

Innovation

AMERICA'S JOURNAL OF TECHNOLOGY COMMERCIALIZATION

PROB
ML
ENVIRONMENTAL
EMERGING ONE KNOW
SEEK EXAMPLE NANOSYSTEMS SIZE FAST
MICROSCOPE
BIOMIMETIC STANDARDS ANOTHER IMPORTANT
PERSPECTIVE BOTTOM-UP BASED
MANY ASSEMBLY MICROSCOPY
CONCEPTS MAJOR HUMAN TECHNIQUES MAY
HEALTH NANOSCALE USING
EFFECT NUMBER SEKS
VIEW MANUFACTURING EDIT CURRENT
CREATE NANOLITHOGRAPHY FORCE
TERM CARBON IMPLICATIONS SILVER
DEVELOPMENT TWO RECOGNITION REGULATION
STUDY USED COMPONENTS
TECHNOLOGY HOWEVER EFFECTS
ATOMIC NANOPARTICLES AROUND
MOLECULAR
NM WATER FOOD SEE DNA LED MATTER PROJECT

NANOTECHNOLOGY

QUANTUM NANOTUBES SCALE
TOP-DOWN MIGHT DEVICES USEFUL ASSOCIATED
LITHOGRAPHY ION RESPONSIBLE SCIENCE
CONCERNS RISKS APPROACHES TUNNELING
CHEMICAL TECHNOLOGIES PROPERTIES FUTURE RELATED
DEVELOPMENTS CALLED MACHINES PRODUCTS METHODS
PRINCIPLES USE ALSO STRUCTURES
MADE RESEARCH MAIN PHYSICS
MATERIAL SUPRAMOLECULAR INFORMATION NANOELECTRONICS NANOMETER
CONTROL FOUND SCANNING POTENTIAL
NANOMATERIALS MOLECULES
MOLECULE BEAM ATOMS SMALLER BECOME FIELD ENERGY SPECIFIC
NEW
PHENOMENA POSSIBLE SELF-ASSEMBLY COMPLEX BIOLOGICAL PROCESS
APPLICATIONS ARTICLE SURFACE
MACHINE DEVELOP SYSTEMS MECHANICAL

A Business Plan for Our Energy Future

SRI's Carlson: He Wrote the Book on Innovation

Making Technology Transfer Easier



Are Idea Guys Entrepreneurs?

SUPPOSE EVERY PROFESSION has its unique hazards at a cocktail party. Doctors are continually asked to “look at this and tell me if it’s serious.” Lawyers are often cajoled into giving free legal advice on situations with which they have no familiarity. When people find out that I am an entrepreneur, I am often assailed by the “idea guy.” The idea guy is never at a loss for solutions to the world’s problems. The energy crisis can be solved with his perpetual motion machine. Global warming can be eliminated by pumping carbon dioxide into the bottom of the ocean. And world hunger could be solved if everyone ate more of his organic, free range, soy hotdogs.

The amazing thing about the idea guy is he is never alone. I have yet to attend a function where there was only one idea guy. They seem to travel in packs and when one of their colleagues finds a receptive ear for his ideas the rest chime in with equally innovative solutions.

By contrast, I run into remarkably few entrepreneurs. An entrepreneur is the rare person who takes an idea, adds value to it, and creates a business around it. Entrepreneurship is hard and I think that’s why there are so many more idea guys than entrepreneurs.

The transition from idea to entrepreneurial endeavor begins when the inventor recognizes that the world is full of lifeless ideas. Ideas, in and of themselves, are useless without someone to put them into action. There are very few companies that are willing to pay for raw ideas. Even if there

were, it would be much better to increase the value of the idea before you sold it to another company.

I believe that most of the idea guys that I run into at cocktail parties are engaged in the first step toward turning their ideas into entrepreneurial endeavors. That step is basic market research, which involves polling other people to find out if your idea has any value in the market. Will people be willing to pay for a solution? How do people solve this problem today? Would they be willing to pay for a solution tomorrow? This vital first step is best performed in small groups of people who can give you honest feedback.

The feedback that most entrepreneurs need comes from groups of potential users. These are people who are likely to use the product or service to solve a specific need that they have. Everyone has an opinion but the only opinions that are valid to the entrepreneur are ones that come from potential customers. Spending too much time polling people who may never use your product is a waste of time and could potentially give you skewed view of the market.

Talking to potential users is not a passive activity. You can certainly start by searching the internet, trade journals, and other industry publications to establish the most likely users of your product, but eventually you’ll need to talk to actual potential users of your product. This should be done in person when possible.

Do not view this as a sales call. This is simply a meeting with a potential user of your product to

understand his opinion, needs, and your competitors in the market. The better you understand the needs of your potential customer, the more value you can develop in your idea to solve his needs.

Once you have established that there is indeed a need for your product or service, and that your idea can be competitive in the market, the next step is to protect your idea. This can be done in a variety of ways including copyrights, trademarks and patents. Without some form of protection, as soon as your idea starts making money someone will likely rip it off. These protections do not guarantee you will not get ripped off, but they do give you a legal footing from which to defend your idea. If you have done a good job of understanding the market for your product you will have a good understanding of how much money you should spend protecting your idea.

If there is a market for your product, and you have the ability to protect the idea, the next logical step is to start to build a company around the idea that can harvest the profit associated with selling your product or service. A company is usually formed as a separate legal entity from the individual that conceived the idea. The inventor may be part of the company but the creation of the legal entity allows him to do things that he may not be able to do as an individual. For instance, a company can issue stock that can be sold to investors. An individual cannot.

■ Please see *ENTREPRENEURING*, Page 36

■ *From ENTREPRENEURING, Page 8*

The formation of a company allows the inventor to build further value in an idea. Within a company the idea can grow in value through the creation sales, operational systems, operating history, marketing, manufacturing practices, and the hiring of employees. All of these are metrics by which the business world determines the value of an idea.

The value of the company increases as each one of these functions is created within it. An idea protected by patent may only be several thousand dollars. But if a company can demonstrate that the patented idea can be manufactured, sold and serviced in a repeatable fashion the value of that same patent expands exponentially.

As the company grows and expands additional opportunities to add value become available. The company may be able to attract venture funding in exchange for equity. New employees may be hired. Additional research into improvements to the idea could be discovered. Competitive ideas may be overtaken or acquired. And changes in the way the world solves problems may truly be possible because someone added value to an idea.

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