

Improve Your Licensing Pitch - Tips from an Industry Insider

November 3, 2015 via United Inventors Association website
Warren Tuttle



Open Innovation is where larger companies reach outside their walls to license products. As someone quite involved in the space, I wanted to share a few tips I've learned over the years.

For fun, I'd like to start with one of my favorite topics, pitching a product, starting with the time period after your decision has been made to pursue a licensing agreement.

Present Yourself Well What many folks who choose the licensing route may not be aware of is this: from the time you first reach out to a larger company and the clock starts ticking on your submission, you are being evaluated in the way you present, perhaps even as much as the value of your product itself. I'll get to the product evaluation criteria in moment, but let's start with the human interaction side. It may seem apparent to most that being polite, concise and considerate when approaching a company would make common sense; but you might be surprised at the number inventors who are not prepared, come off as know-it-alls without actually knowing it all, have not thoroughly vetted the marketplace for similar products, demand unrealistic compensation because they have not studied the accepted industry parameters they are looking to exploit and have little interest in following well established submission steps. I say this not to be overly critical or mean....I say it because if you come across initially as unprepared, close minded, long winded, unreasonable and defiant, there may be a strong early perception cemented on the company side that there's very little chance of ever finalizing a licensing deal. You don't want to get placed on this short list. It will lead to a quick no interest reply.

Handling the Submission Process For starters, be professional. Practice before the call if you need extra work at coming across properly. If you write in, make sure you edit everything thoroughly and are succinct. You will need to vet the marketplace, finding the inventor friendly companies in your field that will truly value your outside submission. Selecting the right company is critical, as is your due diligence. Find out about licensing guidelines in the targeted industry, such as realistic royalty ranges, and see how the companies measure up with real examples of successful products they have launched in the past. If there is a defined submission process from an inventor friendly company, follow it. Often times reading of the company's Non-Disclosure Agreement (NDA) will provide insight as to whether the company is fair minded. Have your attorney check out their NDA and advise if there are any major concerns. Sometimes good companies will want you to generally disclose what you are up to before moving ahead with a formal NDA. There are many reasons for this, the simplest being they may not have a lot of time to chase down leads not in their arena. You would be surprised how many false leads I receive every day. The best way to handle this is to provide a general overview of the product that does not give away any specific claim filings or trade secrets.

Finding the Right Company You can also easily find out if the company has a dedicated person or department to handle outside innovation submissions. Research whether the company has a functioning Open Innovation process in place, or if you are getting handed off to someone who never calls back and has little interest in you. Sometimes you can find out a great deal by checking the company website, or even perhaps a few phone calls to the switchboard operator. Another terrific way to approach a company is by visiting an industry trade show. Make sure you are considerate as a lot of business is generally going on at trade shows, but meeting a few key folks and setting up a future appointment is often easily accomplished face to face.

What are Most Companies Looking For? First, they would like to see a working prototype that proves function. Drawings and CADs may be fun, but even a hand-made sample goes a great deal further in establishing a positive connection. It shows you are serious. It also allows you to film a short video demo. Second, where are you on the Intellectual Property (IP) front? Have you filed for a utility patent? Have you

thoroughly researched all IP issues? What else is out there? See my websites (www.monasheemarketing.com, www.powertoolinnovation.com, www.accessisllc.com) for the submission questions that identify all key issues.

Marketing Creating a sell-sheet that describes the benefits of your product can be very helpful. Make sure you keep to one page and simple. Don't overdo it as you are only trying to create a strong initial impression, not close the sale during the first few minutes. Too much cluttered information can add confusion to the review process and confusion will lead to a quick loss in interest. And, if a picture tells a thousand words, then a video can tell a thousand pictures. Videos have become standard fare for product submissions these days. Even simple, cell phone-shot videos can be really helpful. Just make sure they are not over a minute in length. If you can't get your message across in that amount of time, it may be better to go back and rethink the entire proposition.

Highlight Benefits, Not Features Another really important thing; quickly describe the benefit of your product and what problem it actually solves. Women tend to get this approach far better than men, so guys please pay attention. A lot of guys tend to describe the materials and what they did engineering-wise to develop the product. Consumers don't really care about what effort you've put in, they simply want to know what real benefit would come from their purchasing the product. Always think in the product development and submission process in terms of consumer interest... they are the real folks driving the show.

About Warren Tuttle: As Open Innovation Director for Lifetime Brands (housewares), TTI Group (power tool/hardware) and Access Innovation Solutions (direct response), Warren Tuttle vets products submissions from inventors, product developers and designers across several industry categories and has been credited for signing a large number of licensing agreements. Warren speaks regularly around the country on a variety of licensing issues, new product launch challenges and how inventors can determine their best path to market.