

INVENTORS COUNCIL

OF MID-MICHIGAN

PO Box 232, Lennon Michigan 48449

Web Site: INVENTORSCOUNCIL.ORG

The Inventors Council is an independent, non-profit 501 C-3 corporation formed to help inventors pursue their dreams of bringing new and innovative products to market. Our goal is to help fellow inventors succeed in the most efficient and least costly manner possible by providing education and business networking.

Founded by Robert (Bob) Ross in 1995

We meet monthly at Walli's Restaurant, 1341 South Center Road Burton, Michigan. Just Two blocks south of I-69, Exit 139

VOLUME FOURTEEN

NEXT MEETING THURSDAY, September 9, 2010, 7:00PM

NUMBER NINE

A Double Feature !!!

Distribution of Your Product

September 9, 2010 Meeting

We will have two inventors at the September meeting speaking to us.

First Speaker

The first will be Cullen Tate, inventor of the Dew Drop Trailer. He will be sharing his invention and challenges with our club. He is marketing his small trailer on the web, shows, events, and other venues. He has some great marketing ideas and uses for his product. Cullen is a friend of Rhonda Gelstein of Vroomers who spoke to the ICMC in May of this year. This is the first time he will have attended an ICMC club meeting so come and say hello as he shares his story.

Second Speaker (s)

The Bogdon Box boys will be back with us. They rocked the place on the last visit with their cardboard bass and had us dancing in the room. Dave Eden and Chris Badynee have a new product on the market that will impress you.

The Top Hat Microphone is the greatest harmonica mic on this planet. Unique in appearance and beautifully loud, it is designed to work with guitar effects. The capabilities are great so come and find out about their latest invention. They are always fun when they visit with us.

Come share a night of fun with our inventors.

August 2010 Meeting James Churchill, the inventor of a 5th wheel hitch that mounts in the bed of a pickup truck without any drilling. James gave us a great talk about how he took his invention to market and fast too. Thanks James, we had a lot of fun and learned a lot.

Say you invent a new kitchen utensil and you package it for sale and take the product to a flea market and sell ten units. Is this distribution? No, it is sales and those are important, but you do not have distribution.

Let's now say you sell the new utensil on your own web site. Is this distribution? Perhaps, but it does not fit the most important feature of distribution; which is the multiplying power of others distributing and selling your product or invention for you.

This is the hardest thing an inventor has to achieve. Assume that you invented a great problem solving product for the kitchen. You have tested it, produced it at a great price, the quality is superior, and it is packaged in an eye catching single package that consumers love. All you have to do is show it and the sales will come flowing in. Easy isn't it? Now all you have to do is stand in front of your house and get rich.

It doesn't work that way. What is the difference between sales and distribution? A lot of inventors sell a few units, but fail to sell in quantity because they fail to obtain distribution. They fail to get other people and stores to sell the product for them.

There are many types of distribution: direct sales such as Amway, Avon, Tupperware, etc. These are well organized distribution networks. Distributors such as Ace Hardware, Do-It-Best, Target, Sears, etc. have huge selling power in retail locations. Web marketers like Amazon. Industrial distributors such as Grainger, Master-Carr, J. C. Whitney, etc. are great distributors. The list of distributors (stores, web sites, dealerships, representatives, etc.) is huge.

What do all these distributors have in common? Their income is all derived from the manufacturers who produce new products (inventions) they sell. Some of these companies are huge and make it difficult to carry your product in their stores or web sites or they may already sell a competing product.

But assume all the manufacturers refused to sell to them, what would they sell? The answer is nothing.

They don't produce anything (even their private labels are contract manufactured for them). They make money by distributing other people's products, but to the end consumer, they are the seller. The distribution system begins with the invention of a product, then design, engineering, testing, packaging, shipping, displaying, etc. and finally selling to the end user. The only real customer for everyone in the distribution channel is the end user or consumer of the product.



MARKETING

Hints from the Fog
by Mike Ball, President



Distribution of Your Product (cont.)

Well now that you know that the inventor is the only one that creates a product, how do you go about getting others in the distribution channels to “handle” and sell your product.

I am always saying that I would rather have distribution (read sales and cash flow) than a patent any day. Crazy? Maybe, but without a product or any sales, you don't have anything to protect. Trademarks, copyrights, patents and other protections may have great value (this is a separate issue), but without a distribution network, you will not make much money and cash flow which is all the matters for a successful product.

In order for a distributor (dealer, store, on line sellers, catalogs, etc) to sell your product, you have to pay them. (The product must be fully prepared for distribution first) Most of the time you pay them by giving them a discount from your list price which they sell to the consumer. The standard is 40%, but this varies depending on the type of product and type of distributors it is. The most important thing for an inventor is to have a great product, be priced competitively, and have your production costs low so you can make a profit.

The distributor will determine what requirements your product needs to sell in his distribution channel. These include many things, such as, package barcode, standard shipping packs, display strips, exciting packaging, standard packs, master packs, advertising, dealer price sheets, terms, credit, EDI, landed price, attendance at trade or distributor shows, warranty, insurance, and many other things.

Can you do it? Yes you can, but it takes a good plan and lots of work. Is it worth it? Everyone needs to decide for themselves the risk reward formula they are willing to accept. Do your research, ask others in the business, network in your inventors club, get help in local incubators, SCORE teams, government agencies, and many other ways to find help.

If you believe in your invention, you can achieve it, if you put in the effort.

Don't wish for it, work for it!!!

We are inventors helping inventors.

The Events on the following page(s) are listed to try to help our inventors and friends of ICMM club to network and learn from other organizations and resources. Share these with your friends and attend an event that will help you take you product to market or start your business. We are only doing this to help each other, so at least look at all the great resources this area has to offer.

See Page 3 for upcoming Events Director Inventors

Invention Review Panel

For objective evaluation and priceless feedback, share your invention ideas with an educated group of inventors, business owners, engineers and authors!

Our Panel will sign a non-disclosure agreement to guarantee your ideas are kept secret while we provide you with the input needed to make decisions, no matter what stage of the invention process you're at!

There is a \$25.00 cost for a review. The Panel meets at 6:00 pm before each meeting. Call Panel Chairman Marty Sovis at 810-659-6741 for an appointment.

Review Panel Members
Marty Sovis Rick Mason
Jim White Mike Wiley

Bob Ross 1919 - 2004
Inventors Education Column

Board of Directors Meeting

The meeting will take place prior to the September regular membership meeting. Some of the items we will be discussing are budgets, membership status, new speaker quests, the number of board members, the new “Circle of Trust” initiative, and other subjects.

If you have ideas to improve the way we help people, let us know.

Get involved, it's easy to be a critic, become a cook.

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Move Events for our Inventors (Opportunity to educate and network)

GLEQ Business Plan Competition. Register today at <http://www.gleg.org/> to participate in the state-wide business plan competition, be matched with a Coach, meet Investors, get valuable feedback on your plan, and possibly win cash prizes. Your GLEQ Coach will guide you as you prepare your Executive Summary. Registration deadline is November 1. Executive Summaries are due December 17. Submissions are judged by venture investors that provide written feedback and suggestions. Winners will be awarded cash prizes at ACE'11 on January 27, 2011. **Your GLEQ Coach can help you navigate the other opportunities this fall, including:**

Accelerate Michigan Innovation Competition. Extraordinary opportunity for second-stage companies seeking growth capital and for university students with innovative ideas for new business ventures! This is a Michigan-based international business plan competition for second-stage businesses offering more than \$1 million in awards. A separate track gives Michigan university students the opportunity to develop innovative business ideas and win cash awards. Sponsored by the New Economy Initiative and the Business Accelerator Network for Southeast Michigan (Ann Arbor SPARK, Automation Alley, Macomb-OU Incubator, and TechTown). Michigan-based companies and student teams are encouraged to register in the GLEQ Business Plan Competition for coaching and connections to resources. Accelerate Michigan's schedules and deliverables streamline participation in both. The top GLEQ winner will be advanced to next year's Accelerate Michigan semi-finals. Accelerate Michigan participants can shift participation to the GLEQ competition any time prior to the November 1 registration deadline. Learn more at <http://www.acceleratemichigan.org/>

TIECon Business Plan Competition. This tech venture competition culminates with investor presentations at *TIECon* on October 28-29. Submit your Executive Summary by **October 11**. Semi-finalists will be matched with mentors to prepare for subsequent rounds. The top ten ventures will submit full business plans. The top teams will be selected in mid-October and will advance to the final round. Prizes include in-kind business services for three winning teams. To get in the game, submit an Executive Summary at www.tieconmidwest.org/business-plan-competition.html

Ann Arbor SPARK Boot Camp. Coming up November 4-5, this is one of Michigan's best learning opportunities for tech and life science ventures. To be selected to attend, apply at <http://www.annarborspark.org/bootcamp>. During this intense two-day program, you'll perfect your elevator pitch, executive summary and executive overview presentation -- and meet one-on-one with mentors that will support and encourage your success.

Blue Water Angels - Boost Michigan. Be one of the early-stage entrepreneurs selected to present to angel and venture capital investors this fall at a Boost Michigan. "Boosts" are informal Pitch Night opportunities to get in front of coaches and mentors that will help you prepare for investor presentations. You'll talk about your business for two minutes and have the chance to win an impromptu Advisory Board dinner -- and the opportunity to present to Blue Water Angels and other investors. Upcoming Boost events are scheduled for October 12 in the Thumb Region, October 21 in Traverse City, and November 13 at Kettering University in Flint. Check the GLEQ website for details at <http://www.gleg.org/> or e-mail contact@gleg.org. For information on Blue Water Angels, contact Chris Moultrup at the MidMichigan Innovation Center (moultrup@mmic.us or 989-839-2336).

Annual Collaboration for Entrepreneurship - ACE'11. Register early for a display table and a chance to be selected for the ACE'11 Elevator Pitch Competition. During this fast-paced competition with emcee Chris Holman, six entrepreneurs present three-minute pitches to win awards and services. This is an event highlight. Get in front of nearly 1,000 attendees as ACE celebrates its 11th year on Thursday, January 27. Sign up at <http://www.ace-event.org/>.

SCORE: Could I...Should I Start My Own Business? Lost your enthusiasm for your job? Does it not give you the satisfaction it once did? Heck, you could do a better job than your boss! Or do you have this idea, one you know would be better than the way things are done now? Maybe you should start your own business... but how? Details: Tuesday, **September 7**, 8:45-11 a.m., Michigan Business & Professional Assoc., Hoover Business Center, Warren - <http://scoredetroit.org/content/view/16/30/>