

INNOVIC INNOVATORS' GUIDE

Marketing

Grants

Brand

Digital

Patent

Website

Finance

Technology

Product Design

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What great ideas are worth – and what to do next!

Many innovators think that their great ideas for new on-line services, phone apps, environmental products, social enterprises, fashion items, mechanical devices, housewares etc. are worth millions.

The reality is that an idea alone is worth nothing - zero! It is what you do next, to add value to the idea that can make it profitable and turn it into a viable new business.

So – what do you do next? Well, you can start in several ways – but here is a brief overview of the process.

1. **First, start with a good idea** that meets a need, solves a problem, offers a benefit and/or provides some unique value to your customers. It sounds simple, but the value proposition is often overlooked.
2. **Secondly, conduct on-line and off-line research** to ensure the idea isn't already out there and, where appropriate, do an intellectual property search to ensure that you are not infringing someone else's patent or intellectual property. A starting point is www.ipaustralia.gov.au and www.google.com/patents
3. **Research your market** and profile your potential customers in terms of their age, buying habits, location, interests etc. Is your market expanding or contracting? Is it in a fast growth area where new technology could make your idea redundant, and/or will you need to rapidly integrate changes into your innovation? Is it feasible? Does the technology exist to make it?

4. **Do you have the skills** or capacity to develop this innovation, or will you need help? If so, what type, what will it cost and who will assist you? Have you got a team behind you with relevant skills? If you are working in the digital space it is important to have at least one member of your team with technical expertise. Remember investors back people – not products!
5. **Do your homework.** Check out the competition, both direct and indirect, and identify the major players in your field. You never know, they could become strategic partners or potential licensees. You can find out from websites, annual reports and information from organisations like IBISWorld about your competitors' market share, product range and other useful information. See www.ibisworld.com.au. Another useful resource is the Australian Bureau of Statistics where you can find demographic information e.g. children under 5 years of age, the number of golf clubs in Australia. www.abs.gov.au
6. **Determine your commercialisation pathway.** If you are offering a service this may be fairly straightforward, but if you have a product you may need to consider various routes to market including a joint venture, manufacturing, assignment or licensing.

Your choice will dictate your future strategy. If you have a product, think about your distribution, retail outlets, packaging, freight and quality control, particularly if you are using international manufacturers. If you are developing a service, work out how,

where, when it will be delivered and by whom – do you need contractors, a store, retail outlet(s) and are there any permits or legal issues to consider?

7. **Sales and marketing** – if you have a great product or service and no-one knows about it, sales are likely to be low! Consider your “branding” and how you will reach your target market. Do you have an online and social media strategy and a marketing and advertising campaign? Are you planning a product launch and writing press releases? How will you drive sales?
8. **When setting up your business** – think about your business structure. Are you going to be a sole trader, partnership, trust or other type of business. The structure you choose will have tax and other implications so you need to get it right. You can get assistance on this from your accountant. Alternatively the Australian Tax Office has some useful information on the types of structures and obligations.
www.ato.gov.au/Business/Starting-and-running-your-small-business/
9. **Do you have a business plan?** A business plan may not be sexy but it can save you time, money and tears in the long term. It will help you to plan how you will develop your business and cover all the elements from IP to

marketing and finances. It is your map – your plan of action as to how you will get your product or service to market. It will also help you to work out the staff, time, resources and the finances you will need to be successful.

Most business fail due to financial reasons - the income simply doesn't meet the expenditure. In your business plan, your financials will be crucial to show you whether your business will be viable and to help you with cash flows, sales projections and break even points. But remember – be realistic. If you are too optimistic with your sales forecasts, you may assume profitability that doesn't actual occur – and that's the road to disaster!

A realistic business plan is also one of the first things that investors look for, so that they can be confident that you have a viable business and know what you are doing. More importantly for investors - they want to ensure that they will get a return on their investment.

10. **Lastly, be aware** that it ALWAYS takes longer, costs more and typically generates less than you originally estimated – at least in the first few years. So be prepared! When in doubt. Get help!

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Getting Ideas to Work ●

Understanding intellectual property

Intellectual property (IP) exists in various forms, such as inventions, brands, designs, drawings, ideas, concepts, specifications, data and know-how. Some of these can be protected in Australia under statutory regimes by way of patent, trade mark or design registrations or copyright. Protection confers a market monopoly on the owner of the IP rights. Brief details of the protection are outlined below.

Standard Patent

A standard patent protects the function of an invention and protection is for a maximum period of 20 years, unless the invention is a pharmaceutical substance in which case the maximum period may be up to 25 years. Patent grant occurs after the invention passes an examination by the Patent Office (IP Australia). During examination, the Patent Office assess whether the invention is novel and inventive. Generally, it takes 4 years from filing for a patent application to be examined and to reach grant. It is important to have patent protection before publicly disclosing your invention.

Innovation Patent

An innovation patent provides the same exclusive rights and remedies as a standard patent, but it is granted without examination. It, therefore, can be granted in a few weeks. Innovation patents provide protection for maximum period of 8 years and are easier to obtain than standard patents because they are subject to a lower standard of patentability, namely the invention must be novel and innovative. Examination is optional, but

is necessary for enforcing the innovation patent against infringers.

Trade Marks

A trade mark will identify your business as the source of the goods and/or services and, therefore, distinguish them from the goods and/or services of other traders. A trade mark can be a word, phrase, letter, number, sound, smell, shape, logo, picture, aspect of packaging or combination of these. Protection lasts for 10 years and can be renewed for further ten year periods.

Design Registration

A registered design protects the overall appearance of a product (resulting from one or more visual features of the design) for up to 10 years. A product is anything that is manufactured or hand made. The protection afforded by a design registration is only for the appearance of a product, and not for the product itself or the manner in which it operates.

Copyright

Copyright protection is automatic. In other words, registration is not necessary or available. Copyright protects literary, dramatic, artistic and musical works, including sound recordings, films and radio and television broadcasts. It is important to appreciate, however, that copyright protects the way ideas are expressed, but not the idea itself. The copyright owner has a bundle of exclusive rights that includes (depending on the type of work) the right to:

- reproduce the work in a material form;
- publish the work;
- communicate the work to the public; and
- make an adaptation of the work.

Most other countries have the same forms of IP protection outlined above, except for the innovation patent which is unique to Australia. Accordingly, if your business plans involve manufacturing overseas or tapping into overseas markets, you should consider protecting your IP in those overseas locations.



The Griffith Hack Approach

Griffith Hack is proud to have a long history of working with clients of INNOVIC. We are one of Australia's largest intellectual property (IP) firms, comprising patent and trade marks attorneys, IP lawyers, R&D tax and IP valuation consultants.

Our approach to interacting with our clients is to recognise that appropriate technical excellence of our people is only a starting point. We know that our clients want attorneys and lawyers who understand both their industry and commercial objectives. Using your goals as our basis, we will work with you to develop and grow your organisation. Our aim is to partner you in the development, commercialisation and enforcement of your IP.

We will work with you to maximise your business through IP by:

1. Understanding your business objectives and identifying your IP

We will talk with you about your business plans to understand the risks and challenges you face on the path to commercialisation. This will enable us to identify IP in your business and to identify the importance of that IP in the context of your business objectives.

2. Developing an IP strategy

An IP strategy that enables you to maintain a competitive advantage is critical to long-term business success. We will develop a strategy that protects your advantage (for example, through patent, trade mark or design registrations) so that it is difficult for competitors to erode your market share over time. Our strategies cater for business plans that involve local or overseas manufacturing where your business capabilities are limited.

3. Implementing the IP strategy

We can secure IP rights, such as patent, trade mark and design registrations, in Australia and overseas. Our IP lawyers can prepare commercial agreements to realise your business plans, including IP licences, franchises, collaboration and transfer agreements. Additionally, our IP valuation experts and R&D tax consultants can assist with determining licence fees and transfer pricing.

4. Defending and enforcing your IP

A challenge to your IP by a competitor indicates that they are interested in your business. We see such challenges as an opportunity to reach a win-win commercial resolution by negotiating a licence to your IP rights. Infringers also represent opportunities to use your IP rights to reach a commercial resolution. Enforcement strategies, however, vary between reactionary and proactive. Accordingly, your business priorities will determine the action you take to enforce your IP rights.

5. Optimising IP-related tax implications

IP is a business asset and it has a financial value. Tax compliance will require valuations of your IP rights from time-to-time. Additionally, you may be entitled to tax concessions for developing your IP and developing your business. It is important to claim the concessions to the extent that you are entitled. Our consultants will work with you to optimise the impact of IP-related tax liabilities and concessions on your business.

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The insider's guide to product design

Having a good product isn't good enough. The market is flooded with products and established brands.

Product designers use their knowledge and experience of materials, manufacturing technology, creative problem-solving, as well as consumer behaviours and desires to give your product a real chance of success.

Designers put themselves in your customers' shoes to optimise the total experience of engaging with your product. From how they hear about your offering, contact you, see your product for the first time, purchase, open the package, set it up, use it, maintain it, upgrade it, replace and dispose of it, each moment is an opportunity to impress or disappoint. Here are some critical considerations for developing your product:

The ten commandments of product development

1. **Positioning.** Don't try to be everything to everyone - target a market niche in relation to other products on the market. But make sure the niche is large enough to justify a business case.
2. **Differentiation and innovation.** Set your product apart from competing products by using unique technology, features, price, and personality. Try approaching the problem from a different perspective to gain insights and unique ideas and solutions. Understand your value proposition. Protect your intellectual property with patents.
3. **Useability and user experience.** Develop the product from the user's point of view with emphasis on the experience of using. Consider consumers' perception, frustrations, and all five senses.
4. **Ergonomics.** Consider the comfort and ease of understanding and operating your product, and integrating it into customers' lifestyles.
5. **Aesthetics.** Product styling and detailing should meet customer expectations and aspirations. Should it look tough or sophisticated? This is an opportunity to add visual appeal and a point of difference.
6. **Brand and image.** Build confidence of quality in the mind of the purchaser through consistent and professional messages and emotional associations.
7. **Manufacture and cost.** Design for safe and efficient use of materials, energy and assembly labour.
8. **Communication, feedback and refinement.** Document, present and explain the design direction and details along the way with various stakeholders including marketers, product managers, manufacturers, service staff and end users. Test the performance and perception of your product early and often.
9. **Global perspective.** Design with sensitivity to social and cultural sensibilities and standards in order to reach export markets.

10. **Environment.** Take a holistic view of the product life cycle including the use of renewable and recyclable materials and design for repair, efficient transportation, disassembly and recyclability.

That's great, but how do I get started?

The staged design approach will help you make a marketable product in a reasonable time, with minimal risk. It allows for feedback and refinement at various stages along the way, before changes become costly.

A ten stage process for successful product design and development

- i. **Project briefing.** Clearly define what you want your product to be, and why.
- ii. **Research.** Understand the other products on the market, and the problems and desires of your customers.
- iii. **Ideation.** Generate ideas that will solve your customer's problem in a unique and desirable way.
- iv. **Concept development.** Turn the best ideas into more specific product ideas using descriptions and sketches.
- v. **Visualisation and mock-ups.** Create more realistic illustrations and simple models for better stakeholder feedback.

vi. **CAD modelling.** Build virtual models and multi-part assemblies to help further refine the design.

vii. **Detailing.** More detail allows you to see and fix any potential issues and makes for more realistic prototypes.

viii. **Prototyping, testing and refinement.** Rapid prototypes help gauge product performance and consumer reaction.

ix. **Production engineering.** Optimisation of the design for tooling and mass production using various processes.

x. **Tooling, production and assembly.** Well-managed production creates high quality parts at a low cost. Take the time to get this right, because any changes are more expensive after tooling.

Distribution, or channel to market is outside the scope of product development, but very important to the success of your product. Do you plan to sell online or partner with an established distributor? And remember, don't leave the packaging design until the last minute - this is often your customer's first impression of your brand, and potentially a source of frustration or joy.

At its core, good design aligns your product with customer needs, desires and expectations, and is measured in product sales and growth.

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Technology start up development process

If you are a start-up business and looking for a custom software development company it is useful to have an idea of what to expect and what you need to consider before embarking on the hunt for the right supplier.

Initial research

Start by searching online using keywords such as 'software development melbourne' or more specific key words such as 'asset management systems' or 'staff rostering' for example.

Talk to other professionals that may be able to refer you to a recommended supplier. It is always the preferred way for clients and for suppliers to do business.

Initial discussions

Once you have identified a few suppliers, arrange a meeting with them. This is an opportunity for you to find out more about the supplier's capabilities, their credibility and about their other clients.

Prepare for this meeting by having an idea of your system requirements and a check list of other issues you need to discuss.

This should include:

- IP ownership – will you be able to take the system and get other developers to continue working on it?
- Maintenance and support – make sure this is provided following implementation of the system.
- Scalability – make sure you can add functionality in the future as your requirements evolve.

- Team of developers - ensure they have a team of developers with expertise in the proposed technical platform, otherwise you can be stuck if their one developer leaves.
- Prior experience – check their previous experience building similar systems.
- Integration – will the new system be able to, does it need to integrate with existing systems?
- Location – Find out where they are based and where their developers are based. It's useful but not imperative that they are local or at the least, based in Australia.

At this meeting, the supplier should be asking questions about your business processes and the challenges you have so that they can propose the best system solution for your business.

Following these discussions, they should have enough information to provide you with a ball park figure of what the system will cost.

Scoping/specification

You wouldn't build a house without a blueprint, and building software without one is fraught with risk. Scoping can take 3 - 4 weeks and may cost a small fee. During this process:

- No commitment – scoping should not commit you to developing with this supplier.

- Detailed and easy to understand – make sure the specification is both detailed and easy to understand, otherwise you may end up agreeing to something you didn't expect.
- Fixed price – it is important to get a fixed price for the whole system up front, otherwise costs can grow well beyond your expectation.

With scoping completed you will have a blue print of what to expect from your developers. There will be no surprises further down the track whether they are financial or technical.

Development and implementation

This is where your software is built, tested

and you get to start using it!

- Project manager – make sure you will have a PM or client representative to keep you updated.
- Testing by Developers – The developers should be testing their own systems before it is passed to you.
- Changes – are you able to make small changes during the process and will they be charged for?
- Warranty – should be provided to iron out any issues after going live.
- Hosting – can you choose where to host it?

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Brand discovery process

The brand discovery process involves three key stages designed to capture and deliver the unique essence of the brand - everything it is and does, its unique image in the minds of stakeholders and consumers, its personality and promise.

1. Determine the brand destination

This stage highlights the background, insights and objectives that will provide the blueprint for capturing and communicating the brand.

Define the competition

- Category and risk research
- Competitive frame analysis

Define the target audience

- Demographics
- Attitudes and behaviours

Define the point of difference

- Unique attributes and features
- Functional and emotional benefits

2. Capture brand

This stage involves developing the proprietary combination of names, symbols, and colours that visually convey the brand's identity.

Brand name development

- 'Namestorming'

- Brand name availability - URL research, trademark search (not included)

Brand mark development

- Concept development of custom brand typography
- Concept development of brand symbol/icon

Brand language development

- Brand colour system
- Graphical/visual language

3. Communicate brand

The final stage of the process involves developing brand assets and communicating the brand across a range of consumer and stakeholder touch points.

Core brand assets

- Stationery
- Brand and sales collateral
- Packaging development
- Website development
- Signage and livery

Other brand

communication channels

- Traditional advertising
- Digital advertising
- Social media

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The logo for 'blink' is displayed in a lowercase, sans-serif font. The letter 'b' is stylized with a rounded, lowercase shape, while the remaining letters 'link' are in a standard, clean sans-serif typeface.

Efficient and effective digital marketing

Like any marketing strategy, digital marketing is about knowing who you're talking to, what your key message is, where to say it, how to say it and how often to be seen.

But now it extends to managing all aspects of your brand in the online space, including having a plan in place for what to do when people start talking about it, talking to your team, or even talking negatively.

That is why it's so important to consider every aspect when developing your brand's digital strategy.

Following the steps below are crucial to an effective digital marketing campaign:

1. Research & planning

- Audience identification and profiling
- Articulating an accurate and realistic project scope
- Development of technical specifications to manage expectations of deliverables
- Sitemap, information architecture and wire frames
- Prototyping, usability QA and testing

2. Creative

- Establish mood boards and general direction on look and feel
- Creating a style guide
- Design concepts, based on the wire frames and planning assets. (You may

be designing a range of digital assets, e.g. a website, app, administration/ members interface, banner ads, email templates. Consistency is key)

- Design revisions and rollout of finished design for all required templates or assets

3. Development

- Development of a working prototype, containing a base level of functionality in order to test and compare against creative and initial expectations
- Complete development of the website/app/campaign
- Quality assurance and testing, both internally and externally. Feedback, updating and monitoring is important to optimise the user experience

4. Launch

- Domain name registration
- Web hosting
- On-site SEO to ensure your website/ campaign is ranking

5. Marketing

- Email marketing
- Social media (channel planning, blog, content creation, etc.)
- SEO (continual on-site changes & new content, off-site link-building etc.)
- Paid advertising (Google AdWords, Facebook Advertising, etc.)
- Reputation Management

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The logo for Klyp, featuring the word "Klyp" in a bold, orange, sans-serif font.