and by using a shipping service specializing in shipping large quantities. Shipping can be costly. Labor, packaging materials and postage are all expenses. Companies request shipping charges according to location and price per weight or price per item and even offer free shipping. It's important to look into the best shipping method and prices for your company and product. Finding a company that specializes in your type of needs can save you money. Saving money is important because there are always additional expenses, such as, liability insurance, networking memberships and marketing.

Organizations, articles, books, magazines and the worldwide web offer resources, inspiration and support for inventors and entrepreneurs. They are excellent resources for the first time inventor to the successful entrepreneur, since business is dynamic, always changing. As with most professions, continuing your education with access to resources is a must, as is research. You may enjoy learning a thing or two in your business, but you will also need to do research. If research is more than a challenge for you, you may want to partner with or hire someone who can manage your research. Research starts after you commit to your brilliant idea and forever continues with manufacturing, marketing, forecasting, etc. There is much to consider in developing your idea and bringing it to market. Just think though, once you've traveled the inventor's journey, leaping forward to unexplored territories, you are rewarded with the confidence to face new challenges and the satisfaction of knowing you not only had an idea, but that you actually developed your idea into a marketable business product.