

*Create a Compelling Presentation for Your Product!*



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# ***Create a Compelling Presentation for Your Product!***

## **Introduction**

If you have reached the point in the inventive process where you are ready to present your product to potential licensees, you have accomplished much more with your invention than most independent inventors ever do. When you first thought of your great idea you were undoubtedly thinking of how needed and accepted your product would be by the consumer. In order for your product to succeed in the marketplace, it must solve a problem and be a value for the money. Consumers must welcome it. *Your* customer is the original equipment Original Equipment Manufacturer (“OEM”) and your presentation to OEMs must give them compelling reasons why your product will *make money for them!* They want the product to be accepted in the marketplace, but the bottom line for them is whether or not it fits in with their product line and whether or not it will make money for them. Therefore, as you prepare each page of your presentation remember who your audience is . . . the OEM!

Before you call a OEM to make an appointment to show them your invention you must prepare a professional looking presentation that explains what your invention is and why it would be advantageous for them to license it. Even if you are going to meet with them personally it is important to leave a presentation with them that they can have to refer back to or to show to other key decision-makers in the company. Your presentation must be compelling enough to explain the value of your invention to that company *even if you are not there!* It must speak in your behalf and *sell* them on the worthiness of your product.

In order to *sell* them on your product it must answer all their questions completely, accurately and honestly. It must explain why your invention is a logical extension of their line of products and it must explain how it will make money for them. That’s the bottom line.

You should call the OEM and make an appointment; meeting with them in person is the best way to go. You know your product better than anyone else in the world. You understand why it is needed and you can explain it with more enthusiasm than a paid agent ever could. That is not to say that there are not a few *legitimate* agents who will do their best to represent you with enthusiasm and integrity. There aren’t many though and you can usually represent your product better than anyone else ever could.

Now, if you are just paralyzed with fear at the thought of walking into the office of a president of a company, employing a *legitimate* agent to represent you is the best choice. However, we have found that even people who are agonizingly shy “blossom” when the time comes to promote their product. Being shy in social situations and being shy when explaining their terrific product are two entirely different things.

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There is one very important thing you must do before preparing your presentation. You must ***name your product!*** The importance of finding just the right name cannot be underestimated. Choose a name that is catchy, memorable and describes what the product is or what it does. If your product already has a catchy name, it will help the OEM to visualize it on the shelves, and that is an important point of the presentation, to help them visualize your product in their product line and on the shelves along side their other successful items. The right name can go a long way in achieving this. It is well worth setting the time aside to brainstorm, ponder and decide on the perfect name.

When a presentation is prepared for a new product, use this format to ensure insure that you answer *all* the questions about why the product is right for them.

These are the questions your presentation should answer:

- What is (product name)?
- How does \_\_\_\_\_ work?
- What will it cost to manufacture \_\_\_\_\_?
- What's in it for the OEM?
- Who benefits from \_\_\_\_\_? Or, What is the market for \_\_\_\_\_?
- What can \_\_\_\_\_ be sold for?
- Where should \_\_\_\_\_ be sold?
- How should \_\_\_\_\_ be packaged?
- How should \_\_\_\_\_ be displayed?
- (Number of) Reasons OEM needs \_\_\_\_\_.
- Summary
- For licensing information please contact: \_\_\_\_\_.
- Substantiating materials (e.g. surveys, test markets, focus group studies that illustrate that your product will be accepted in the marketplace)

You may think of even more questions about your particular invention or its industry that should be covered in your presentation. Also, if you have drawings or pictures of your invention they should be included in the presentation.

You must be *completely* truthful. The quickest way to destroy your credibility and any chance of getting a license is to exaggerate or tell outright untruths about your product. Keep in mind that the OEM knows its industry better than you do. If you state something that is inaccurate it will probably know it and then dismiss the entire presentation as unreliable. So, know your facts before you begin. Don't be afraid to brag on the true qualities of your product, just don't exaggerate. Spend all the time you need in thinking about each item in your presentation. Remember it will be "speaking for you" long after you have left the meeting, or if you are unable to meet with the prospective licensee in person, it is "speaking for you" entirely. The importance of a first rate presentation cannot be underestimated.

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When preparing your presentation, keep in mind that short lists are best. Your presentation should NOT be a report consisting of page after page of prose about your product. A report will most likely be set aside to be read “when they have the time” but, that time will probably never come! Long reports are too much like work. A presentation that consists of short, easy-to-read lists *will* be looked at, and that is what you want! You want to get them to look at the salient points about your invention.

You may notice as you go through the presentation format that there is a good deal of redundancy. This is done on purpose. We hope that your potential licensee will read each and every page carefully. This is unlikely. Therefore, the redundancy will ensure that they *will* get the points you are trying to make even if they give the presentation only a cursory glance or two.

### **Chapter 1 – Cover Sheet**

Begin with a cover sheet with your selected product name right in the center of the page. This lends importance to the whole presentation.

The first item in your presentation should answer the question: “**What is \_\_\_\_\_?**”

This page should consist of no more than one or two short paragraphs. It should be a succinct description of exactly what your product is as you would explain it to someone who has never heard of it. (Remember, the OEM *has* never heard of it.)

### **Chapter 2 – How Does Your Product Work?**

The next question you should answer in your presentation is: “**How does \_\_\_\_\_ work?**”

Again, it does not have to be a long detailed description of how your Product works, just a couple of sentences or a short paragraph. Keep in mind that one of the main points of the presentation is to make it fast and easy to read and comprehend. If the potential licensee sees an entire page of fine print it is unlikely that they will read it at all. Keep it short!

Notice that we did not really tell in detail how it works. We didn’t list the ink formulation, the print screening, etc. We just told “how it works” as far as the consumer is concerned.

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### **Chapter 3 – Cost of Manufacturing your product?**

The next main question that the potential licensee will be interested in learning is: **“What will it cost to manufacture \_\_\_\_\_?”**

In order to answer this question you must do your homework. The OEM will *know* if you just make a wild guess. Find out what it will cost to manufacture your product if you can at all. Research the cost of the materials of which your product is to be made. Go to the suppliers of the raw materials and ask. You can also do a great deal of your research at your public library or on the Internet.

If you absolutely *cannot* find out the probable cost of manufacturing your product you can get an “in the ballpark” guesstimate by doing the following: Go to a store that sells similar products or even dissimilar products which are made of the same raw materials in approximately the same quantities that your product will be made. Make note of the retail selling price and divide it by four. This is a very rough way to arrive at an estimated cost. If you use this very rough way of estimating the costs you should make it clear in your presentation that this is only an approximate cost.

Every OEM will want to know what their tool-up costs would likely be to manufacture your product. That question should be answered in this section. If a plastic injection mold will be required, tell them. If a new piece of equipment will be required to manufacture your product, then you need to explain exactly what that might be and an estimated cost of it.

### **Chapter 4 – What’s In It for Your Potential Licensee?**

The next page is a very important one, **“What’s in it for (Potential licensee’s name)?”**

List how the potential licensee will benefit by manufacturing and distributing your product. The *first* thing they want to see listed is *PROFIT!* You can explain further benefits later, but the very first benefit they are looking for is a product that will increase their bottom line. Profit is the name of the game.

How will your product attract customers? Why will it attract customers?

What are the special features about your product that will entice customers to buy it?

Is there more than one use for your product? Can it be expanded to include a whole line of products?

If your product is patented, be sure to point out that if the (name of potential licensee) elects to receive the “exclusive” license they will be the *only* source of

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this product. Consumers will *have* to buy from them in order to receive this exclusive product.

### **Chapter 5 – Who Benefits from Your Product?**

On the next page you will point out “**Who benefits from \_\_\_\_\_?**”

Now, you get to talk about the end users and how much they, the consumers, will love your product. List all the categories of people who would welcome your product and whose lives would be made easier by your product.

### **Chapter 6 – How To Present Your Product?**

All the previous questions have had a page of their own. The following four questions can each be given their separate page or all listed on the same page depending on the length of description under each.

1. What Can Your Product be Sold For?
2. Where Should Your Product be Sold?
3. How Should Your Product be Packaged?
4. How Should Your Product be Displayed?

The first question is: “**What can \_\_\_\_\_ be sold for?**”

Again, this is a question that requires that you do your homework. Don't just pull a figure out of thin air for it will surely be wrong (and the OEM will recognize that you are “blowing hot air”) and this may cause the OEM to dismiss your entire presentation. We often have an inflated idea of the value of our inventions. We must keep in mind that the potential selling price is not its perceived value in our mind, but what the marketplace will bear.

The general rule of thumb when pricing your product for the retail market is that it will sell for four to five times the OEM's cost. For example, if it costs \$1 to manufacture your product it will probably retail for \$4-5.

If you have actually sold your product yourself and you *know* that the consumer will actually be willing to pay ten times the manufacturing cost or more, then by all means, report that here. That would make your product even more attractive to potential licensees. If this is the case, however, you must explain and document how you reached this conclusion. (e.g. If you have actual sales records or invoices that show what your product sold for in the marketplace, reproduce them to attach to this presentation.)

**Where should \_\_\_\_\_ be sold?**

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Make as long a list as you can of all the types of stores that would be likely to carry your product.

### **How should \_\_\_\_\_ be packaged?**

When you picture your product in the stores what does it look like? Is it in a box, carton, shrink wrapped, in a plastic bubble, or hung on a peg? Or, does it not require any “packaging” at all? Can it just have a label?

Choose the most inexpensive yet attractive way to present your product and suggest that.

### **How should \_\_\_\_\_ be displayed?**

This is where you explain how your product should be introduced to the public. Will it require special displays so that the consumers will understand its uniqueness? How should it be displayed so that buyers recognize that it is new and different and offers unique benefits? Is packaging enough? Will point of purchase (POP) signs be required?

## **Chapter 7 – Reasons to Buy Your Product**

On this page you list ALL the reasons it makes sense for this target company to license, manufacture and sell your product. This page should have five to ten reasons. Less than five reasons and your case as to why they need your product looks weak, more than ten and it gets too tedious to read and take seriously. Don't put something in just to fill space. Make sure it is really valid.

## **Chapter 8 – Summary**

Conclude the main portion of your presentation with the three or four main ideas you wish to impress upon the potential licensee in summary.

## **Chapter 9 – Licensing Information**

Don't forget the following page! This page lists how the potential licensee may contact you in order to explore licensing possibilities.

For licensing information please contact:

Attorney's name  
Address  
Telephone number

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## **Chapter 10 – Supporting Documents**

List the reasons that the OEM needs your product and support by studies and market estimates, including pricing, testimonials, independent testing results, etc..

## **Chapter 11 – Conclusion**

At this point the actual presentation is complete, but there is one very important piece of the total package that must be completed. Nowhere in the presentation did you describe how and why you came to invent this terrific new product. The human interest angle is important to make the potential licensee understand WHY you invented this product, why you needed it and if *you* needed it why thousands or millions of other people will need it too.

You must include a cover letter with your presentation and this is where you have the opportunity to answer these questions.

After completing your presentation, proofread it again and again! You must not send or take a presentation with even one typo. Also, go over each page to be certain that it looks perfect. Make sure all the margins and indentations are exactly the same. It will defeat the purpose of making a professional-looking presentation if it does not look absolutely perfect.

Once we finished our presentation, we took the whole thing to Kinko's (Office Depot and Office Max offer the same service) and had them to bind it in a very nice looking presentation folder. We chose a clear front and a black back and spine. It looked very professional. We prepared one of these presentations for each company we were interested in approaching about possible licensing. It cost a bit to do it but it was well worth it. Just think how much more impressive it will be for a company to receive a professional-looking presentation that answers all their questions than it would be to receive a letter only. Also, if you go to the trouble of making a nice presentation it looks like it is a much more valuable product. If you respect your invention and how you present it, it is more likely that the potential licensee will respect it and have an interest in it also.

As we mentioned before, if you can actually go and meet with the decision-makers in person, that is the best way to proceed. If monetary or time restraints prevent you from going to the company for a face-to-face meeting, then you must maximize your chances that your presentation will receive the attention it deserves if it arrives without you. You can do this by sending your presentation in an "attention-getting" way.

Finally, we suggest that you send the presentation to the president of the company rather than the new products division of the company. The president of the company may never actually look at it but if the president or his assistant

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passes it along to the new products division they are more likely to pay attention to it than if you send it directly to them.

One last point, don't ignore the smaller companies in favor of the larger ones.

While larger companies generally make excellent licensees it can take one to two years to get through the red tape of licensing with them. Smaller companies, on the other hand, usually work faster. In many cases you can deal directly with the president of a smaller company. Just be sure that the smaller companies that you target have the distribution channels to market your invention.

Congratulations! You have now completed your presentation and cover letter.

Now, get going! Nothing happens until you *make* it happen. Send or deliver your presentations and move on to the next step in the inventive process, negotiating your licensing agreement!

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## **Presentation Outline**

***Describe your product***

***What is your product?***

***How does your product work?***

***What will it cost to manufacture your product?***

***What's in it for the OEM?***

***Who benefits from your product?***

1. Patients
2. Doctors
3. Clinicians
4. OEM

***For how much can your product be sold?***

***Where should your product be sold?***

***How should your product be packaged?***

***How should your product be displayed?***

***Ten reasons the OEM needs your product***

- |    |     |
|----|-----|
| 1. | 6.  |
| 2. | 7.  |
| 3. | 8.  |
| 4. | 9.  |
| 5. | 10. |

***Summary***

**For licensing information please contact:**

Attorney's name  
Address  
Telephone number

**What customers say about your product**

Testimonials