

The foundational work is necessary for two main reasons. First, it uncovers real life issues for you to consider and evaluate. Moving ahead is basically a decision to be committed to a major undertaking and should not be taken lightly. Second, all the work and knowledge you gain up to this point will support the planning module in the next phase.

Whether figuratively or literally speaking, if the foundation is strong, the structure has a better chance of surviving future storms. If the foundational work is shoddy or incomplete, the infrastructure standing on it may crumble or collapse. This is the least risky phase yet holds the most implications.

THE SECOND PHASE

The second phase deals with the detailed **planning and strategy** aspects of your venture.

The goal is to optimize your chances of success by exploring every aspect of your potential business in minute details. Once the research and analyses have been done, the information you acquired would allow you to do careful planning and craft strategies from where to sell to what to say, how much to charge and how much you'll make, etc.

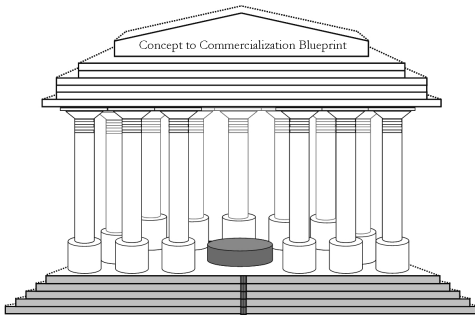
From this point forward you will be wearing the entrepreneurial hat instead of the inventor's hat most of the time. Incidentally, in case you have not seen one, the entrepreneurial hat has many labels. Rotating them allows you to play different roles throughout the day.

Your financial investment will increase and therefore your risk will also increase. However, assuming that you are not completely financially independent and therefore would not fund the entire venture with your own money (most of us cannot), your end goal for this phase is to produce a realistic summary of all the plans and strategies in a document called the business plan. The activities in this phase are equivalent to those of a long term relationship before tying the knot. You can still walk away but you would have invested major time and efforts already.

By the way, this is where only serious entrepreneurs should continue and casual tinkerers/inventors stop. Every step you take will cost more time and money. From now on it's real money being spent at a rapid pace. If you do not have strong confidence about your product or the prospect of financial success by the time you're through with this phase you should really consider stopping.

There are 14 steps involved in the planning and strategy phase. Each step is highlighted below. Business insights that pertain to the steps will be presented in much more details in subsequent chapters.

Step 1 of the Planning and Strategy Phase is Obtain IP Protection



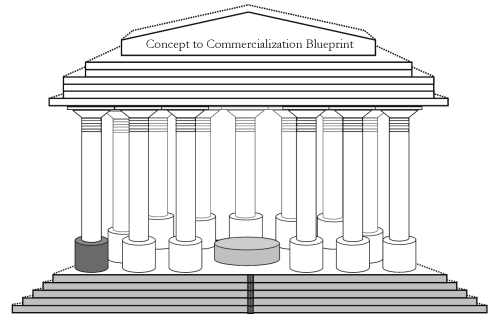
Your objective is to be able to shop your intellectual creation beyond the trusted groups without fear of someone stealing your hard work.

The types of activities you will do include patent and copyright research. You will need to trademark your product name and company name as well. Whether to protect your creation from

potential theft is a decision based more on marketing considerations than on legal grounds, as most experienced entrepreneurs will tell you.

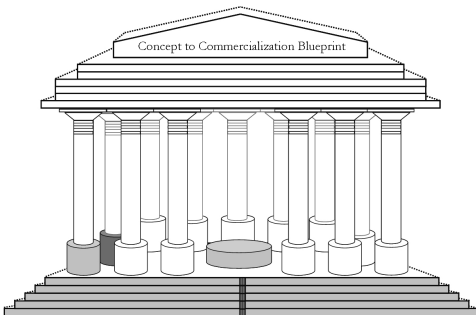
Step 2 of the Planning and Strategy Phase is Functional Prototyping

Your objective is two folds here. First, you need to prove that the design you have in mind can indeed be produced cost effectively. Second, you need your product to work in front of other people. People will pass instant judgment on your product based on its appearance and stated functions. A real functional prototype as close to the final product as possible is highly recommended. You will be using it for promotional activities later.



The types of activities you will do include trying out real raw components and putting together your product to test out the assembly process. If you are unable make the actual components, then you need to hire people who can. Machinists and professional prototype makers can help. Swap out parts if they are too difficult to assemble or cost too much to procure.

Step 3 of the Planning and Strategy Phase is Detailed Marketing Plan



Your objective is to clearly define your product's value propositions to the target user group. The marketing work should generate a comprehensive strategy on how to tackle the market complete with the product's proposition, positioning, placement, pricing, promotion, and packaging statements. The goal here is not