

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 SIXTEEN

NEXT

November Meeting

Starting at 7:00 pm September 13, 2012

ICMM meeting will continue our work on the Cubicle Cop our design tonight. We will be working on the packaging of the Product

We will be using the "White Board" for our ideas fest and all the membership will be able to participate.

This should be a fun night and a great learning experience for all the members in attendance.

Our teams will now all combine and work on each item to take the Cubicle Cop to market.

We will also allot time for networking and invention development for our members. We need to help each other with our ideas and will take time tonight to work together.

The meeting will begin at 7:00pm in the upper level of Walli's Resturant on Center Road in Burton.

September 13, Meeting Recap

We continued the on the signs, color, fonts, size, stops, pulls, etc.

This is the next step in the product development of our invention for 2012 and beyond.

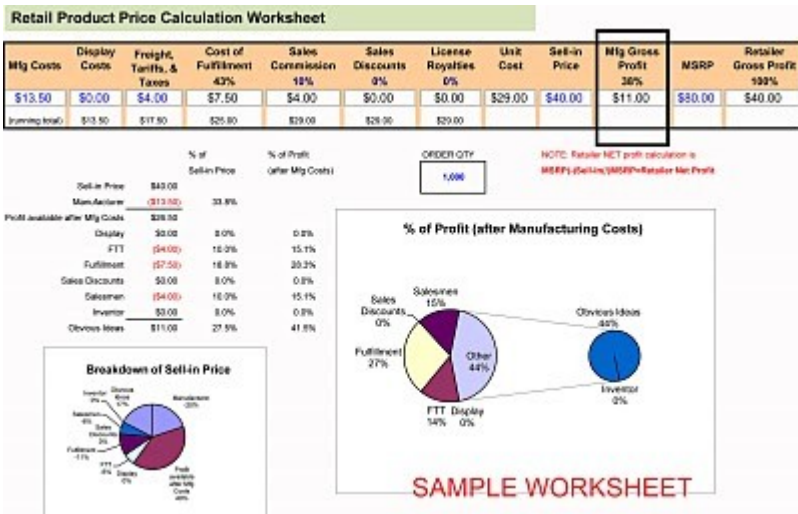
Home of the Happy Inventors

You do the Math....

So much of business can be boiled down to a simple math problem – and since the process of successful inventing always ends in the process of business it just stands to reason that in the end, your invention is going to end up as a set of numbers.

With that in mind I thought I would take a few moments and explain how a manufacturer takes your great idea and uses objective math to take out all your subjective emotion.

This image is a representation of the pricing and cost worksheet used in evaluating a product for market. The math adds to itself from the left of the chart until you get to Fulfillment and subtracts from itself from the right of the chart starting with Sell-In Price.



Start from the left side [MFG Cost (+) Display (+) Freight (+) Fulfillment] then go to the right side put in the MSRP and fill in the rest of the variables [Sell In (-) License Royalties (-) Discounts (-) Sales Commissions =]

Now that we know how the equation works, let's take a look at each individual area so you can better understand what goes into each number.

MFG Cost – This is the basic manufactured cost of the good from the factory dock. It includes the product, packaging and freight packing.



MARKETING

Hints from the Fog

by Mike Ball, President



Display Costs – This is exactly what it sounds like, the cost of a display you would provide to a retailer. If the display holds 20 parts, each part is responsible for 1/20 the cost of the display.

Freight Tariffs & Taxes – We use all 3 of these values in this space because it allows us to accommodate importing. Basically, this cost is from the factory to your warehouse. It is **Display Costs** – This is exactly what it sounds like, the cost of a display you would provide to a retailer. If the display holds 20 parts, each part is responsible for 1/20 the cost of the display.

Freight Tariffs & Taxes – We use all 3 of these values in this space because it allows us to accommodate importing. Basically, this cost is from the factory to your warehouse. It is NOT the freight cost to the retailer – they normally pay that themselves.

Fulfillment – This is the cost warehousing, billing, coordinating the manufacturing, reporting, auditing, and disbursement of funds.

Sales Commissions - Most professional product reps will get between 5% and 15% of the Sell-In price as commission. **Discounts** – Not used on every product, but often a retailer will require manufacturers to offer a discount for shipping or advertising when they place large orders.

Royalties – This amount can vary between 1% and about 10% based on a number of factors. Either way it's a cost, so it has to be factored in.

Unit Cost – All those things accounted for, it's the final cost to the manufacturer

Sell-In (also called Wholesale) – The price the product sells for to the retailer.

MFG Gross Profit – The delta between the Developed price and the wholesale price

MSRP (Manufacturers Suggested Retail Price - also called Retail Price, or Consumer Price) – The price the manufacturer recommends the retailer sell the item to the public for

Retail Gross Profit – The delta between the wholesale Price and the Retail Price – keep in mind this is the gross profit for a retailer. It's not actually the number they use in figuring out if they should take on the product. Retailers use "Net Profit" and they have a very strange way of calculating it. $MSRP (-) Sell -in (/) MSRP = Retailer Net Profit$

It all looks a bit more complicated than it really is, but it's the mathematical equation every manufacturer uses to decide if the product they are developing can make money or not.

So next time you have that great idea you just know will make tons of money – Do the math. After all, it can be the greatest product in the world, but if you can't get this math to work properly it's never going anywhere NOT the freight cost to the retailer – they normally pay that themselves. **Fulfillment** – This is the cost warehousing, billing, coordinating the manufacturing, reporting, auditing, and disbursement of funds. **Sales Commissions** - Most professional product reps will get between 5% and 15% of the Sell-In price as commission.

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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's a \$25.00 Donation for a Review. The Panel meets at 6:15pm before each meeting. Call Panel Chairman Rick Mason at 810-659-7935 for an appointment.

Review Panel Members
Rick Mason Marty Sovis
Jim White

Bob Ross 1919 - 2004
Inventors Education Column

Inventors Resources

Michigan Inventors Clubs
Inventors Council of Mid-Michigan
Inventorscouncil.org

Muskegon Inventors Network
Muskegoninventorsnetwork.org

Grand Rapids Inventors Network
GRinventorsnetwork.org

Jackson Inventors Network
Jacksoninventors.org

Mid-Michigan Innovation Center
www.mmic.us

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Inventors Events in November 2012

Hot Shots – Career Connections. Bring your resume, and come and mingle with growing, innovative companies in a fun and relaxed environment! This event is only for talent seeking opportunities for themselves.

Tuesday, November 6, 5-7 p.m.

Arbor Brewing Company, 114 E. Washington Street, Ann Arbor

<http://www.annarborusa.org/events>

Tips on Electronic Submission to the NIH. Successful submission of NIH SBIR/STTR proposals requires a thorough understanding of grants.gov and NIH eCommons. This webinar provides tips for successful submission and how to avoid common mistakes will help ensure an on-time submission.

Tuesday, November 6, 2-3 p.m.

WEBINAR

<http://www.bbcetc.com/training/>

Boost Muskegon. Join e-merge and the West Michigan area entrepreneurial community for this fun-filled and enlightening event. Fifteen area entrepreneurs will have two minutes each to tell their story. They'll get feedback from a panel of experts and possibly win a chance to pitch to the BlueWater Angels investment club.

Wednesday, November 7, 4-9 p.m.

Overbrook Theater, Muskegon Community College, 221 S. Quarterline, Muskegon

<http://www.mmic.us/component/registrationpro/event/102/BOOST!-Muskegon.html>

TechCrunch. TechCrunch is rolling into Motown, ready to party at the TC Detroit Meetup. As part of our Northern Meetup Tour, during which they'll hit up Toronto, Chicago, and of course Detroit, they'll be on the hunt for the latest and greatest startups, the coolest investors, and the best possible conversation they can have.

Wednesday, November 7, 6-10 p.m.

HockeyTown Café, 2301 Woodward Avenue, Detroit

<http://techcrunchmeetupdetroit.eventbrite.com/>

8(a) Certification Orientation. The Michigan Small Business and Technology Development Center at Tech Town is hosting 8(a) Business Development programs that help minority small businesses gain a foothold in government contracting. Upon enrollment in this program, firms receive information on finding contracts, proposal preparation, and contract administration.

Wednesday, November 7, 9 a.m.-noon

TechTown, 4400 Burroughs, Detroit

<https://www.misbtdc.net/events.aspx>

Entrepreneur Innovation Series – How to Start the First Five Minutes of a Sales Call. Are you a budding entrepreneur? Gain knowledge to take your product or business to the next level! The Southfield Area Chamber of Commerce's Entrepreneur Innovation Series will feature local experts to aid you in expansion and growth of your business.

Wednesday, November 7, 7:30-9 a.m.

IBM Building, 18000 W. Nine Mile, Southfield

info@southfieldchamber.com

Selling Smart Workshop – Working Well with Annoying People. Improve spoken and written communication by learning to adapt to others. How to quickly identify personality styles and simple ways to adapt to make more productive interactions with EVERYONE; prospects, customers, investors, employees, friends and family. Speakers: Carrie Hensel and Joe Marr.

Wednesday, November 7, 9-11 a.m.

SPARK Central, 330 E. Liberty Street, Ann Arbor

<http://www.annarborusa.org/events>

8th Annual MichBio Expo & Conference. Ventures in biosciences (biofuels, medical devices, pharma, health sciences, bioinformatics, etc.)– don't miss this GLEQ sponsored event. The Expo is the largest single gathering of biosciences professionals in the state. Attend and/or showcase your emerging bioscience company.

Wednesday, November 7, 8 a.m.-7 p.m.

Thursday, November 8, 7:30 a.m.-3:30 p.m.

Kellogg Center, 500 Harrison Road, East Lansing

<http://www.michbio.org/expo>

Crowdfunding and Ask-the-Investors Area entrepreneurs will have an opportunity to find out more about the impact crowdfunding legislation could have on their ability to reach investors and ask their questions to a panel of investors. Hear from Remos Lenio, principal, DWH; Jeff VanWinkle, attorney, Clark Hill and Ken Kousky, president, BlueWater Angels, what they are thinking and get their advice on what to be watching for next. You'll also be able to talk with Jack Ahrens from T-Gap Ventures, Adrian Fortino from the First Step Fund and Iris Linder from the Capital City Community Angels about what they look for when they make investments.

Thursday, November 8, 5-8 p.m.

Developing Your Unique Marketing Plan. Successful small business owners need to develop a unique marketing plan. The interactive design of this course will allow you to assess your current marketing initiatives and determine marketing opportunities that will drive awareness and sales. In this course, time will be dedicated to creating a strong marketing plan for each attendee's business.

Thursday, November 8, 9-4 p.m.

Schoolcraft College, 18600 Haggerty Road, Livonia

<http://www.schoolcraft.edu/bdc/fall-2012/developing-your-unique-marketing-plan.pdf>

APACC PM – Informal Network Event. The Asian Pacific American Chamber of Commerce (APACC) event will provide opportunities for businesses to build relationships and generate new contacts for business expansion and/or diversification. Share what your business has to offer during their popular Round Robin session!

Thursday, November 8, 5:30-8 p.m.

Acro Services Corporation, 39209 W. Six Mile, Suite 250, Livonia

248.844.4100

TED Talk Thursday. The Second and Fourth Thursdays of each Month are TED Talk Thursdays at the Mid-Michigan Innovation Center (MMIC). MMIC will provide the TED Talk video, and Grounds for a Better World will provide the coffee and pastries to fuel your brainstorming and idea-sharing.

Thursday, November 8, 8:30-10 a.m.

MMIC, 2007 Austin St., Midland

<http://www.mmic.us/events.html>

Lunch and Launch – Social Media: Are you Listening?. In this Lunch and Launch, Nicole Sunstrum, the State of Michigan's Social Media Specialist and Chair of the Statewide Social Media Board, will conduct a presentation regarding the importance of proper social media dialogue and will specifically touch on the question of "Are You Listening?." You will learn tactics on how to gain insight into the conversations of customers, advocates and your competition, identify strategies for communicating that will benefit you and your bottom line, and determine how you can engage the available social media audience in a way that will maximize your time and efforts.

Thursday, November 8, noon-1 p.m.

Macomb-OU INCubator at Velocity, 6633 Eighteen Mile Road, Sterling Heights

MacINC@Oakland.edu

InFocus with CMU – Aggression and Threat Assessment in the Workplace. An exciting and informative speaker series presented by Central Michigan University's Global Campus and dedicated to offering you new or often overlooked ways to ensure your bottom line stays positive. This month's speaker is Stephen Thompson, CMU Professor.

Thursday, November 8, 7:30-9:30 a.m.

CMU Global Campus Troy Center, 1650 Research Drive, Troy

ProfDev@CMich.edu

Startup SOUP. Each entrepreneur, hand picked by a panel of expert judges, will have five minutes to present their business and field questions from the crowd. Attendees then enjoy soup, discuss the businesses and vote for their favorite. The winner receives door kitty (\$5 per person admission) and five workshop vouchers from TechTown.

Friday, November 9, 5:30-8:30 p.m.

Gleaners Community Food Bank, 2131 Beaufait Street, Detroit

<http://techtowndetroit.org/>

Ann Arbor OpenCoffee. This is a networking event for entrepreneurs, investors and those who work with innovation businesses, particularly in IT, cleantech and life sciences.

Tuesday, November 13, 8-9:30 a.m.

SPARK Central, 330 E. Liberty, Ann Arbor

<http://www.annarborusa.org/events>

Small Business Unlocked – Meet the Purchasers. Meet the Purchasers allows small businesses the opportunity to network with purchasers and learn the basics of purchasing and procurement protocol and how to cut through the red tape and get your business on public sector RFP lists.

Tuesday, November 13, 8 a.m.-noon

Hotel St. Regis, 3071 West Grand Boulevard, Detroit

<http://www.detroitchamber.com/register/MTPR1112>

Marketing Roundtable – SoLoMo (Social, Local, Mobile). The 2012 Marketing Roundtable is a ten-session monthly series featuring regional talent who will discuss practical and cost-effective innovation marketing. Program topics range from brand strategy to social media, and from financial accountability to guerrilla marketing. This month's speaker: Linda Girard of Pure Visibility.

Tuesday, November 13, 5-7 p.m.

SPARK Central, 330 E. Liberty, Lower Level, Ann Arbor

<http://www.annarborusa.org/events>

Michigan Energy Forum – Advanced Energy Storage. What does the future hold for battery manufacturers and consumers? How do batteries for stationary storage differ from batteries for grid stability, transportation, or portable power? Come learn about what could be the next big thing in energy storage coming from Michigan companies. Presenters include, Blusine, IMMATECH, Spider 9, Advanced Power Electronics Lab, Grid Logic, XG Sciences, SkySpecs.

Tuesday, November 13, 5-7 p.m.

Suburban Collection Showplace, 46100 Grand River Ave., Novi

<http://www.thebatteryshow.com/registration>