

Inventors COUNCIL

OF MID-MICHIGAN

PO Box 311, Flushing, Michigan 48433

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 SEVENTEEN

NEXT MEETING THURSDAY, October 10, 2013, 7:00PM

NUMBER TEN

Thursday October 10 2013 Meeting

The meeting will take place at 7:00 pm in the upstairs of Walli's Restaurant in Burton Michigan.

October's scheduled speaker had to re-schedule due to conflict with a commitment. We are trying to schedule another speaker but are having problems with raising one

We will be working on how to evaluate making sure our inventors know that their products can make a profit.

Come and be part of the audience.

See you all at the meeting. Meeting will start at 7:00pm Thursday September 12, 2013

Thursday September 12, 2013 Meeting.

Steve Greenberg, author of Gadget Nation who showcases gadgets on TV as the Innovation Insider was our speaker.

Steve showed us many unique products and talked about his successes and failures of selling products. It was great fun and we learned a lot about what sells.

Steve also talked to our inventors and visitors about their ideas and how they could contact him about marketing their inventions. Steve did a great job and we thank him for taking time to talk to us.

Determine if Your Invention will be Profitable "before" you Produce the Product

Let me explain to you my method for determining the "wholesale price" I will have to sell my products for in order to have distributors order and sell any of my products to distributors or stores.

Before I give you the formula, let me lay out some hard facts about distributors. They do not care what your costs are, but only what the price point and mark-up will be.

They do not care what your product features are as long as they believe they can sell the product.

They care far more about the discount and margin rate than about the list price as long as it is competitively priced for their customers. **Remember that all stores need products to sell and they are always on the lookout for profitable products to sell.**

They do not care if you have a patent or not. They only sell what they buy, not defend it. A patent does not add one penny to their cost because they won't pay it.

These and many other things being said here is how I figure my wholesale prices.

I find what the competition sells similar products for and I know that I cannot exceed their price point (retail price). People may like my product better, but few will pay more for something comparable in quality and usage.

Once I know what my similar type of product retails for in the stores, then I simply assume that I must offer at least a 50% discount price target to the large distributors. Most of the time I only offer a 40% price reduction to the retail price (called price point in retail jargon), but I know that I will have to give up the additional 10% in other terms that large chains and co-ops will extract from you.

I use this competitive retail price point less 50% to determine my working wholesale price target. This is the wholesale price I must be able to sell my product for in order to get distributors to handle my product line.

With my wholesale price known, I now attack the cost model of my design to see if I can make a profit on this product. If I can make the product for 25% (see the Manufacturer's Margin formula for your type of business model) or less of the wholesale price target, then I proceed with the design, engineering, and production of the product. If I can not make the product for this low price, I drop the idea and move to the next one. (continues on page 2)

ICMM
Home of the Happy Inventors



MARKETING

Hints from the Fog
by Mike Ball, President



(cont. from Page 1)

I have dropped several ideas that were not cost effective, even though I know I could sell some product, but not make a profit. (You can always sell a few of anything . What is the point in that?

One example is an idea my wife wanted me to do. It was a picture hanging tool to automatically hang pictures level and centered. I always start with a sketch first so I know a rough size and shape as well as some of the challenges I may face in manufacturing such a product. This only costs me some daydreaming time and some paper.

Once I have done this, then I research the existing products on the market and their price. Why don't I do this first? Simple, I want to see if I have a "better mousetrap" idea first and worry about competition second.

When I search for what competition is out there, I check for three things.

First I look at the product design and match it against my idea. Since I have sketched my idea blind, I was not influenced by any existing designs.

Next I look at the retail pricing. I already know that I must sell at a 50% discount to the big guys so I actually know the maximum wholesale price needed to enter the market.

Finally, I look for distribution. This is the most important measurement to me. If a product does not have dealers and distributors selling the product across the nation, then it will be hard to sell to my distributors or any other resellers. If no retailer is selling this product it is the first red flag for me.

The results of my search revealed two designs better than my initial sketch. (Much better) Also revealed was the multi piece design that would require additional tooling and labor to assemble which adds cost to the manufacturing process.

One product had a high enough price point (\$19.95) that I could produce my idea at a profit, but the other product sold for too low a price. There is no way they could make a profit on that product at \$4.99 retail price point. Something was wrong.

The final item was distribution. The low price tool had only one catalog and a web site (their own) selling the product. (Your own web site is sales but not distribution) The expensive one (a well designed and quality product) had only Canadian distributors. It's main competitor is the largest competitor in the world which we all face. The competitors name is "do nothing". Buy nothing, just use a big hammer and hang the pictures without a new tool. This is always the biggest competitor a new idea faces.

Needless to say, I dropped the idea (even though the sketch is still in my "development" folder with other of my "dead ideas").

You must determine your target "selling price" before you do the cost analysis for the manufacture of the product. Price (retail channels call it price point) will determine if you can make a profit when you sell it.

Never build a product that is not profitable. Work on your next idea and make a profit on it. You will have many new ideas that will be profitable to produce. Be patient and keep inventing and live to invent another day.

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
Marty Sovis Rick Mason
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

MidMichigan Innovation Center
ww.mmic.us

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Home of the Happy Inventors

Links for ICMM Inventors to Review to find networking opportunities

GLEQ Fall Programs

Ask-the-Investors events -

[Detroit with Bizdom](#) - November 5, 5-7:30 p.m.

[Sterling Heights with Macomb-OU Inc.](#) - November 18, 5-7:30 p.m.

[Ann Arbor with NEF and Maker Works](#) - November 21, 5-7:30 p.m.

Business Model Canvas Walkthroughs – Conference Calls

[November 4, 9:30-10:30 a.m.](#)

[November 4, 3-4 p.m.](#)

Completing the Business Model Canvas Peer-to-Peer Workshops -

[Ypsilanti at SPARK East](#) - November 6, 5-7 p.m.

[Grand Rapids at GVSU](#) - November 19, 5-7 p.m.

"Making a Three Minute Video" for Your Vision to Action Challenge Submission - Conference Calls:

[December 3, 9-10 a.m.](#)

[December 5, 6-7 p.m.](#)

CEED Microloan Orientation. Many small businesses face obstacles when trying to obtain a business loan. The recognition of the serious need for working capital for existing businesses, start-up or expansion, equipment purchases, and job creation is not the priority it once was. If you have a need for alternative financing consider the MicroLoan Program. Discover the requirements and process necessary to apply and obtain a microloan.

Wednesday, October 9, 9-11 a.m.

Oakland County Business Center, Bldg 41 W, 2100 Pontiac Lake Road, Waterford

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

Innovation Club for Entrepreneurs Meetup. The purpose of the monthly Meetup is to provide a forum for sharing and exploring ideas in a positive and supportive environment. Meet people and find resources you need to bring your ideas to life. ICE is a collaborative effort of the Michigan State University Land Policy Institute and the MSU Entrepreneurship Network.

Wednesday, October 9, 6-8 p.m.

The MARC, 4675 Okemos Road, Okemos

<http://www.meetup.com/ICE-meetup/>

Open Office Hours – Chat with Charlie @ TechTown. Are you an entrepreneur working on a technology-based or web-enabled business? Do you want to get an expert's opinion on your big idea, or are you seeking direction on how to secure funding, line up resources, make connections or more?

Wednesday, October 9, 10 a.m.-1:10 p.m.

TechTown, 440 Burroughs St., Detroit

<http://openofficehours091213-eorg.eventbrite.com/>

Class @ Start Garden – Developing your Brand Narrative. Calling brands "stories" is all the buzz. But what, exactly, does that mean? What is a "brand narrative?" What sort of story is it? What is it about? How should it be structured and told? Who's the protagonist, and what's the plot? Does it have a first, second, and third act? Here's a hint: an effective brand narrative does not just describe the customer's "pain." It's not a company's bio, cool imagery, or anecdotes about happy clients.

Wednesday, October 9, 5:30-7 p.m.

Start Garden, First Floor, 50 Louis Ave., Grand Rapids

www.StartGarden.com

October Business Plan Workshop Series. Detroit SCORE presents this series of workshops to assist entrepreneurs to successfully launch their businesses. The series includes Research and Sales Planning (October 2), Startup Costs and Financial Statements (October 9) and Writing your Plan for Funding (October 23).

Wednesdays, October 9 and 23, 8:45 a.m.-12:30 p.m.

Michigan First Credit Union, 27000 Evergreen Road, Lathrup Village

<http://detroit.score.org/localworkshops>

Hot Topics for Business – Health Care Reform. Health care reform under the 2010 Affordable Care Act has and will continue to impact virtually every business in Michigan. Automation Alley's Finance Committee is proud to present the first of two lunch 'n' learn workshops devoted to hot topics for business. This presentation will provide business owners, CEOs and HR executives with a historical overview of the major health care law provisions impacting their bottom line and will help them work more effectively with their accounting, insurance and legal advisors to manage their health coverage responsibilities as employers.

Wednesday, October 9, 11:30 a.m.-1 p.m.

Automation Alley, 2675 Bellingham, Troy

<http://www.automationalley.com/>

Start Garden Happy Hour. This is an informal time to meet the Start Garden team, some of our funded projects and people in the ecosystem.

Thursday, October 10, 5:30-7 p.m.

Start Garden, 50 Louis Ave., 1st floor, Grand Rapids

www.StartGarden.com

ED Talks - Midland. Be enlightened and enjoy the company as we view inspiring videos from TED Talks, ideas worth spreading! Entrepreneurs, staff and MMIC members gather for conversation and community building, coffee and snacks. As TED speaker Steven Johnson said, "Chance favors the connected mind".

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

MidMichigan Innovation Center, 2007 Austin Street, Midland

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

2013 Entrepreneur and Small Business Expo. The Expo will feature speakers, workshops, resources and information for business owners. Topics include, sales, marketing, social media, networking strategies and access to capital. International motivational speaker Ken Brown will share his best advice on how business owners can stay motivated through difficult times.

Saturday, October 12, noon-4 p.m.

Southfield Civic Center, 26000 Evergreen Road, Southfield

<http://www.semea.info>

MMIC Crowd Camp. Join MMIC, SPARK and the founders of RocketHub, one of the world's top crowdfunding platforms that has recently partnered with A&E Networks, to learn with other entrepreneurs, creatives, and makers on how to leverage the crowd for funding their endeavors.

Saturday and Sunday, October 12, 10 a.m.-4 p.m., October 13, 10 a.m.-noon

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

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

Innovator's Spotlight – Midland. Join in for the Innovator Spotlight, an interactive tech-focused presentation and conversation with an industry luminary. You'll learn from our expert's experiences, both hits and misses, and how you can replicate successes and avoid pitfalls. Come and talk with forward-thinking, master entrepreneurs who can answer your hot-button questions based on practical know-how.

Tuesday, October 15, noon-1 p.m.

MidMichigan Innovation Center, 2007 Austin Street, Midland

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

BOOST! Traverse City. The Boost! competition gives budding and second-stage entrepreneurs access to capital to fund their operations. Boost! is open to all entrepreneurs; those who win a local event gain direct access to MMIC's angel capital network. Present your business concept to compete for the chance to pitch to investors.

Tuesday, October 15, 5-8 p.m.

Innovator's Spotlight – Midland. Join in for the Innovator Spotlight, an interactive tech-focused presentation and conversation with an industry luminary. You'll learn from our expert's experiences, both hits and misses, and how you can replicate successes and avoid pitfalls. Come and talk with forward-thinking, master entrepreneurs who can answer your hot-button questions based on practical know-how.

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Tuesday, October 15, 5-8 p.m.

Specific location TBD, Traverse City

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

Muskegon Inventors Network Monthly Meeting. The Muskegon Inventors Network (MIN) is a not-for-profit inventor/marketer group for West MI. Featured speakers at meetings include inventors sharing their patent process, successful inventors sharing how they got their products to market, companies that offer services that could help members reach their goals, and intellectual property attorneys who are willing to offer pro-bono help specifically related to patents and trademarks.

Tuesday, October 15, 6-8 p.m.

MAREC, 200 Viridian Drive, Muskegon

www.muskegoninventorsnetwork.org

Israeli Medical Technology Roadshow. The Michigan Israel Business Bridge is hosting The Trendlines Group and OurCrowd at two programs in Michigan. Trendlines, is a leader in developing early-stage Israeli companies, and OurCrowd is the Israel-based equity crowd-funding platform for early-stage investment opportunities, at an Israel Medical Technology Roadshow. The roadshow will feature 6 innovative Israeli start-ups. Accredited investors and strategic partners are invited to hear presentations, meet the entrepreneurs and to learn more about Trendlines, OurCrowd and the Israel start-up nation story.

Wednesday, October 16, noon-6:30

SPARK East, 315 W. Michigan, Ypsilanti

<http://bit.ly/MIBBinAnnArborYpsi>

2013 Brand Camp – Branding, Entrepreneurship and Technology Conference. More than 500 of Michigan's most talented entrepreneurs, investors, designers, developers and creative minds will meet in Detroit to learn, exchange ideas and network at 2013 Brand Camp.

Tuesday, October 22, 8 a.m.-5:30 p.m.

Wayne State University Community Arts, Center Auditorium, 450 Reuther Mall, Detroit

<http://bcu13detroit-eorg.eventbrite.com/>

Open Office Hours – Chat with Charlie @ TechTown. Are you an entrepreneur working on a technology-based or web-enabled business? Do you want to get an expert's opinion on your big idea, or are you seeking direction on how to secure funding, line up resources, make connections or more?

Wednesday, October 23, 9:30 a.m.-12:40 p.m.

TechTown, 440 Burroughs St., Detroit

<http://openofficehours091213-eorg.eventbrite.com/>

Essentials of an SBIR/STTR Commercialization Plan. Learn the basics of an SBIR/STTR commercialization plan. Includes information on the ingredients of a credible plan, pitfalls to avoid, using market research and building financial plans and business models.

Wednesday, October 23, 1-2 p.m.

WEBINAR

<http://www.bbcetc.com/training/page/2/>

TED Talks – Midland. Be enlightened and enjoy the company as attendees view inspiring videos from TED Talks, ideas worth spreading. Entrepreneurs, staff and MMIC members gather for conversation and community building, coffee and snacks.

Thursday, October 24, 8:30-10 a.m.

MidMichigan Innovatoin Center, 2007 Austin Street, Midland

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

Nutriinfo Wellness Conference. Discover the trends and tactics that can help your organization create a healthy, thriving workforce and community. [Nutriinfo.com](http://nutriinfo.com), an online wellness solution company, will be hosting a conference with two renowned guest speakers, Nancy Scarlet and Bethany Thayer. This event will motivate organization leaders and wellness professionals to implement effective prevention strategies and wellness initiatives into their workplaces and communities.

Friday, October 25, 9 a.m.-noon

Holiday Inn, 3600 Plymouth Road, Ann Arbor

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

Overview of DOD Topics and Components. Does your project have an application in the current Dept. of Defense SBIR/STTR solicitation? Get an overview of the topics as well as the various DoD components, ask questions and learn how to get your proposal off to a great start.

Thursday, October 31, 1-2 p.m.

WEBINAR

<http://www.bbcetc.com/training/page/2/>

Early Notification of November Events

A Business Model Canvas Walkthrough - A.M. Participants in the GLEQ Vision to Action Challenge and other area entrepreneurs will have an opportunity to walk through the Business Model Canvas with Dr. Tim Syfert of Grand Valley State University. Dr. Syfert's approach is fairly informal so attendees can ask questions during the walkthrough.

Monday, November 4, 9:30-10:30 a.m.

CONFERENCE CALL

<https://www.messageblocks.com/events/gleqbmcwalkthrougham/registrations/new>

Ask-the-Investors. This GLEQ event hosted by Bizdom is designed to give entrepreneurs the opportunity to ask investors questions; what do investors want to see in a business plan or executive summary, what makes a compelling and fundable plan, how should you handle weaknesses in your business plan like an incomplete management team, the competitive risks, five year financials and much more. A panel of investors will field your questions and provide suggestions.

Tuesday, November 5, 5-7:30 p.m.

Specific location TBD, Detroit

<https://www.messageblocks.com/events/asktheinvestorsdetroit/registrations/new>

Making it in Michigan. Making it in Michigan, Michigan's premier specialty food show, will help to celebrate food based businesses and accelerate their achievement. Register if you are a food based company for educational, networking and an industry leading keynote speaker session or sign up to attend to experience delicious food made by entrepreneurs right here in Michigan.

Tuesday, November 12, 8:30 a.m.-4 p.m.

Lansing Center, 333 W. Michigan Ave., Lansing

<http://productcenter.msu.edu/miim>

Accelerate Michigan Innovation Competition and Gala. Accelerate Michigan Innovation Competition is an international business competition designed to bring together later stage entrepreneurial companies with local, national and international investors. It showcases the best and brightest new business concepts to invest capital to help foster their growth within Michigan. Semi-finalists will compete Wednesday and Thursday for top spots to pitch at the Awards Gala Thursday evening.

Tuesday, November 12, 5-7:30 p.m., Welcome Reception

Guardian Building, 500 Griswold Street, Detroit

Wednesday, November 13, 8 a.m.-5:30 p.m., Semi-finalists compete

Westin Book Cadillac, 1114 Washington Blvd., Detroit

Thursday, November 14, 8 a.m.-3:15 p.m., Semi-finalists compete

Westin Book Cadillac, 1114 Washington Blvd., Detroit

Thursday, November 14, 5-9:30 p.m., Awards Gala

Ochestra Hall, 3711 Woodward Ave., Detroit

<http://www.acceleratemichigan.org/>

Specific location TBD, Traverse City

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

Muskegon Inventors Network Monthly Meeting. The Muskegon Inventors Network (MIN) is a not-for-profit inventor/marketer group for West MI. Featured speakers at meetings include inventors sharing their patent process, successful inventors sharing how they got their products to market, companies that offer services that could help members reach their goals, and intellectual property attorneys who are willing to offer pro-bono help specifically related to patents and trademarks.

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MAREC, 200 Viridian Drive, Muskegon

www.muskegoninventorsnetwork.org