



Handy Tips for a Product Business and Creating your Plan of Action

Before launching your business, hold onto your \$\$, it is essential for you to:

Gain knowledge first. Research your business industry; Search everywhere, going beyond looking online and in stores. Go to or walk Trade shows or conferences in your industry. Objectively assess the market potential and competitors. Know who will buy your service or product; ask yourself these questions to help guide you before going any further:

1. What problem does it solve?
2. Is it needed?
3. How does it offer value and benefits to your target customer?
4. What is the product lifecycle?

Example with Zatswho®:

Families are separated by distance, quality time is limited. Children love pictures, learn more while exploring hands-on and engaging senses. Doing double duty, Zatswho® is a portable personalized family centered hands-on sensory learning experience with lasting play value.

5. Is it unique to the market? Does it have a point of difference (POD) or a competitive advantage from the competition?

POD example: Zatswho® uses your pictures and memories as you play with multiple learning applications; Advantage: no products directly comparable, user friendly, portable, the cards wipe clean, no language barrier. If serviced based business your Competitive Advantage can be to offer a loyalty card or send a gift card for referrals or as a thank you for your biz. At Zatswho, LLC we will surprise a customer by sending a check out with the order to reimburse for shipping.

6. Create a survey with no more than 10 open ended questions.

Two examples:

For Pricing: BAD: Will you pay \$\$ for this product or do you think \$\$ is a good price?

Good: At what price would you be willing to pay for this item? This answer helped to set our price at a good value for our customers.

Help define your market age and gender: Bad: would you buy this product?

Good: Who would you purchase Zatswho® for? And are you a Male/ Female, Single/Married/ children / grandchildren?

7. Make a Prototype.

Creating a prototype is a fun and creative process. The purpose of a prototype is to test the functionality of the product. Don't Wait for a Patent (Getting a patent is not a requirement!). A patent can be a useful tool but it is not required. Even if you choose to file a patent there are many steps to be taken first. The absence of a patent should NOT be a hindrance from making progress. Just make sure that you are not infringing on someone else's patent. a NDA (non-disclosure) is good to have on hand when you start looking for help while discussing your invention with outsiders.

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For example, you need to have a prototype made or dies for making a product. Note: some people may not sign it & you will have to go with your gut to decide if you want to still work with them.

8. Know the laws to be compliant. Do you need permit or license from your town, certificate of Compliance, what type of Insurance coverage is needed for your biz? Example: Products intended for children under 12 years old must be non-toxic and be CPSIA compliant requiring independent 3rd party lab testing Once you have answered these and other questions to make a determination to move forward,

Create your Action Plan! Many times people don't! It will help you gain clarity, focus, make it real and gain confidence as you go out of your comfort zone.

Finding your company name or product name: check on domain names to see if they are available, chances are if the domain name is taken, you may find it's a name that has already been trademarked or will be more difficult to get trademarked or as a registered business name in your state.

Business Structure/ Plan: Simple, what's your vision, Define your Goals **and** Exit Strategy. Be prepared to re-visit & revise your business plan as it's only a guide to move you forward.

All money is not equal; understand your personal financial situation so you can choose the right kind of money need for your business.

Set up Banking/resources: (Self/Family/Friends, SBA, Angel/Private equity) know it will take more \$\$ than you think

Business Structures: Your business goals will help define and play a large factor in determining the best business structure to choose. You will have to investigate each business structure for its own legal and tax ramifications.

Sole Proprietorship

A big advantage of a sole proprietorship is the high level of autonomy the owner has to run his business. There are no other owners to divide profits with, which allows a sole proprietor to use company funds in any manner. Sole proprietors have relatively few formalities to adhere to federal, state and local government. A major disadvantage of a sole proprietorship concerns the lack of liability protection for the business owner. This means a sole proprietor has a personal responsibility to pay every business debt and obligation.

Partnership

A partnership of two or more individuals has the ability to collaborate. Partners can share the responsibility of managing the company and share ideas with other partners. Also, partners are not required to file income taxes as a business entity, meaning each partner reports his share of business profits and losses on his personal income tax return. On the other hand, a partnership offers no personal asset protection for partners of the business. A partner may be even liable for the negligent acts of another partner. If the partnership's business assets do not cover an obligation, a creditor may pursue a partner's personal assets as compensation for the business debt.

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LLC

A limited liability company is a hybrid business entity that provides members with limited liability protection from company debts and obligations. Also, members of an LLC are able to divide company profits in any manner, regardless of ownership in the company. This flexibility allows an LLC to allocate profits and losses to the greatest tax benefit of the company's members.

Corporation

Corporations provide shareholders, directors and officers limited liability protection for company obligations. A shareholder's liability for company debts does not extend beyond his investment in the business. Another advantage of a corporation is the company's ability to raise capital by issuing stocks and bonds. The proceeds of a stock or bond issuance can be used to expand or pay the company's existing obligations. The downside is double taxation. A corporation must file a business tax return with the Internal Revenue Service and pay taxes on company profits at the company's applicable corporate tax rate.

Visualize your success: Whether it's a mantra, sticky pad paper with words of encouragement, meditation or something else, visualizing your goal will help you to maintain focused on your highest and lowest days!

Get Introductions: Network groups, Chamber of Commerce, online communities

Surround yourself Advisors/Mentors: Gain credibility: Be Authentic: Gain Endorsements from notable people or organizations, company testimonials, Blogger reviews in your industry

Continue to create excitement for your brand; Get the word out; FB, Twitter, LinkedIn, Instagram, Pinterest.

PR/MEDIA: You don't need expensive PR firms: DIY: News releases, Effective Pitch: Articulate 3 sentences what/why, find Interviews with local radio & internet stations to provide Brand exposure

Useful websites:

Name of Accredited labs <http://www.sgs.com/> <http://www.intertek.com/>

The government site for trademark/patent search <http://www.uspto.gov>

Publicity sources to tap into for Media: <http://www.usnpl.com/> <http://www.helpareporter.com/>
<http://www.pitchrate.com/> Local Patch.com

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