

# The Inventor's Mind

## 10 STEPS TO MAKING MONEY FROM YOUR INVENTIONS



CHRIS HAWKER

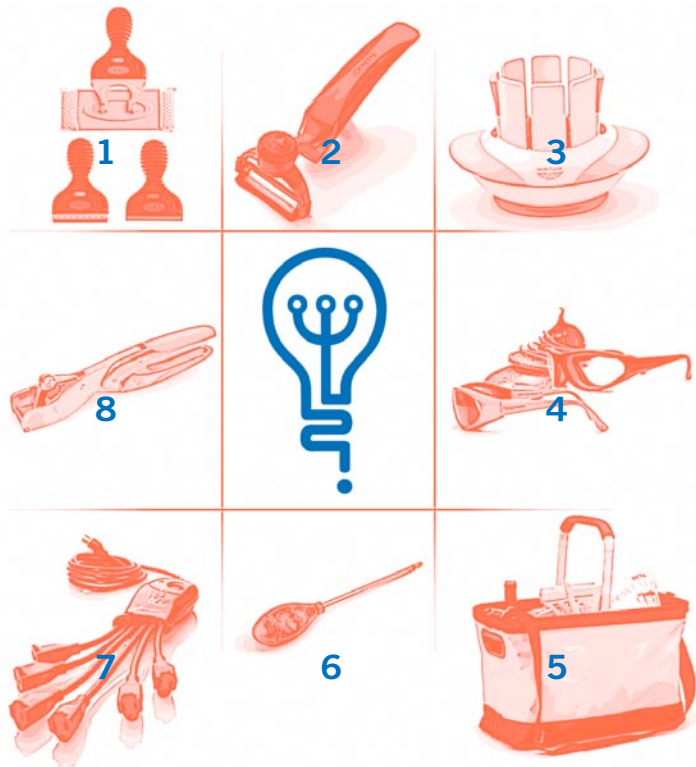
## TABLE OF CONTENTS

### PART A: THE PRODUCT

- pg.3 STEP 1. IMAGINE YOUR WAY TO SUCCESS
- pg.4 STEP 2. RESEARCH IT! + NAPKIN MATH
- pg.5 STEP 3. DESIGN & ENGINEER A WINNING PRODUCT
- pg.7 STEP 4. PROTOTYPE, PROTOTYPE, PROTOTYPE
- pg.8 STEP 5. BRAND IT!

### PART B: THE BUSINESS

- pg.9 STEP 6. BE THE TEAM CAPTAIN
- pg.10 STEP 7. GET FEEDBACK AT ALL STAGES
- pg.11 STEP 8. PROTECT YOUR INTELLECTUAL PROPERTY
- pg.13 STEP 9. CHOOSE YOUR PATH TO PROFIT
- pg.15 STEP 10. GET YOUR PRODUCT ON SHELVES
- pg.17 STEP 11. THE FUTURE IS CALLING
- pg.19 RESOURCES



ALL PRODUCTS BROUGHT TO MARKET BY  
CHRIS HAWKER AND TRIDENT DESIGN, LLC

### CLOCKWISE FROM TOP LEFT

- 1. PRO SCRAPER** An innovative system of professional algae removal tools for the serious aquarist, featuring replaceable blades, interchangeable attachments, and several different handles.
- 2. PERFECT PEELER** A razor-sharp ceramic-bladed vegetable peeler with a patented, adjustable angle head, striking design, and superior ergonomics.
- 3. WEDGIE** A fruit and vegetable wedger that makes eight perfect wedges every time, with serrated blades and great shelf appeal.
- 4. ONION GOGGLES™** Kitchen eye-wear that prevents crying while chopping onions by blocking sulfurous fumes.
- 5. BAZKET** A collapsible, canvas tote with rigid frame for shopping, picnics or just hauling stuff around.
- 6. THIRSTY LIGHT®** A digital plant moisture monitor that blinks an LED to alert the user when it's time to water. It blinks faster as the soil gets drier.
- 7. POWERSQUID®** A powerstrip with flexible arms that solves the problem of crowding caused by transformer plugs; also offering greater reach and flexibility.
- 8. GARLIC MASTER** A garlic press with increased leverage and a flip-out, easy-to-clean crushing plate.

# 10 STEPS TO MAKING MONEY FROM YOUR INVENTIONS

**Welcome to the Inventor's Mind.** As an inventor or potential inventor, you want to know what it takes to develop products and make a profit by having them produced and brought successfully to market. I am a professional inventor with many products on the market, including the famous PowerSquid, a best-selling power strip which I licensed to Philips Electronics. I am going to share with you the steps I've taken to get my products on store shelves, and what I've learned along the way. It's been an exciting journey for me. I've learned from my successes and grown from my mistakes. Now, you don't have to "reinvent the wheel". I'll give you an overview of the critical steps to first develop a product and then build the business that will bring it to market (whether you manufacture it yourself, or license it to others to make). I'll tell you how to come up with the right kind of ideas, how to evaluate them, and how to take them from a great idea to a real product. I'll cover the steps that follow the creation of the product that will allow you to profit from it, including teambuilding, intellectual property protection, licensing and manufacturing, and getting your product onto store shelves (like Wal-Mart or Target). I will show you how to take the next steps in your own inventor's journey.



Chris Hawker

## MY INVENTOR'S JOURNEY

**The 10 steps** (from idea to market) that follow are the result of 16 years of experience as a professional inventor. I started creating aquarium products as a teenager - an offshoot of my aquarium maintenance business. My first successful product was an algae scraper which I sold through a private-label arrangement to a manufacturer established in the business. This product, the Kent Marine ProScraper, is still sold today, and generates tens of thousands of dollars of income each year. My return on investment is in the thousands of percent. Based on this success, I decided to become a full-time inventor, and began creating products in a variety of markets, from gourmet cooking to consumer electronics. I started my company, Trident Design, LLC, grew a team and have an office with four employees who help me realize my visions. We also help other inventors and companies with their ideas.

## MY INVENTOR'S JOURNEY

My most successful product to date is the PowerSquid, an innovative power strip that looks like a squid with the outlets situated at the end of short cords eliminating the problem of bulky transformer plugs which often cover multiple outlets on a traditional power strip. It also looks cool and has a cool name. I licensed the patent for this product to a company called Power Sentry that was later bought by Philips Electronics. Philips now makes the PowerSquid and sells it worldwide, paying my company a royalty for every unit it sells. Philips sells a lot of PowerSquid. It is sold in Wal-Mart; Target; Bed, Bath & Beyond; Radio Shack, and many other stores. It has appeared in the New York Times three times, the Wall Street Journal, Popular Science, Popular Mechanics, Playboy, and the Today Show, among other media outlets.

I have had other successes as well, including the Onion Goggles, which are licensed to the gourmet product manufacturer RSVP, and have appeared in Consumer Reports, America's Test Kitchen, on Rachel Ray, and even the primetime ABC show "Castle". They are sold in more than 3,000 independent retailers, as well as Bed, Bath & Beyond and Sur la Table. Another invention of mine, the Thirsty Light (a moisture monitor we developed for plants) has appeared in the New York Times, Smart Money, Engadget, and Gizmodo. It is sold at Kmart and The Source, an 800-store chain in Canada. There are other products, too, and we launch more every year.

Of course, not all of my products have been successful. I have accumulated years of experience in what not to do, as well as what to do. With this knowledge, **I have developed a system for bringing products to market that minimizes investment, maximizes the chance of success, and leverages the realities of the modern world.** I have also developed a theory for what makes a "perfect" product, which I will share with you in this article. I develop consumer products, so these steps focus on those kinds of products. I believe, however, a similar process could be followed for virtually ANY type of product, from a technology product, to a political campaign to an insurance service.

## THE INVENTOR'S MIND: 10 STEPS TO MAKING MONEY FROM INVENTIONS

While there is a lot of information out there on product and business development, these steps focus on something much more fundamental – the mindset necessary to be successful. There are many places you can learn about the mechanics, so I will instead focus on ways of thinking about the process that are necessary for each step

## STEP 1. IMAGINE YOUR WAY TO SUCCESS

*Not every idea is the right idea. Start with personal experience and look for the “why didn’t I think of that?” reaction.*

The best ideas will come from personal experience. Look for products or tasks that annoy you and think about a better solution. Then, imagine more solutions to the same problem. I call this “problem-based inventing” as opposed to “solution-based inventing”. Most inventors come up with a particular solution to some problem and then fall in love with it. It’s their “million-dollar idea”. Consequently, when faced with evidence that their particular solution is not actually an economic opportunity, they ignore it out of their zeal rather than adjusting their vision to match the realities of the situation. Not every great idea is going to be a great money-maker, so be ready to adapt as you learn on your journey.

Test your idea in an imaginary scenario to determine if it has legs. Ask yourself: Can I really imagine people buying this invention? Who? At what cost? What stores? Next to what other products? You should be as conservative as you can be in answering these questions to avoid wasting money on a product that isn’t going to be easy to monetize. Niche products that appeal to small slices of the population can still be quite profitable (like my super-premium algae scrapers!) and the markets are usually easier to penetrate than mass-markets.

**You are looking  
for an instant  
“Why didn’t I  
think of that?”**

Think about your invention. If you are going to proceed, you want to work on a project within your means. How complicated is it? Does it require technology that doesn’t exist yet? Is it very expensive? If you haven’t done this before, it may be best to start with something smaller and simpler. Maybe you want to put the solar-powered airplane on hold (unless you’re that guy, in which case you know you are because you can’t NOT do it).

Next, test your idea with a few friends. You are looking for an instant “that’s awesome!” or “I NEED that!” or “Why didn’t I think of that!” “That sounds kinda cool,” is not the same thing. By the way, if it takes a long time to explain and your friends have a confused look on their faces, it might not be a great opportunity.

## STEP 2. RESEARCH IT! + NAPKIN MATH

*Don't fall in love yet! Do some research.*

After you settle on an idea you think might have potential, don't fall in love yet! First you need to make sure that no one is already out there selling something like your invention. Just because you've never seen anything like it on the market doesn't mean it isn't out there. Until you had your idea, you likely never paid as close of attention to your potential market as you will need to now; Google it and then Google it some more. You want to know the competitive landscape. Learn about what's out there. Then do a patent search at [google.com/patents](http://google.com/patents). If possible, go to a trade show in the relevant industry. There is no better way to learn about a market quickly. You want to be as educated as you can in order to contextualize all your decisions as you develop your idea.

**To estimate your potential sales, work forwards, not backwards.**

Now do some quick math. You need to look at all the upfront costs (engineering, design, tooling) as well as the variable costs (inventory, storage, sales) and calculate how many you would have to sell to break even and how much you might make if it is successful. It will take some effort to generate all this info, but you should be able to get some ballpark ideas on the development costs from industry professionals. To estimate the cost to build each unit, you can look at similarly complicated and sized products on the market and see what they cost. Your cost will likely be one-fifth to one-quarter the retail cost, adjusted based on the relative complexity. You don't have to stick to products in the same product category;

you can look at products in different industries with similar characteristics, too. To estimate your potential sales, work forwards, not backwards; i.e., don't decide how many units you think you can sell and then try and justify your number, but rather estimate how many stores you can realistically get into, then how many each store might sell per week, and then build into a number. But rather estimate how many stores you can realistically get into, then how many each store might sell per week, to calculate a number.

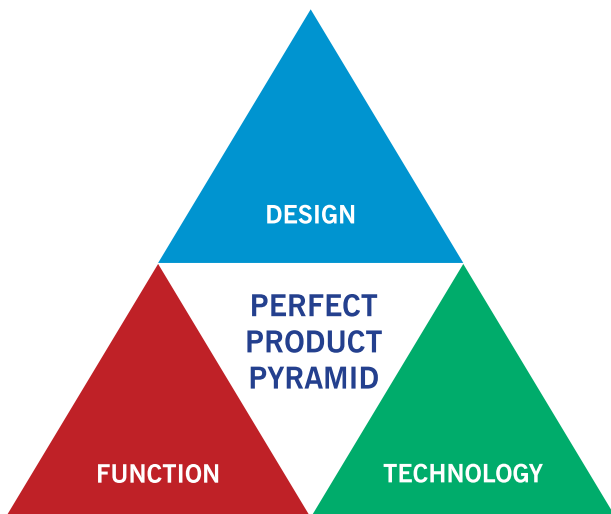
## STEP 3. DESIGN & ENGINEER A WINNING PRODUCT

*Follow my Perfect Product Pyramid in the three areas of excellence: design, technology and function.*

For consumer products, nothing is more important in generating success than great product design. Design is thought. A product with good design has more thought in it than a poorly designed one. Every point has been considered in order to perfect the performance and appearance.

My theory for product development is what I call the Perfect Product Pyramid. I don't mean absolutely perfect, of course. I mean relatively perfect. The perfect product is the one that gets on store shelves and sells well, not the one that is so well-featured that only a few can afford it. To be "perfect", products need to have three areas of excellence: 1. the design, 2. the technology, and 3. the function. Most "inventions"

have to do with either their function (what it does that is special) or the technology (how it does it). To make the product great, it needs all three. A great functional invention with lousy design is a common mistake that inventors make. Look at the products on the shelves at the store. Everything looks great! That's where you want to be, so your product needs to look great, too. Also, it needs to look **diFFiRenT** in order to stand out among competitors at the store. Good design isn't just styling, it also impacts the user experience - providing ease-of-use, lack of annoyances, clever construction ergonomics and enjoyability. Good technology with a bad functionality is also a common mistake. Good ergonomics is expected by the modern consumer. And we've all had experience with products that look great but don't work well. We call that "designer". It's art more than it's product.



If you aren't a product designer, you'll need to hire or partner with one in order to turn your rough concept into a defined one that is ready to be shared with a factory or potential licensees or customers. A good designer will work with you in order to guide your decisions based on their experience in the industry. They can answer many questions about the financial repercussions of design decisions and help you come up with a realistic solution to the problem you've identified.

After you have a design concept, an engineer will need to bake-in the realities of production requirements, wall thicknesses, and part designs. You can often get the engineering as a value-add service from Chinese manufacturers. Local engineering is generally quicker to the end result with better control of the outcome, but can be very expensive. Depending on your resources and the complexity of the project, it is definitely a good way to save lots of money. I use the Chinese vendors for the mechanical design and moonlighters in the U.S. for any complicated mechanisms or electrical. I do not recommend relying on Chinese design at this time.

Another major consideration as you develop your product is the price point. You want to set a target and then design around it. If you don't, you'll likely keep "improving" your product until it is so expensive no one will buy it. You need the guideline of the final price to help you make decisions about nearly every aspect of the design, including: materials, features, and aesthetics.

**Nothing  
is more  
important in  
generating  
success than  
great product  
design.**

## STEP 4. PROTOTYPE, PROTOTYPE, PROTOTYPE

*Get empirical. Hold it in your hands. Wow potential investors or licensees.*

After your product is designed, you'll need to make a prototype to prove out the function. The only time it makes sense to skip the prototyping stage is when a design is so simple it is very easy to understand, and therefore you can try and license with just a computer rendering and a pending patent. No matter how much time you spend thinking about and drawing your product, you can only imagine so much. At some point you need to get empirical and hold something in your hands. You'll probably discover almost immediately that there are many things you want to change; therefore, prototype sooner rather than later. You'll typically end up with at least three prototypes to perfect a design. Don't be disappointed when the first one shows up and it has problems. That's normal. You can start with very rough prototypes that you can then cobble together yourself getting closer and closer to the finished product with each step.

You never want to create tooling to manufacture something you haven't received a good prototype for. Speculation is too often wrong. Never skip this step. Doing so is likely to cause some terrible heart ache. I have done this. Learn from my mistakes. Even so, there is always a leap of faith you have to take when you go from prototype to production. The prototype needs to demonstrate the final function of the product, but rarely will it actually function as well. The last 10 percent of the function is usually only realized in production. As I said, it takes a leap of faith. Use your judgment to decide when the factory fully understands all the details of the product.

You can hire prototyping firms in the States, but this is usually very expensive. I have my manufacturers in China make the prototypes because it costs about 10 percent of the U.S.! That's right, 90 percent less! This also has the advantage of having the factory get all the learning on the product they are going to (potentially) make. If you are not planning on making the product but rather licensing it, you can still work with the factories with the idea that you will send the licensee their way if you can.

If you are looking to license, a prototype becomes a valuable sales tool. You can show it to your potential partners so they don't have to imagine your product based on a picture (Which may be difficult for many left-brained business people!) You want the prototype to WOW them. You want them to go "that's Sweet! We want it!" So it is important to invest enough to have your prototype look as close to a production part as possible and, hopefully, work well, too. If you must, you can always split it into two prototypes, a breadboard model that works well, but doesn't necessarily look nice, and an appearance model that looks good, even if it doesn't work at all.

# Learn from my mistakes.



## STEP 5. BRAND IT!

*Branding is part of the invention. Create an intriguing name, logos, and graphic design.*

Just as important as the product design are the marketing aspects of your invention. Even if you plan on licensing it, it is important to invest time in developing a professional set of collateral materials. An intriguing name, memorable logo, and a beautiful brochure are equally as helpful in selling an idea to a company as a product to a consumer. It also adds value to your idea that can increase your reward from a manufacturer if you license it. I like names that aren't too obvious, but still reflect the purpose of the device. The PowerSquid name certainly had as much to do with the success of that product as the innovative design.

I recommend that you not skimp on your graphic design. Professional appearances are expected by the modern consumer and give credibility to your venture. A great logo will help people remember your product. Creating compelling copy is also important. The way you describe your product on its packaging can have a huge impact on how well it sells. If people can't figure out what it does very quickly, you'll lose the sale. Even the slight differences in wording of the same message can impact how much emotion is elicited and thus the consumer's response to the message.

The packaging and websites are some additional elements that should work together to create the total image that your product conveys to the user. People have come to expect excellent graphics on everything, so you must deliver at a high caliber to compete. Sometimes, the package IS the product. Many sprays or other consumables differentiate themselves based on their improved bottles (think toothpaste). A cool un-boxing experience helps enhance the brand impact of the product on your customer.



ThirstyLight™ identity

## STEP 6. BE THE TEAM CAPTAIN

*Inventing is a team sport. Fill your team with power players.*

Modern invention is a team sport. The ideal of the lone wolf inventor is out of date. It takes many skills to develop an idea to the monetization point, and very few individuals will be good at all of them. As you progress, assemble experts in a variety of areas, both as core team members and advisors. Cover the following areas of expertise: product design, engineering, branding, manufacturing, finance, legal, marketing, public relations and sales. You might possess several of these skills, and someone else might be able to handle several of them. You just need to make sure they are all covered. Many of these skills can be brought into your team at no expense at first; interview some lawyers and accountants. They'll give you some basic advice in your interview! Recruit your designer and engineer for equity. Find a sales rep in your industry and sign a deal to start getting their input on strategy. You want power players for each role. Each person should be great at what they do, so you can focus on your own strong suits.

Once you have a great team in place, it becomes easier to create the next product. With each person knowing their role, you can eliminate most of the bottle-necks in the process. After 16 years of being in the business, it takes me 10 percent of the effort to accomplish the same work due to the strength of my team.

# Focus on your own strong suits.

Since it is inventing, one of the most important team members you need to locate is a manufacturing partner. For most items, China is the place where things are made. There are many agents that can help find reliable manufacturers. You can also use Alibaba.com (a web-based directory of Chinese factories). However, I recommend auditing any factory you plan on proceeding with past prototyping into production. Either go yourself (it's cool in China!) or send an auditor like AsiaInspection.com. The right manufacturer won't charge for basic engineering and will provide inexpensive prototypes as proof that they can actually produce the product.

Most of the "invention services firms" you see advertised on TV are a waste of your money. They offer to "help" you for a fee, sometimes quite large. Then they do nothing active to secure a licensee for your product, merely adding it to their catalog of inventions which they publish. It takes focused and special attention for every single product that is licensed. This kind of approach very rarely provides any useful value for what you pay. You need to work with devoted partners who are committed to your product. Save your money for a designer.



## STEP 7. GET FEEDBACK AT ALL STAGES

*Track down the highest quality feedback. Be open to input.*

All along the way, at every point in the process, you want to get feedback from almost every member of your team. It is very easy to fall in love with your own work (especially if you're like me!) and fail to see something very obvious right in front of you. Make sure that you aren't missing anything and that your reasoning stands up to scrutiny. This goes for your business plan as well as your product design and marketing materials. Track down the highest quality feedback you can find. Don't be afraid to ask a high-powered individual you meet at a trade show to be a part of your advisory board. I have found that people are flattered to be asked for

advice, and it is a good way to gain access to other contacts. Make sure all your advisors understand the confidentiality of your project (and maybe sign Confidentiality Agreements). Don't be defensive. Your goal is to win, not be "right".

**Don't be defensive.  
Your goal is to win,  
not be "right".**

It is also important to note that when you ask people for feedback, they almost always come up with

something. You are asking them to, so they feel obligated to contribute, whether or not they have a real improvement. At the end of the day, you need to take responsibility for the final product, so don't let anyone talk you out of anything you feel strongly about. The invention still need to stay true to your vision. Of course, you need to be open to being wrong, as well, and willing to change in light of some quality input. It's a fine line to walk.

Another form of feedback you'll want to make sure you are getting is financial, both during the development stage and after you start generating revenue. Establish budgets for all of your activities and then compare your actual expenses (and incomes) to your projected expenses. That way you can make sure costs aren't getting out of control and have guidelines to help you make decisions about what to spend money on and when. If you then decide to "break budget", at least you know you are and have a good reason to do so.



## STEP 8. PROTECT YOUR INTELLECTUAL PROPERTY

*Understand patents, what they are and what they are good for.*

Intellectual property (IP) protections are obviously an important part of being an inventor, thus, as an aspiring inventor, it is vital to learn about the different IP tools. There are many books on the subject of IP. If you are serious about your product, take the time to learn about this, because it is the source of your ability to practice.

First, there are non-disclosure or confidentiality agreements (NDAs). Use NDAs to protect the confidentiality of your invention while talking to potential partners, but don't be overly paranoid. In my experience, paranoia stops way more business than it saves. You can have a lawyer draw one up or by a generic one.

If you are applying for a patent, it is important to keep your product officially confidential in order to not accidentally destroy your ability to apply for a patent.

# Patents lend credibility.

Patents serve several purposes: 1. they provide some legal powers to maintain exclusivity, 2. they give you the ability to seek a licensee, 3. they lend credibility to your product in the eyes of the consumer or licensee, and 4. they discourage casual knock-offs. There are several types of patents: provisional, design and utility. Provisional applications give you a one-year period of “patent pending” before you have to file a full application and cost much less to file. The provisional patent application is a powerful tool for the inventor and used properly can save lots of money and help drive better patent writing. Design patents cover the physical appearance of a product. They provide much more protection than most inventors realize and are great for protecting products that derive their benefit primarily from their form. Utility patents, which cover novel, non-obvious inventions “reduced to practice” (you can't just patent an idea) are expensive and tricky to get, but are also potentially the most valuable as they can cover numerous applications of the same idea.

What many people misunderstand is that patents don't actually prevent anyone from doing anything. They just give you the right to sue someone to stop them if they are infringing. You still have to sue them and win. This is very expensive. A utility patent lawsuit can easily cost more than \$1 million in fees per side (Design patent lawsuits are typically much less expensive as the situation is usually clearer cut.). If you lose, then you not only lose the decision you were hoping for, you also lose all that money. Therefore, at the individual inventor level, it is unusual for a case to be prosecuted, as neither side can really afford to take the risk on a business where the money isn't in the many millions of dollars. As a result, most patents are never truly enforced. It often comes down to a game of "chicken"—where the side with the deeper pockets usually wins. If there is doubt, the parties will usually settle and make a deal. Nevertheless, it is very difficult to license an invention without a patent, even if neither you nor the company is likely to enforce it.

**But they (patents) don't actually prevent anyone from doing anything.**

You don't have to wait until your patent is issued to get a license. I have licensed many products while the patent is still pending. Most licensees will insist on adding a clause

that says if the patent never issues and the application is abandoned then the royalty they have to pay either disappears or goes way down, but I feel it is much better to get going rather than wait, which might take several years. In fact, I usually try and license my inventions under provisional applications, which give me the opportunity to work with the licensee to perfect the application before submitting it. This is to both parties' benefit!

Trademarks can be just as important as patents to the success of your invention. Registering your trademark is a great way to add value to your invention. This can increase your payday if you license it or increase your sales if you manufacture it. As I mentioned earlier, the PowerSquid trademark was just as important to the success of that product as the design.

## STEP 9. CHOOSE YOUR PATH TO PROFIT

*To license or manufacture? The right information will help you decide.*

You have to determine somewhere along the way how you are going to try and monetize your invention. There are numerous variations on how to do this, but they tend to fall in two groups: 1. Licensing or 2. Manufacturing. Licensing is when you “rent” your patent and the rights it confers to a manufacturer in exchange for a royalty. It is much less expensive and simpler to license an invention, though it is still challenging and still requires a significant investment of both money and time. Manufacturing, of course, is when you get involved in actually producing your invention and selling it with a mark-up. It involves purchasing, tooling, creating marketing materials, selling the product, purchasing inventory, marketing, etc. It is, obviously, much more costly and time-consuming.

# You'll have the best opportunity to pitch at industry tradeshow.

In order to decide which path best suits you and your invention, first you must conduct a detailed analysis of the financial aspects of your product. Ask a manufacturer how much the tooling (machinery required to produce the product) will cost and what units will cost at certain volumes. You can

contemplate different price points and margin levels and determine how many you would need to sell to break even should you invest in production. If you ultimately decide to license the product instead of manufacturing it, these numbers will be invaluable in negotiating and selling a license. The more info you can provide to the potential licensee, the easier it is for them to make a decision. The easier you make their decision, the easier it is for them to say “yes.” I call this the “easy yes”.

Once you have this information you can decide how you want to proceed. This is also a decision about what you want in your life. You can potentially make more money from your invention if you manufacture and sell it, but then you are running a product company. Is that what you want? Can you assemble the financing? Then go for it! If not, licensing is your better option. You'll still need a patent and can count on some legal fees. In addition, you'll have the best opportunity to pitch at industry tradeshows (like the Consumer Electronics Show), so count on that expense. A licensing deal will have fewer risks and take less of your time, but you

**The actual monetization of your invention will likely be as big an effort, if not much, much bigger, than creating it.**

will have much less control over how the product is implemented and marketed, and the level of attention it is given. I've licensed some products to only have the licensee sit on the patent and do nothing. This is a pain of course. You have to terminate the license and then re-license it, having lost potentially years of revenue. Licensing can pay off, though, and is often the best path for most people, especially if your product is complex.

Either way, you are just beginning on your journey. The actual monetization of your invention will likely be as big, if not much, much bigger, than creating it.

## STEP 10. GET YOUR PRODUCT ON SHELVES

*Don't quit now! Perseverance is the name of the game.*

Now that you have chosen your path, you must follow it until the end. You only succeed if you don't quit before you do. Stick with it. Don't quit just because it's hard. The rewards are worth the price. The only time you should quit is when you learn that the mathematical equation is NOT going to work. The cost to produce just kills the ability to sell at a price people will pay. But even you determine that, you can adapt and try to drive towards a scenario that will work. Perseverance is the name of the game.

If you decide to manufacture, surround yourself with advisors who can guide you. Be cautious in your projections. You'll have to learn about importing and working with manufacturers. Don't bring in many units until you have brought in a few without issues. Don't buy large amounts of inventory without sales to speak for it. You'll also have to figure out how to get to the buyers at the stores you want to sell to. An experienced manufacturer sales representative who already has a relationship with the store is a great short cut, for a slice of the pie. You'll also have to learn to think like a buyer. To them, price and margin is everything. Learn about running the business and then try and do a very good job. Keep good records (use QuickBooks). Pay your taxes. Pay your vendors. Don't take risks you can't afford to lose. Treat people well. Commit to excellence.

**You only succeed  
if you don't quit  
before you do.**

If you decide to license, pick your potential licensees carefully. It will be an important relationship and you want someone you can be happy with just as much as you want big dollars. Please do not underestimate the



PowerSquid® “arms” in mass in China.

importance of what I am saying here. Insist on fairness in your negotiations to avoid being taken advantage of (read “Getting to Yes”) by larger companies. Don’t sign a bad deal. Look for friends. Be familiar with all your numbers. Be familiar with industry standards (5 percent of gross is a good royalty). Demand excellence! Insist on negotiating with a manager or company owner, not a lawyer. Offer to provide the first draft of the agreement so you control the starting point. Learn about the various terms of licensing agreements and make sure you understand all that you are agreeing to and having them agree to. Make sure you have an escape clause in the form of performance guarantees in case they don’t perform. Use your local jurisdiction for the governing law. NEVER indemnify (agree to cover legal costs) against infringement. Don’t rush the negotiation process. It can take months to work out all the details and that is okay. It is better to take the time than to rush to an agreement not in your favor.

## BONUS: STEP 11. THE FUTURE IS CALLING

**Congratulations! If you've followed the 10 steps you now have a product on the market and the potential to make good money from your invention.**

Now that your product is being sold, your job isn't over. If you have licensed your product, you'll want to work with your licensee to make sure that they are doing everything they can to make the product successful. Offer marketing ideas, packaging ideas, distribution avenues, new product ideas that feature your invention, and do what you can to help promote the product in the media. At the same time, it is important not to step on the toes of your licensee. They

have received the rights to your invention. It's not yours anymore. So you need to support them in a way that respects their rights. If you approach them professionally and have good ideas, they should listen to you. This is another reason why it is important that you pick

**I found that more money, while wonderful, does not replace the joy of a creative partnership.**

your license targets carefully. If you partner won't listen to you, then you have less control over the success of the product and your eventual payout. This can be frustrating. When Philips took over the PowerSquid, they brought a lot of marketing power, but they also brought big company mindset. I lost all ability to influence the project. I found that more money, while wonderful, does not replace the joy of a creative partnership.

If you decided to manufacture your product, you will be facing other challenges. You may find that the product development side of the project was the fun, easy, and cheap part. Get ready to learn every aspect of running a business and dealing with manufacturers and retailers. It is a tough world and getting tougher all the time. The opposite side of the coin, though, is that you'll have complete control over your product and the opportunity and if you are successful, to keep a much larger piece of the pie. You must commit to the learning to make it. Read books! Read blogs. Read magazines. Recruit a board of advisors. But be careful, it is easy to get consumed by your business and forget to keep balance in your life, as you've doubtless heard before. Don't work so hard that you lose your happiness.

Regardless of your path, you will be forced to make many decisions for which you don't feel qualified. But that's the great thing about invention. Most of the breakthrough products in our world are created by people like you, who don't really know what they are doing, but do it anyway- people who are willing to learn along the way, get the best advice and input they can, make mistakes and meet challenges. Sometimes they succeed and make it big. Sometimes they don't, but they all make a mark on the world and act as an agent of creation. Everyone is an inventor, only some of us do something about it.

And be sure to connect with me on:



[www.twitter.com/inventorchris](http://www.twitter.com/inventorchris)



[www.linkedin.com/in/chrishawker](http://www.linkedin.com/in/chrishawker)

Visit my sites:



[www.powersquid.com](http://www.powersquid.com)



[www.trident-design.com](http://www.trident-design.com)



[www.thirstylight.com](http://www.thirstylight.com)

*A footnote: The purpose of these steps is to help you proceed developing a product for the purpose of making a profit as a business venture. It is difficult to be successful as an inventor as a casual hobby, as it takes a lot of time and serious commitment. As a business venture, we are assuming that you want to be efficient and effective and get to your end-goal as quickly as possible for the least money. One thing you should know: it will, in fact, take some significant money to develop most inventions. Pursuing an invention should be considered alongside other opportunities for investment. While there are ancillary benefits to inventing (cool factor and fun activities), it would be foolish not to consider the financial aspects in deciding to head down this road.*

# Resources

## GADGET AND DESIGN BLOGS

ENGADGET.COM  
GIZMODO.COM  
GADGETS.BOINGBOING.NET  
OHGIZMO.COM  
PRODUCTDOSE.COM  
CORE77.COM  
INVENTORSPOT.COM  
CRUNCHGEAR.COM  
INVENTORSDIGEST.COM  
WIRED.COM/GADGETLAB  
DESIGNSPONGE.COM  
DESIGNBOOM.COM  
DESIGNADDICT.COM  
DVICE.COM  
DESIGN.ALLTOP.COM  
INDUSTRIALDESIGNSERVED.COM  
BAEKDAL.COM

## FINDING DESIGNERS AND OTHER TEAM MEMBERS

CORE77.COM  
LINKEDIN.COM  
ELANCE.COM  
CROWDSPRING.COM  
GURU.COM  
LIMEEXCHANGE.COM  
IFREELANCE.COM  
COROFLOT.COM  
DESIGNERS-NETWORK.COM

## PATENT AND TRADEMARK SITES

GOOGLE.COM/PATENTS  
USPTO.GOV  
PATENTSTORM.COM  
PATENTS.COM  
DELPHION.COM  
FREEPATENTSONLINE.COM

## RELEVANT MAGAZINES

I.D.  
INC.  
FAST COMPANY  
WIRED  
INVENTORS DIGEST  
POPULAR SCIENCE  
POPULAR MECHANICS

## TRADESHOWS

TSNN.COM  
BIZTRADESHOWS.COM  
HOUSEWARES.ORG  
CESWEB.ORG  
NATIONALHARDWARESHOW.COM

## SOURCING

ALIBABA.COM  
TRADEKEY.COM  
THOMASNET.COM

AND OF COURSE, INVENTSHOP