

Licensing - Freedom Business Blueprint # 3

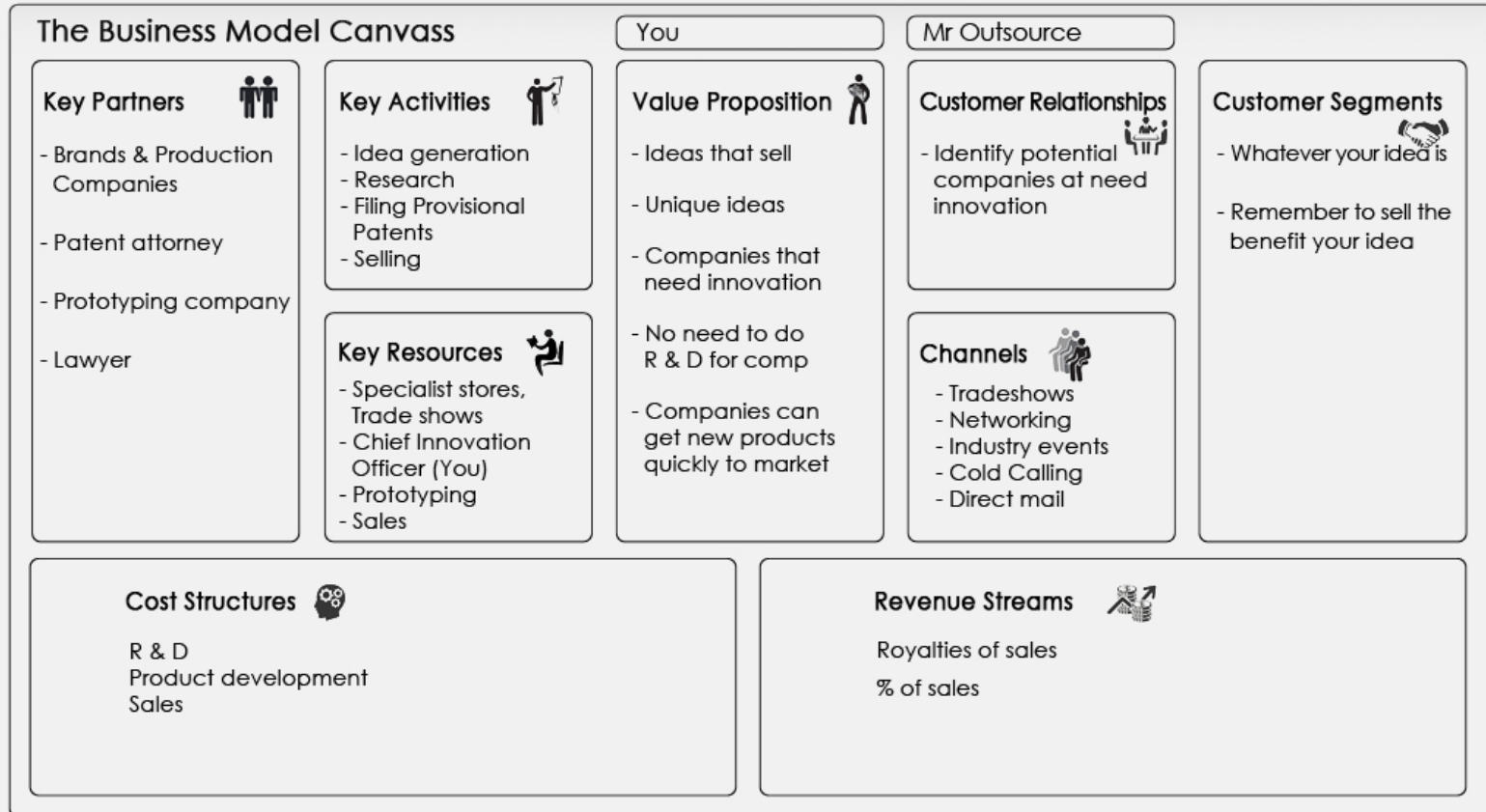
created by MrOutsource.com

Pro's

- Low startup cost
- Outsourcable
- High upside

Con's

- Ideas must fly
- Legal complications



Get Started

- Study the Marketplace.
- Innovate for the Market.
- Prove Your Idea.
- Create a Prototype.
- Create a Benefit Statement.

- Create a Sell Sheet.
- Protect Your Idea with a Provisional Patent.
- Keep Pitching Until Someone Says Yes.
- Cut a Good Deal for Both Parties.
- Keep Developing Ideas.

www.youwillneverworkagain.com by Erlend Bakke

Your **Key Partners** here are a little different from elsewhere. They include the brands and production companies you'll be working with to sell the product, but they also include patent attorneys and lawyers – this sounds unfortunate, I know, nobody likes getting lawyers involved, but in this case it's important to protect your innovation. I've said that people will borrow and build on your ideas, but you don't want them to outright steal those ideas, because then you end up with nothing. Your **Key Activities** include researching the market, coming up with innovative ideas, filing patents to protect those ideas, and then selling them to other companies. Your **Key Resources** are going to include your own imagination and capacity for innovative thinking, but also the specialist stores and trade shows where you can network with the kind of people that are most likely to take initial interest in your idea.

Your **Value Proposition** in this business comes primarily down to having ideas that sell, ideas that people want to see made into a reality, and ideas that add value to people's lives. Preferably this value doesn't exist in any other product – maybe people never even realized they were missing it until now. Your value proposition to the companies you will be working with is that you are essentially doing their R&D work for them, allowing them to buy a readymade idea which they can more quickly and easily turn into a polished final

product to be marketed and sold. Your **Customer Relationships** and **Customer Segments** are going to be related to the needs of companies that are looking for new, innovative ideas. Getting in touch with these companies, your **Channels** are going to be tradeshows and industry events, but also direct mailings, cold calling, and other forms of networking and marketing yourself.

Your **Costs** here come from research and development work, product development, and sales, and may be somewhat higher than for the other blueprints mentioned here. Your **Revenue** comes from making a royalty off every sale of the finished product. The catch, of course, is that your idea needs to be very good in order to stand out in the increasingly crowded marketplace – but if it does so, the rewards are great.

The advantage of licensing is that much of the work of product development and R&D are outsourceable, while you can focus on networking and selling. The startup costs are also relatively low in comparison with the potential rewards. The cons are the potential legal complications – hence the need to have a relationship with a good lawyer – and the simple fact that it's quite difficult to come up with a good, innovative idea that will explode onto the marketplace. However, if you have a mind for creative thinking and an

ability to follow through on your good idea, this could be the best of all the blueprints for you. I'd also recommend reading the book *One Simple Idea* by Stephen Key to give you more inspiration.