

New Product Development For Small Businesses

Big corporations have big product development teams and are experts at doing incrementally improved products. Small businesses have significantly fewer resources so we need to approach new product development differently and use a more disciplined approach. We need to maximize our capabilities and differentiate ourselves from the big product development teams if we are to succeed.

Here is the process we follow to bring a product to market. Each step should be successfully completed before moving on to the next step. Do not fall in love with an idea if the following process shows that it should be dropped. And don't spend money on a patent until this process is completed either. Many seemingly good ideas need to be reviewed and rejected before a truly good idea is found which is worth taking to market.

1. First, identify a consumer need or a transformational improvement on an existing product for which consumers would pay more.
2. Second, think about an obvious design improvement compared to the existing products on the market that might give a transformational improvement in both capability AND/OR in cost reduction. Remember that incremental improvements with existing products are best done by the current product manufacturers so look elsewhere. Look to apply a completely different approach to the problem. Again, similar approaches are best done by the current product manufacturers. Also exclude approaches that require new basic technology that are best accomplished by large corporations, Universities or well funded VC startups.
3. Before expending considerable time and money on a new idea, always do a cursory patent search and perform some quick market research to ensure that:
 - There isn't already a similar existing product on the market
 - No one has patented the idea
 - The idea is patentable, and
 - The market is big enough to warrant spending time on the product.

You would be amazed at how often this simple checking is ignored, despite the ease of doing this via web searches and online patent searches.

4. Next, hire an engineer or engineering team to:
 - Determine if the original approach is feasible or
 - Ask them to brainstorm and come up with a radically different approach that might both add transformational capability AND/OR significantly reduce product cost. For instance, the package labeler on the InstyMeds™ prescription drug dispenser was transformational in that patients could receive multiple differently-shaped containers that were properly labeled in a stand-alone dispenser with no tooling change between drug

packages. Changing a product from using a cumbersome incremental process to a continuous flow process which could run 24/7 is another example of a transformational change .

5. If the last step is successful and both the engineers and the small business owner believe the idea has merit, then spend the money to build a prototype.
6. If the prototype works and shows promise that it can be manufactured to create a product that has transformational capabilities AND/OR reduce cost, continue do much more thorough market research to
 - Again ensure that there isn't already an existing product on the market or the approach hasn't been tried in the past and
 - Determine the competitive landscape and
 - Determine if the idea is better

Once you have successfully completed all of the above steps then you need to choose how to proceed. The options are:

- License the product to an existing player in the category
- Start a new company, but partner with an existing large company in this product space and co-create the product together
- Start a company to develop the idea into a product and bring it to market independently

Each approach has pluses and minuses which you need to consider before making a final choice about your approach. Good luck!