

# Business Strategy

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This is a very general review of our business strategy (as of 6/27/2006). Essentially, we are attempting to build to a product brand to the point that the entire product concept is worth more than \$1MM to another corporation. This isn't any particularly new information if you've been following the project, but now it is better organized to keep us on track. A review of the path an idea takes before it reaches the marketplace is valuable to start with:

## Concept-to-Completion Lifecycle

1. Get idea!
2. Research market and refine idea
3. Conduct initial market research
4. Refine idea with initial consumer input
5. Build initial conceptual design for idea; patent if possible with current information
6. Conduct mass market research
7. Refine design with statistically valuable market research
8. Complete final design for idea, including CAD/3D workups if appropriate; patent idea if not already done
9. Prototype idea (with CAD files and correct facility, this is very easy but very expensive)
10. Re-enter market research loop with prototype, modifying design for actual functionality and useability
11. Once final design of idea is complete, set up manufacturing line and begin to produce idea
12. Market idea to consumer base
13. Sell final product

At any step in the above process, an entire idea (a product or product line) might be sold to some interested party for one of the following reasons:

- A. To acquire a unique market advantage: The idea somehow provides a company with a position, or edge, in the market that competitors don't have;
- B. To block competition: The idea threatens a product a company already sells; the company wants to stop the new idea from entering the marketplace, but doesn't intend to implement it themselves;
- C. To sell to some third party at a later time: The idea is valuable and available at a price or time that will dramatically increase its value at some later date.

It is critical for us to reiterate the process that this project is following. We are attempting to take our product idea from Step 1 above through to Step 8, and then sell the entire product concept to another company for one of the reasons listed above. We cannot stress enough that we do NOT intend to enter the manufacturing phase of that lifecycle. We are going to present a great idea, prove that there is a market for it, build a brand name that is associated with it, and then sell the entire concept to someone else. This isn't a new way to make money, and in the accelerated but short timeframe available to us, we think it's our best chance.

For the record, this also means that building product hype isn't valuable for us: We want people to be enthused about what we think is a cool idea, not disappointed that it didn't live up to their expectations. (Nothing ever lives up to the hype. Look at the Segway.) Furthermore, for our process to really progress, we're going to need plenty of help from the public at large: The hardest thing for us to do in this short time frame, surprisingly, won't be the product design; the tough thing to get completely put together will be the large-scale, statistically significant market research which proves that our product can sell.

Sounds boring, doesn't it? It won't be. One of the exciting things of this whole project is how much it's growing, and I really think that once people see the utility of what we're working on, they'll want to help us turn it from a great idea into a perfect one.