

Market Research

tip of the **Month**

by John Rau

When we think of invention success, we normally think in terms of the amount of money an inventor derived from commercializing their invention. You have probably heard or read about examples (Source: Various Web citations, most likely dated) such as the over \$1 billion in sales revenues that inventor Ron Popeil allegedly derived from the sales of his rotisserie BBQ, the estimated \$400 million plus royalty revenues that inventor Lonnie Johnson earned from his "squirt gun" called "Super Soaker", the over \$100 million plus that the University of Florida received in royalties from the sales of Gatorade developed by inventor Dr. Robert Cade in 1965, etc. The most unlikely success story is the Slinky, discovered in 1943 when naval engineer Richard James unintentionally knocked over a spring while at work and watched as it "walked" down to the floor. Although precise sales figures are hard to come by, it's estimated that two years after he founded James Industries, the inventor had made the modern-day equivalent of \$1 billion in sales from his toy.

Obviously, not every invention will reap the rewards of the Slinky, but, from an inventor's perspective, the obvious question to ask is "How do you decide if your invention will be successful and, if you're not sure, what steps should you take to increase its chances of success?"

Good insight is provided by Christopher Hawker in his article "The 10 Must-Have Ingredients for a Successful Invention" (Source: <http://www.entrepreneur.com/article/237412>) in which he states that the "ingredients" he looks for when deciding whether an invention has the right recipe for success is as follows:

- You should bring passion to your invention – "passion is the fuel for entrepreneurial action".
- Your invention should have "higher-value density" in the context that "winning products deliver more bangs for the buck", i.e. your invention idea must have benefits and features that are better than the competition.
- Your invention should address a gap in the market. (Question: What market did Gatorade create, to be followed by many "thirst quenchers" and power drinks – an enormous market?)

- Your invention should have a high return-on-investment potential—specifically, your expected return must be large enough to justify your investment of time, effort and money and must occur in a reasonable amount of time.
- You should keep your idea simple in the sense that simple items are easier to execute and cost less to develop.
In addition, will be easier to explain and as a result, are typically easier to sell. (Question: What can be more simple than a squirt gun or a spring that walks itself down the steps of a stairway?)
- You should follow a clear path to market – in particular, try to steer clear from complex distribution networks and focus on utilizing existing ones.
- You should exploit attractive markets – for example, growing markets are easier to be successful in than shrinking markets.
- You should have a clearly defined customer—specifically, you need to identify the type of person who would most likely buy your new product. (Question: Shouldn't everyone who barbeques be a customer for a rotisserie BBQ?)
- You need to make sure that your new product idea is within your personal limits (both technically and financially), that is, walk before you run and don't stretch yourself financially so much that you'll "break the bank if the product fails".
- Avoid "gotchas" as some products may have hidden challenges you may not be aware of. Make sure you do your research to avoid these unknown pitfalls.

In his article, Mr. Hawker states that "To be a success and an economic opportunity, it's more important your idea meet certain criteria (such as cited above) than it be ground breaking. Even a moderately innovative idea can become a huge success if it has all the right 'ingredients.' His summary point is that "keep in mind, some ideas go either way depending on the execution and the choices you make in developing your idea into a real product."

Good advice is provided by Thomas Edison, one of the greatest and most prolific inventors in American history, who is quoted as having said "I have more respect for the fellow with a single idea who gets there than for the fellow with a thousand ideas who does nothing". The message here is that following through is the difference between being a successful inventor and a dreamer!



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