



MAKING YOUR DREAM A COMMERCIAL REALITY

A STEP BY STEP GUIDE TO
DEVELOPING AND SELLING YOUR
PRODUCT IDEA

D2M

YOUR PRODUCT. OUR PASSION.

I've been involved with turning ideas into reality for 12 years and worked on over a thousand products. This e-book seeks to bring together the knowledge I have gained and that of other experts in the field, to help you turn your idea into a successful product. If you want some professional help, or even an initial free consultation or opinion on your idea's viability, don't hesitate to get in touch with D2M Innovation. In the meantime, enjoy the book and I wish you every success on the exciting journey of commercialising a product – there's nothing else like it!

- Phil Staunton: MD - D2M Innovation

Contents

- 1. Confidentiality & Submission.....2
- 2. Starting a Company.....3
- 3. Funding.....3
- 4. Crowd Funding.....4
- 5. Case Study 1: CouchCoaster.....5
- 6. I.P.....6
- 7. Viability Assessment.....7
- 8. Hard Goods.....8
- 9. Textiles.....9
- 10. Concept Development.....10
- 11. CAD.....10
- 12. Prototyping.....11
- 13. Product Branding.....12
- 14. Packaging Design.....13
- 15. Manufacturing/Production.....14
- 16. Sampling.....15
- 17. Certification & Testing.....15
- 18. Shipping.....16
- 19. Distribution.....16
- 20. Case Study 2: MealKitt.....17
- 21. Approaching Retailers.....18
- 22. Licensing Your Idea.....19
- 23. Selling your idea.....20

Confidentiality & Submission

Confidentiality:

Confidentiality agreements, also known as Non-Disclosure Agreements (NDAs), record the conditions under which information is disclosed in confidence and prevent it from being divulged. The information that NDAs protect can be any that is not publicly available and that provides its originator with a competitive advantage.

D2M will always sign a confidentiality agreement with all our new enquiries before their idea is disclosed. All staff are subject to this NDA.

We are committed to ensuring the confidentiality of your idea and guarantee to give you an honest opinion on how to protect your idea and whether it is worth proceeding with the concept. All the Intellectual Property around the concept remains yours even if we add further protectable features to your concept.

Submission:

D2M offers a free consultation to discuss your project, the challenges you might face and the potential development journey. This can be a phone call or meeting.

Alternatively, we ask that you fill in your details at the link below and complete the downloadable NDA (Non-disclosure Agreement) and Idea Submission Form. This allows us to fully understand new projects whilst remaining focused on our current clients. Once we have received the forms, we will contact you to discuss your project further or to arrange a meeting. We guarantee to protect your confidentiality and we will not pass your details to anyone else.

Submission forms: www.design2market.co.uk/contact.aspx



Starting a Company

If you are thinking of starting a company and selling your product directly, then there is a lot to think about. You will need to find a manufacturer, obtain orders, register your company and start running accounts. Distribution, shipping, returns and product insurance are further concerns. D2M can help out in the following ways:

- We can help source a manufacturer for your product in this country or abroad.
- We can support you in achieving retail orders by telemarketing, arranging meetings and even pitching on your behalf.
- D2M can also help create a business plan. A business plan is often viewed as a prerequisite document for raising funding from a bank or investor. If you have not had time to prepare one, it may prove to be a valuable exercise to do so.

You may feel too busy managing your business from one day to the next to spend valuable time putting all your ideas, observations and predictions down on paper. However, investing time in writing a business plan either yourself or with the help of a business advisor will be an invaluable resource.

Funding

D2M Innovation has helped many clients achieve funding for their design concepts from a range of sources. We have pitched alongside clients to angel investors, worked on Kickstarter campaigns, secured government grants and worked with partner companies on patent box and R&D tax relief. All these funding routes have particular nuances and we want to help you avoid the traps some clients have previously fallen into.

For more information on funding, read our 'Funding An Idea' Ebook on the front page of our website: www.d2minnovation.co.uk



Crowd Funding

Crowd funding is a method of raising investment from many different backers (or a 'crowd') by which each backer takes a small stake in a business idea or project by contributing towards an online funding target. Most crowd funding platforms won't charge you for publishing a pitch and it is likely that you won't be charged at all if your funding target is not reached. If you do reach your target, the platform you've used may take a 5% commission.

Crowd funding has the potential to create a strong network of support for your product because each of your backers would want to see your idea realised. To that end, they may promote your product to others, sourcing more funding. A successful investment bid can also be used to promote your product by creating an interesting story that can be sold to the national or local press. Such publicity would also display the enthusiasm of your backers for your product.

Most crowd funding platforms share certain features, such as an all-or-nothing system of fundraising in which money is only received if a funding target is hit. However, platforms do differ as to whether they are reward-based or equity-based. A reward-based platform will require you to offer backers a reward as an incentive to invest in your product. Rewards often vary according to level of investment and are usually related to the product in some way (a discount on its purchase, for example). An equity-based platform will require you to offer investors shares in your business.

Crowd funding is most effective when you build an inspiring narrative around your idea in order to excite potential investors. Most platforms allow you to upload videos as part of your pitch, to help you to achieve this, a service D2M can help you with. Carefully constructing your business plan or reward scheme before you make your pitch will also help to ensure that you are successful at utilizing this method of funding.

For more information on different Crowd Funding platforms read our 'Funding An Idea' Ebook on the front page of our website: www.d2minnovation.co.uk



Case Study 1: The CouchCoaster

Introductory Text:

CouchCoaster is an innovative idea that supports your drink securely while sitting on a sofa therefore removing the risk of accidental spillages. Developed from sketch concept to production by D2M, it is now selling internationally.

Product Description:

CouchCoaster is a product born of bad experiences. Drinking on the sofa is inconvenient and consumers are forced to put the drink out of comfortable reach or on the floor. Not only is this an inconvenience, but also greatly increases the risk of frustrating spills.

CouchCoaster, a weighted silicone stability coaster for sofas, keeps the user's drink within easy reach. The user is comfortable whilst the CouchCoaster securely grips the arm of the sofa, protecting against unwanted accidents. It's usefulness extends to other items such as smartphones. This neat solution progressed through concept design, further refinement and prototyping before reaching the target market.

Benefits and Innovation:

Glossy, soft, internally weighted silicone and a cleverly engineered base provides an optimal gripping surface. It adjusts to virtually any sofa arm, with an insert to keep drinks safe and upright. Additional features include a drip tray to prevent splashing the sofa, a handle slot for mugs and an adaptor for smaller sized drinks.

Launch:

CouchCoaster was launched in mid-2016 and is now being sold internationally through a network of stores and online distributors.



I.P

Patenting an idea is a complicated process, but it is very important to the future success of your idea. If a patent can be obtained it is generally the best way to protect your idea, but other forms of Intellectual Property protection can help too, each one applicable to different aspects of a product. Registered designs, copyright and trademarks all offer protection too and may be applicable for your idea. If you are uncertain of the best way to protect your idea then contact us for a free, no obligation assessment.

However, if a patent is right for your idea, here are the steps involved:

Step 1: Patent Searching your Idea

Completing a worldwide patent search is a sensible first step before drafting and filing a patent application. This is because you will not be able to patent your idea if it has been patented already and just because it is not on the market does not ensure the idea has not been protected in this way. When commissioning a patent search, you should ensure that it is performed by a professionally qualified patent searcher. Such an examiner would perform a search using commercial databases not available to the general public and specialist techniques including classification code searching, cross-referencing and keyword searches.

Step 2: Developing your idea

It is important to define, and in most cases develop the novel aspects of your idea. It is not usually possible to protect the overall concept, but instead, most patents protect the method by which the idea carries out the overall concept. At D2M, we specialise in creating innovative, patentable solutions to design problems.

Step 3: Drafting your Patent Application

Now that you have defined and developed your idea and have ensured that it is indeed unique, you can proceed with drafting your patent application and then filing it with the UK IPO (formerly the UK Patent Office). Drafting your patent application is best completed by a Chartered Patent Attorney. We work very closely with a highly regarded attorney firm based in Cheltenham.

Step 4: Filing your patent application

UK Patent filing is done at the UK Intellectual Property Office. This is often best completed by your Chartered Patent Attorney (Confirm that your attorney is a member of the Chartered Institute of Patent Attorneys-CIPA) who will ensure that this has been completed correctly on your behalf. To qualify for a patent your invention must:

- be new
- have an inventive step that is not obvious to someone with knowledge of or experience in the industry in which your invention would be launched
- be able to be made or used in some kind of industry

If you wish to file a patent outside of the UK your patent attorney will advise you about how to do this with the PCT (Patent Co-operation Treaty) of which the UK is a member state. You will be able to file an International Patent application in order to gain patent protection in any of the 137 PCT member states. Filing an International Patent application is very cost-effective if you wish to extend your application to more than one or two countries outside Europe.

Viability Assessment

The fundamental aim of our Commercial Viability stage of work is to ascertain whether or not the project is feasible. In order to achieve this several important factors are considered and key questions asked:

1. Does the product fulfil a 'real' need?
2. Is there a potential market for the product?
3. Can the product be patented or protected through other forms of intellectual property?
4. Is there similar technology available and if so how applicable is it to the product?
Can this technology be used?
How much research and cost would this technology require to be fully utilised?
5. What are the costs associated with producing the product? In order to determine this we work with our partner factories to reach a ball park cost.
6. How much time and therefore budget will it take to develop this product?

The outcome of a questioning process like this is that our clients are enabled to manage the risk at the outset of product development. Most agencies develop the product before assessing its viability. At D2M we want to do this first so our clients can refine their business strategies accordingly.



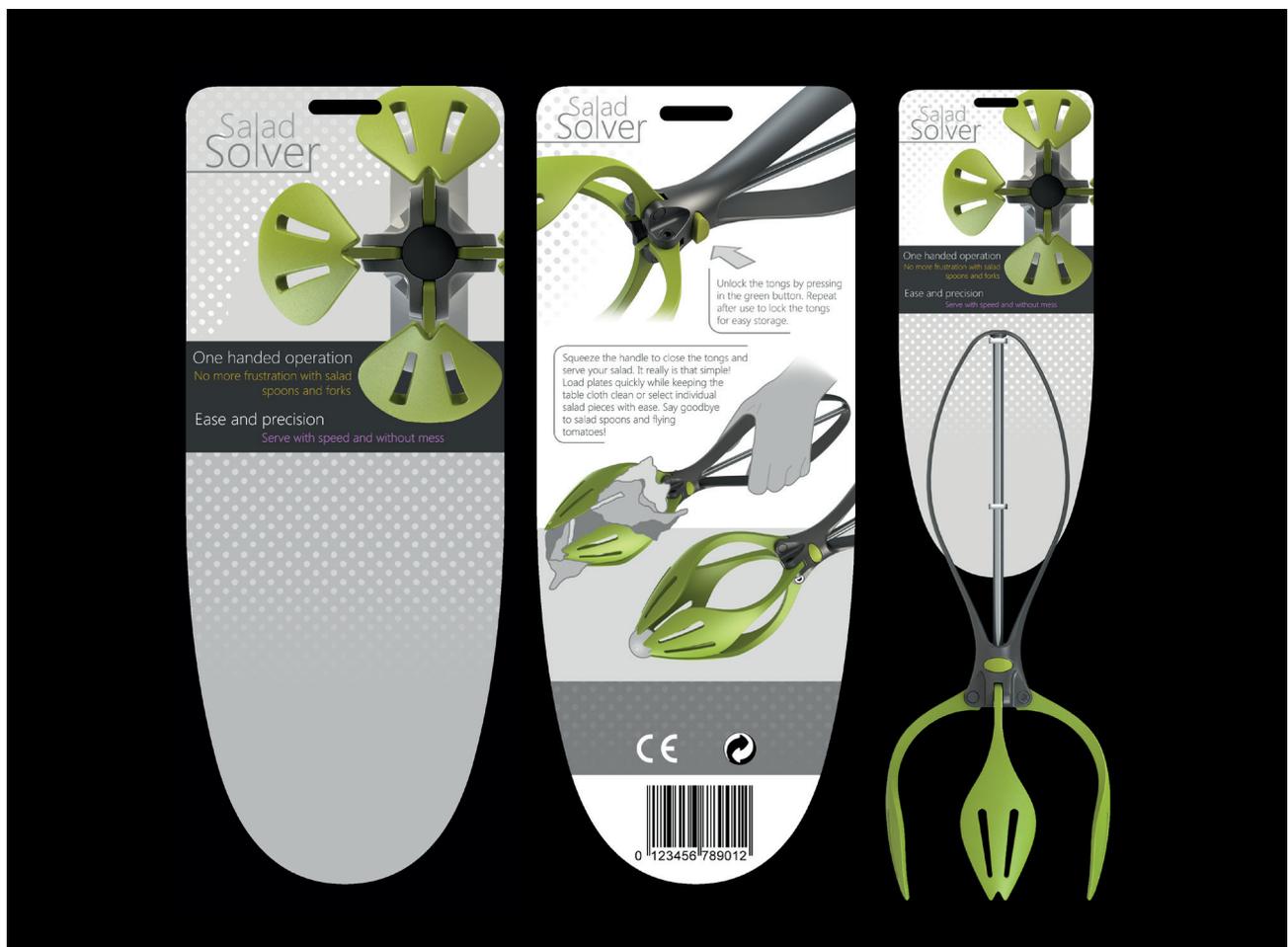
Hard Goods

Product design consists of transforming an initial idea into an appealing and viable product that can be manufactured. It is often necessary to commission a professional product designer with strong creative ability and an excellent knowledge of engineering materials and manufacturing techniques in order to develop an idea.

The product design process should involve:

- Research into materials, technologies and similar existing products
- Innovative concept development through sketching and initial Computer Aided Design (CAD) models
- Detailed design for manufacture and consideration of materials
- Full consideration of usability and ergonomics
- Product styling
- Functional mechanical or electronic development, if required

Innovative product design will often help strengthen your patent application. It is not usually possible to protect an overall concept; instead, most patents protect the method by which an idea carries out an overall concept. Product design refines and improves how an idea works and is therefore often integral to achieving strong patent protection.



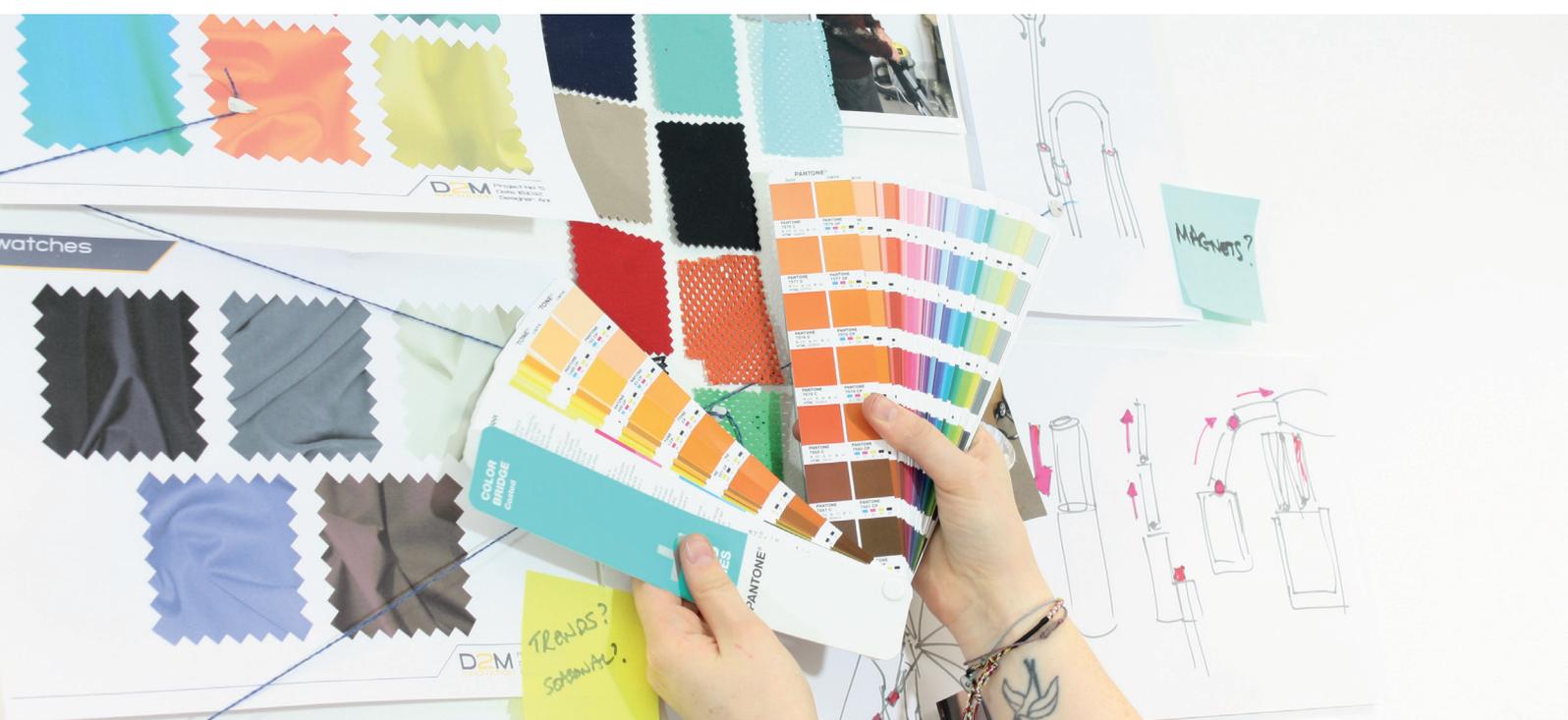
Textiles

The first stage in building a textile prototype is concept development. This involves sketching the initial concept and considering, on a basic level, what fabrics to use (hard or soft, heavy or light, etc.). This stage can also be used to determine whether anything of value can be added to the initial concept, a process that may result in the creation of textile mock-ups or proof-of-concept prototypes (prototypes that prove that a concept functions as intended).

The next stage involves drawing patterns in order to determine the scale and size of the pattern pieces or fabric components of the product. These pieces are provisional and may be subject to change later in the process. A second prototype can then be built, the creation of which will take into account further fabric choices and detailing such as stitching type and thread colour, webbing, fasteners, zips, buttons, and hook and loop attachments.

Any problems that are highlighted by the second prototype are solved in the development of a final or presentation prototype. At this stage, all aspects of the product are finalised, including pattern, shape, size, materials and colour. Trend websites may be consulted in order to select up and coming seasonal colours, if appropriate to the product. If custom prints are required, these are also designed at this stage. Finishing techniques such as piping and binding may be employed so that the presentation prototype approximates the final product as closely as possible, and branding or logos may be developed for the same reason.

Once a presentation prototype has been completed a manufacturing specification can be produced, with which manufacturers will be able to produce samples of the final product. It is good practice to compare a number of different suppliers in order to source cost-effective manufacturing.



Concept Development

Our professional design team will develop your idea through excellent sketch or initial computer aided design work.

What it will do for you? – Bring your idea to life with product visualisations which consider materials and production. This will further your Intellectual Property.

Working with your vision for the product, our team will fully explore the idea and to attempt to define a future direction for the project including creative thinking around further functionality or features. Often we come up with new IP for your idea that can become part of your patent or registered design.

Computer Aided Design (CAD)

Using industry standard CAD software your idea will be developed in 3D on the computer. The resulting model can be viewed from all angles and then photorealistic visuals will be produced to demonstrate how your concept is likely to look in production. What it will do for you? – Develop your concept into a professional product design that is viable to produce.



Prototyping

Prototypes are an essential stage in developing an idea so that it is ready for presentation to industry or manufacture. However prototyping can be very expensive and so it may well be prudent to establish interest in your idea before embarking on the prototyping process.

In most cases design work needs to be completed before a prototype can be built. This design stage will result in a 3D virtual (CAD) model that can be used to check basic form and function. This virtual model can be rendered to look like a real product and used to assess interest from companies and investors prior to prototyping.

Using the CAD model, we can build a prototype using a variety of techniques depending on the requirements of the project and your budget.

There are different types of prototype including:

- 'Visual prototype' - Overall shape and size of the product but does not usually prove the function of the idea.
- 'Proof of concept' - Demonstrates the main functionality of the idea. This type of prototype is unlikely to look like the final product.
- 'Presentation' - Combination of the functionality of the product with the overall appearance.
- 'Pre-Production' - Builds on the work of a presentation prototype by fully considering mass production manufacturing methods and production.

D2M has a vast range of previous prototyping experience. Prototypes we have built include: handheld electronic products; thermoelectric cooling devices; textile based products; baby equipment; outdoor products and even an underwater video camera with built in propulsion. The prototyping process is detailed and can involve a succession of prototypes until the product is just right.



Product Branding

It's so much more than a logo. Your brand is essentially who you are - your story, values, personality - and what your customers feel (and say) about you. Here at D2M, we believe in fully understanding and capturing the essence of the brand behind a product in order to best communicate it in a meaningful, clear and consistent manner.

This stage includes:

- Brand Strategy Workshops
- Brand Architecture
- Brand & Product naming
- Brand Identity
- Brand Guidelines

It could be fun and lively like Tango; serious and reserved like British Airways; a luxury brand like Bentley; or sleek and cool like Apple. Retailers will expect your brand to have been carefully constructed and to be reflected in your packaging, website and promotional material.



Packaging Design

Here at D2M, we don't just want to pack you off with a nice shiny prototype. We want you to have considered everything you need to go all the way to market and realise commercial success. This includes a bespoke packaging solution for your product. In addition to packaging design, we offer a number of other graphic design services including point-of-sale and brochure design.

This stage includes:

- Brochure design
- Packaging
- Point-of-sale
- Storyboarding
- Illustration

If you intend to sell your product predominantly online, creating packaging for it may only require asking your manufacturer to source an appropriate box. If you intend to sell through retailers, however, your packaging will need to be a lot more sophisticated. One benefit of placing your product on the shelves of big stores is that browsing shoppers may purchase it on impulse; to achieve this outcome, the design of your packaging will need to attract attention and visually communicate the essence of your product in a very short space of time.

Your packaging will also need to allow customers to touch the product, as, particularly if it is textile-based, this can be very important as to whether a sale is made. At the same time, your product will need to be secure enough in its packaging to prevent it from being shoplifted. Barcodes, certification marking, country of origin and the maker's details could all constitute necessary information to display on the packaging of your product.



Manufacturing/Production

This is where your product really comes to life! It can be exciting, daunting, frustrating and infuriating all in one day. But with a cool head and some expert guidance your product will be manufactured correctly and you'll be one big step closer to profiting from your idea. You are not the first entrepreneur following this path. You will probably make some mistakes during this process. Learn from these, be reactive and don't give-up.

Depending on the type of product you may have to produce your goods in a foreign country to get a more competitive price. Duty rates, shipping costs cultural issues and communication all become challenges to overcome. You will need to choose a factory to manufacture your product. One way to do this is to hire a sourcing agent who will act as a middleman between you and one of their trusted manufacturing partners. Such an agent would be responsible for quality control, international transfers and negotiating with the factory.

Another alternative is to source a UK manufacturer. This option carries the significant advantages of enabling you to negotiate directly with a factory and to conduct research into that factory's reputation, but it is often expensive and there are many types of product that are simply not manufactured in the UK (for example, textile-based products, cheap plastic products and consumer electronics). It is therefore often necessary and cost-effective to source manufacturing abroad.

Whichever option you choose, it is important to have samples produced before placing an order, to ask for and examine references, to research any factory under consideration and, ideally, to visit that factory.

You will need organisation and patience. Your product has never been so close to the market. But prepare yourself to have to a few hiccups along the way.

Our tips for your production journey:

- Get as much advice as you can
- Be prepared and well planned
- Dedicate time and don't expect it to all go smoothly.

For more information on manufacturing read our 'Guide To Manufacturing a New Product' Ebook on the front page of our website: www.d2minnovation.co.uk

Sampling

Sampling enables you to have one or a very small number of your product manufactured before placing a production order. This will allow you to check the quality of the product with your chosen manufacturer and to make any necessary changes to the production specification. If your product is textile-based, it is likely that you will be charged a relatively small amount for one sample. Elements that may be altered upon receipt of a sample may include stitching techniques and the quality and colours of materials.

If your product is made of metal or plastic, you may need to have mould tools created in order to produce samples. A factory may be able to produce a prototype without tooling but it is likely that one will already have been developed and it would not provide you with the opportunity to check the quality of your product. If you need to create mould tools to produce samples, we would recommend that you consider it a necessary expense and use a recommended factory or a UK company to do so.

Examining samples is crucial to ensuring the overall quality of your product. The final sample against which manufactured products are measured is known as a 'gold sample'; it is important that every minor detail of your gold sample is checked before commencing production.

Certification & Testing

If you are launching your product personally, you need to ensure that it achieves any certification and passes any testing required. An easy way to do this is to choose a factory that regularly produces similar products for the countries in which you intend to sell. Reputable factories will maintain relationships with test houses and will be able to ensure that your product is tested before it is shipped. If you are uncertain what standards or testing your product must meet or undergo, it would be a good idea to contact a test house such as SGS to arrange an initial consultation. You could also examine the literature supplied with similar products to discover what standards or test markings it lists.



Shipping

You should always check ahead of production if a licence is needed to import your product. A freight forwarder can help with obtaining any required licence, if this is necessary.

Once production has finished, along with QC (Quality Control), you should check with the manufacturer how the goods are packed before they leave the factory premises. Request that the manufacturer sends images of the product wrapped and stacked ahead of dispatch. This is important to check the quality of the stacking/wrapping which will help to prevent damage in transit.

Shipping charges vary greatly due to weight and volume, other cost considerations are duty and vat charges at the arrival port along with shipping costs and haulage to destination. A freight forwarder can help with more precise costing once samples have been produced determining product weight and volume for quotations.

Shipping a container from the Far East to the UK takes approximately six weeks. Shipping by airfreight takes about three days but is generally much more expensive and only suitable if your product is small and lightweight. If shipping from outside Europe, you will need to pay duty upon import to the EU. The duty payable is determined by the TARIC code associated with your product; for most products, duty is approximately 7%.

For more information on manufacturing read our 'Guide To Manufacturing a New Product' Ebook on the front page of our website: www.d2minnovation.co.uk

Distribution

Once your product has been manufactured and, if produced abroad, shipped, it will need to be stored and transported to distributors, retailers or consumers. Some companies offer 'pick and packing' services that will organise the storage and transportation of your product. If you are selling directly to consumers (through Amazon or EBay, for example) you will need to pack and post orders and process any returns personally. Selling to large retailers can be less time consuming but nevertheless requires the organisation of deliveries of product, potentially in multiple pallet-loads.



Case Study 2: Mealkitt

Introductory Text:

Mealkitt is a unique idea developed to revolutionise the way you approach your diet and manage portion control. Developed from sketch concept to production by D2M, it is now being sold in the UK, Europe and the USA.

Product Description:

Mealkitt can assist in controlling weight loss, weight gain or maintaining weight. This innovative kitchen essential is divided into six compartments, designated for each of the main food groups to help you to control your portion sizes. There's no need to calorie count or weigh your food - you simply measure the right amount to reach your desired goal quickly and effectively. With six compartments for each of the main food groups you eat the right amount of protein, fat and carbohydrates.

Benefits and Innovation:

With Mealkitt you can effortlessly create portion sizes specifically for your diet and get great results without paying a fortune. The mealkitt comes with a range of easy to follow recipes, along with a comprehensive food reference and exercise guide making it easy to intergrate into your everyday life.

Launch:

Mealkitt benefitted from a succesful Kickstarter campaign in June 2016 and is now selling from the UK to the USA.



Approaching Retailers

When you have sufficiently developed your product, you will be able to approach retailers. To convince them to buy it, you will need to demonstrate to retailers that your product is of a high enough quality to sell in their shops. The best way to do this is to exhibit pre-production samples: rather than prototypes, these are actual examples of a finished product that have been assembled at a factory after production tooling has been set up. Because pre-production samples require tooling to have been created, they can often be more expensive to produce than prototypes. Retailers often require them, however, so the manufacture of samples can be a worthwhile investment. If you are unable to have samples produced, present a prototype that resembles your finished product as closely as possible.

You will also need to accurately cost, or work out how much to charge for, your product before presenting it. In order to do this, you will need to consider how much the factory at which your product is manufactured is charging for its production, the costs of shipping and packaging your product, and how much you intend to add to these costs in order to make a profit (the product's mark-up). The combination of these factors will contribute to a final selling price for your product. This will be doubled and VAT added to it to create a retail price, a consideration that needs to factor into your calculations. It is important not to expect to earn too much money from your first sale to a retailer – your intention in selling to them should be to gain exposure for your product through which the interest of other retailers can be generated.

As well as presenting high-quality samples, you will also need to present yourself – as a confident professional who retailers can trust to produce that which you are selling. Pitch training services are available that will help you to convey confidence when pitching to retailers. It may well be worth taking advantage of such services as, often, you will only get one opportunity to make your pitch.



Licensing Your Idea

There are two main routes to profiting from your idea:

Route 1: License your idea to a company who will take responsibility for the manufacturing, distribution and marketing of your product.

A license is a contractual right that gives someone permission to use your intellectual property (IP). It allows you, as the holder of IP rights (“the licensor”), to profit from your idea by charging a user (“the licensee”) a fee or royalty to use your licensed IP.

Before you negotiate a license agreement, it is important to make sure that you have applied for, or preferably obtained, exclusive rights to the IP you wish to license. You will only be able to secure exclusive IP rights through the granting of a patent or a trademark, or through design registration. In many cases all three rights can be applicable to a single product.

While licensing is likely to be less expensive than setting up your own company, charging a licensee a fee is unlikely to be as lucrative as selling your product directly to customers.

Route 2: Set up your own company to manufacture and sell your product. Please see page 3 for information on starting your own company.



Selling Your Idea

D2M works closely with Nick Christie, the CEO of Jump7. Nick has 20 years' worth of experience of selling into retailers and managing relationships with buyers.

Jump7 identifies the right channels and retailers to buy your products and then manages those relationships going forward.

They have the contacts to enable them to do this for you as quickly as possible, both with the retailers and also with external service providers if it is required.

Jump7 can be your guide through the intricacies of making the most out of TV shopping channels for your business. Selling your products to the buyer is only the start of this complex but hugely valuable opportunity.

Working together with Jump7 is likely to be significantly cheaper than hiring an internal sales resource or UK Sales Manager.

First the UK, then Europe, the USA and rest of the world. While Jump7's focus is on the UK market, they can also help you generate sales in other international markets, either directly or through personally recommended partners.



A blue graphic with white text and icons. At the top is the 'JUMP7' logo. Below it is the heading 'What we do:' followed by a list of three bullet points: 'Offer something innovative, unique or fun', 'Solve a problem', and 'May benefit from being explained or demonstrated'. The next section is 'Channels we sell to include:' followed by two rows of icons representing different sales channels: TV Shopping, Airlines & Duty Free, Mail Order, International, High Street Retailers, Online Retail, and Ferries, Travel & Leisure. Below that is 'Some of the companies we sell to:' followed by a grid of logos for various brands including ovc, John Lewis, BRITISH AIRWAYS, atlantic, OVERYKITY, CenterPurcs, Robert Dyas, Williams, FIREBOX, P&O FERRIES, Coopers, and MenKind. At the bottom are two bullet points: 'We have an extensive network of contacts both in the UK and internationally' and 'Jump7 identify the retailers to buy your products and manage those relationships'. Contact information for CEO Nick Christie is provided at the very bottom: email: nick@jump7.co.uk, phone: +44 (0)20 7101 1977, mobile: +44 (0)7739 487 571, www.jump7.co.uk.