

Introduction

Anyone who has ever flirted with bringing an idea to market eventually arrives at the same question... how?

It is a well known fact that the odds of success are astronomically stacked against new ventures. There are various estimates on the odds of turning an everyday idea into a profitable venture. One viable estimate puts it at about 1 in 30 million¹.

If you are starting out with just an idea, what will it take to actually become successful?

A STRATEGIC APPROACH

Taking a leisurely walk in the park should be spontaneous and most likely as a result of a free-flowing idea. Taking a man to the moon for a walk, on the other hand, took a systematic and disciplined approach based on strategic planning. No one in their right mind would nonchalantly jump into a highly risky situation without considering all the critical factors and then some more. Why then do so many people risk their hard-earned money, time, career, and possibly future quality of life without taking a strategic approach?

Individual circumstances differ, but I believe in general that it is a lethal combination of naïveté and the lack of information that is the main culprit. Missing information from how to start to what it takes, and what it's like to go through the purest form of entrepreneurship are just some of the reasons.

People who choose to bring their ideas to market might discover that there is not a single source of answers but an array of highly disorganized information out there. This is because commercializing an idea is a very involved, complex, and challenging task that few people have mastered.

The key to optimizing your chances of success lies largely in your ability to stay realistic, focused, and disciplined. Such traits are necessary to tackle the myriad of challenges of an entrepreneurial commercialization path. The right step to begin

¹ See calculation in Chapter 1 – Commercial Viability Overview... Is Your Concept a Good Investment?

with is business strategy formulation. It is a subject I hold a deep reverence for because of its impacts on the odds of business survival and success. The business strategy discipline not only deserves but requires a separate volume to describe in detail and to do it justice. For this reason I will only touch lightly upon the essence of the strategic approach as it relates to the concept commercialization process.

If this sounds too intimidating, you should not be concerned. Each one of us already takes on some degree of strategic approach in various aspects of our lives. For example, planning an extended vacation already involves thinking ahead and making preparations with details so we can reap the experience that we would like to have.

In its bare essence, the strategic formulation approach begins with envisioning the end state, or goal, that you have for an idea. The goal is divided into components that can be tackled separately or concurrently. If you had envisioned building your dream house, for instance, such a vision would have been broken down into actionable items such as excavation, landscaping, frame building, interior design, and HVAC system installation, etc.

The action items are then grouped by functions and then arranged and prioritized according to a logical and practical sequence. Within the same example, you would excavate the grounds for a foundation and landscaping concurrently but lay the carpets only after you have built interior walls.

Armed with the details of what needs to be done, when, and how, your next step would be to develop contingency plans that ask and answer the various what-if scenarios. In the concept commercialization process this would include competitive analysis, marketing and industry analysis scenarios, for example.

How you then implement will naturally be based on choices made from all this groundwork. The decision at this point becomes strategic.

Finally, as the last component of a strategic approach, any project one takes on will require continuous monitoring and course adjustments. This is no different than what went on behind the scenes of the first rocket launch to the moon. Mission control had to have constant monitoring and course adjustments to ensure that the goal of putting a man on the moon would be realized.

Transforming a mere idea into a profitable venture can be just as complicated and requires just as much strategic thinking behind the scenes. This might explain the astronomical rates of failure experienced by the average aspiring entrepreneur or inventor who does not take on such disciplined approach.

As you can see the process can be complicated and not as light-hearted as some other books on bringing an idea to market would suggest. There will be several

components of this approach we will identify and dissect to help you get on the right track and stay on it.

INVENTIONS, IDEAS & COMMERCIALIZATION

For clarifications, an everyday idea can be a household product invention (e.g. can opener), a unique service-based business model (e.g. Zipcar®), or a technology breakthrough/scientific discovery (e.g. solar cell/genetic mapping) that could be deployed as a product or a service.

Regardless of the type of classification, all of them share at least two commonalities. First, they are all created by people for the benefit of people. Second, if they are to be publicly available, as opposed to being a springboard for further research and development, then they must go through the commercialization process.

The first characteristic dictates that an understanding of human behavior and motivation factors are necessary. The second requires an understanding of business creation and management knowledge, process, and tools. Together they will help generate profit.

Therefore an understanding of the concept to commercialization process is a fundamental step in continued innovation of all sorts. It is a required knowledge for anyone involved in the entrepreneurial movement intended to create a better economy, more direct and indirect commercial activities and jobs, and hopes for a better future for everyone.

HOW MY BACKGROUND CONTRIBUTES TO THIS WRITING

Several years ago I came up with what I thought was a great idea that met a universal need of parents with young kids. The idea was to create a lifesize construction play system that could be easily built, recombined, and stored all without hassle. After some preliminary research I decided to pursue the idea further. We named it AeroBlocs.

I set up Tinker Minds Inc. to manufacture and market the AeroBlocs product lines. Both the concept and the company were created from scratch; everything originated from a simple idea and evolved into complete product lines and a fully operational business infrastructure respectively. There were lessons as well as many steps and missteps learned along the way. Some of these will be used as examples throughout the book to help illustrate the various business guidelines.

In time I was able to distribute the AeroBlocs product lines domestically via top tier catalogs, online, and brick & mortar resellers in the educational, occupational therapy, and specialty toy segments. Likewise I placed AeroBlocs with distributors

in Canada and UK, which led to sales in other countries as far as New Zealand. The market reception for this product was overwhelmingly positive at its debut tradeshow. I collected over four inches of business cards from distributors and resellers worldwide wanting to do business with us from that tradeshow alone.

Our team built every aspect of our business infrastructure from scratch, bootstrapping style. At one point the total revenue potential was near \$6M for this children's inflatable construction play system. All this achievement masked the tremendous amount of work behind the scenes fighting against brutal rising costs. At every phase of the business the combined cost of goods rose astronomically. By the time I made the business decision to close the operation the cost had increased by 456%². This was a "hell of a ride" from a concept to commercialization perspective. Yet, looking back, it was an experience that trumped anything else we've done and taught us lessons and wisdom that no money can buy.

My earlier professional experiences included launching and running a small service-based business from scratch. I also played a pivotal role in a highly profitable startup group within a \$1B corporation. Collectively I know enough to share the following insights with you.

When it comes to bringing your newfound idea to market...

1. There is a fine line between dreams & nightmares, and between risk taking & recklessness. Crossing that line may not always be intentional; sometimes it happens by accident or by forces beyond one's control.
2. Coming up with an idea is relatively easy compared to figuring out how to bring it to market and make money from it.
3. Not all ideas are worth pursuing. You need to very carefully evaluate an idea's profit potential before taking concerted efforts.
4. In this information age, the challenge is in the organization of information, not the acquisition of information, which will play a pivotal role in your venture.
5. No matter how smart you are or how good your idea is, you will need other people.
6. An experienced voice is like a compass; knowledge of the landscape is like a map. You need both to navigate the hidden dangers. If you don't have both, you need at least one and a lot of persistence, not to mention luck.

² To view the AeroBlocs venture's developmental history please visit www.tinkerminds.com

THE PURPOSE OF THIS BOOK

It takes an evolutionary process to transform a pure concept to a marketable physical product or service. Evolution takes time, there's simply no argument there. A process requires many steps. Each step involves a sequence of activities that are interdependently linked to another. When multiple processes are combined they form a system that delivers the desired function predictably.

Examples of systems surround us. A watch is a system of inter-related gears, springs, and display mechanism. A car is a system of components and their parts. The human body is the most intricate system that is made up of subsystems like circulatory, respiratory, digestive, and so on. Each subsystem performs a particular function. Altogether they produce the overall functions of telling time, providing transportation, and maintaining life respectively.

In a nutshell the purpose of this book is to create a concept to commercialization (C2C) system to help an independent inventor or aspiring entrepreneur beat the odds when the right idea comes along. The system is necessarily formed strategically from the highest level to the minutest details.

How you go about starting the process matters tremendously. This book does not tell you everything you need to know on the subject. You still need to acquire specific information on any topic you need more information on separately. Meanwhile you should use the tools here to help you organize your thoughts and your plan of attack.

Over the recent years the amount of written work on entrepreneurialship has exploded. This is both good and bad news. It has become easier to learn from others' experiences and at the same time be drowned in regurgitated material and background noise. The Internet is a goldmine for information. Business management text books offer tools and techniques. Invention management publications provide coverage on a wide array of topics. Most of these are useful information but they leave the serious aspiring entrepreneur at a loss on exactly how to proceed. Something is amiss and that's what I intend to fill with this book.

I have designed the book to be a primarily strategic process-driven tool. The business knowledge contained here is nothing new; a first year MBA student would easily recognize some of the business subjects and tools. Some of my insights may coincide with those derived by someone else who has gone through similar in-the-trench experiences and drew the same conclusions. However the system that lays out the entire scope, creates a step-by-step blueprint, generates an evaluation list, spawns questions and answers to them, leads to a substantiated Go/No Go decision, and covers the company building and business growing concerns process is entirely original and critically needed by anyone thinking about bringing a product or service to market.

I should mention that this book is not for the faint of heart, the impatient, the channel-surfers among us, or those looking to read for entertainment. The subjects dive deeply into the processes and any underlying rationale so that you will manage the tools with expertise and your venture with confidence.

By reading this book you will benefit from the lessons I learned including:

- ◆ What I did right in retrospect
- ◆ How to avoid some common mistakes
- ◆ What I wish I knew when I first started
- ◆ What works really well and can be repeated for other products
- ◆ How to systematically tackle the process of commercializing an invention

COMPONENTS OF THE C2C SYSTEM

This concept to commercialization (C2C) system works well regardless of whether a concept is intended for a product invention, a product-based company, a service company, or a product-based service company.

The system contains five components which are interlinked within a common go-to-market strategy. They are:

1. **Players** – Understanding the arena in which your invention or venture will operate within is of the utmost importance. Knowing who is involved, when, where, and why will help you navigate your way around.
2. **Blueprint** – Lays out a phased, step-by-step approach that includes conceptual, marketing, operational, and financial management activities needed from beginning to profitability.
3. **Evaluation Questions** – Provide a checklist designed to weed out unprofitable ideas early on and enhance the quality of the ideas that pass the stringent criteria.
4. **Business Insights** – Lessons learned from the trenches that mostly identify hidden truths often missing from business text books. They correspond to the evaluation questions.
5. **Framework** – A tracking and monitoring tool for managing various aspects of a business creation process over time.

If you look closely you will see the strategic approach pattern behind the formation of each subcomponent of the C2C system. These components are like sections of a puzzle while the end vision is like a completed image. Action items