

# 12 rules for commercializing ideas

*Rule#1: Explain the usefulness of the idea in one sentence.*

# Concept Name

## Purpose

This is your “elevator pitch”. Your 30 second description of the idea. Start by relating it’s purpose to what people already know and describe the key benefit this brings to someone’s life.

## Version Information

This is the [nth] version of this document.

Total time spent on all the versions so far is \_\_\_\_\_ hours.

(In order to get appropriate responses from people, it’s important to set the right expectations. Otherwise, the reader is likely to assume that this presentation is a finished product. Ideally, you’ll revise this presentation each time you get new information and answers. This should rapidly improve your concept and enhance your chances for success. The idea is to keep working on this presentation until it contains thorough answers based on real evidence.)

## Image Here

(This is a good place to put a picture of a typical user doing the job which your idea is designed to enhance.)

Rule#2: Show that the idea is dramatically better than current alternatives.

# Concept Overview

What are the one or two benefits your idea will deliver?

Why should anyone believe that your idea will deliver the promised benefits?

What is the most dramatic and meaningful difference between this and alternative ways of getting the job done?

(Buy, read, and apply the “marketing physics” framework presented in *Jump Start Your Business Brain* by Doug Hall. Keep this overview short and to the point.)

**Image Here**

(This is a good place to include a sketch or rendering of your concept.)

Rule#3: Understand exactly who will use the idea.

# Core User Description

Describe the exact type of person who will benefit *most* from your idea. What about their lifestyle or feelings drives their burning desire for your idea? What about them will cause them to perceive your idea as very much better than alternatives?

Where are your *core* users most likely to live? How much money are they likely to make? How old are they likely to be? What gender?

How do they feel in general about the category of thing you're suggesting?

(Remember: If everyone is a core user, nobody is a core user. It is extremely unlikely that your idea will make dramatic difference to everybody, all the time, in all situations. A well-defined core user represents the most likely *leverage point* for the adoption of your idea.)

**Image Here**  
(A picture of the core user in their world: their house, car, activities, surroundings, etc.)

*Rule#4: Show an understanding of how the idea fits into a person's life.*

# Storyboard of User Experience

Tell your idea's story from the user's perspective.



(Descriptive text)



(Descriptive text)



(Descriptive text)



(Descriptive text)



(Descriptive text)



(Descriptive text)

*Rule#5: Show some proof that the idea actually works in real life.*

## The Prototype

Give a brief description of your latest prototype. If you don't have a physical prototype of any kind, you can say so here.



**Image Here**  
(Use one or more photo  
illustrations.)

Rule#6: Describe the idea's usefulness in a quantifiable way.

## Benefits & Features

Spell it out. The user is using your idea to do a specific job for them. While doing so, what benefits are the most *important* to users and *underserved* by existing solutions? Describe how these benefits increase or decrease some value that you can actually observe or measure.

For example, "When preparing to cut a piece of wood with a saw, users want to *minimize* the *time* it takes to make an accurate measurement." Explain how specific features of your product *cause* such increases or decreases in desired outcomes: "The special guide reduces the time it takes to measure and set-up a cut by 25%."

Remember: No one wants a 10mm drill. They want a 10mm hole.

### Image Here

(Use one or more sketches, photos, or renderings to highlight features that cause benefits desired by users that are important and underserved.)

*Rule#7: Describe the thinking behind the idea.*

# Key Design Assumptions

What lines of thinking have you discarded in the past? Why have you followed your current approach?

You could add: (What are the most important assumptions you've made regarding the objectives and behaviors of core users? Why do you consider your assumptions valid? What are the most important choices and tradeoffs you've made in the design of your idea? Why?)

*Rule#8: Explain what potential customers think of the idea.*

# User Feedback

Who have you shown your idea to? What was the key positive and *negative* feedback? Include illustrative quotes of both kinds of feedback.

Tips:

- >Send someone else to ask users for their opinions. They're more likely to get unfiltered, critical feedback.
- >Don't ask yes/no questions
- >The most important question is "why wouldn't you buy this?"

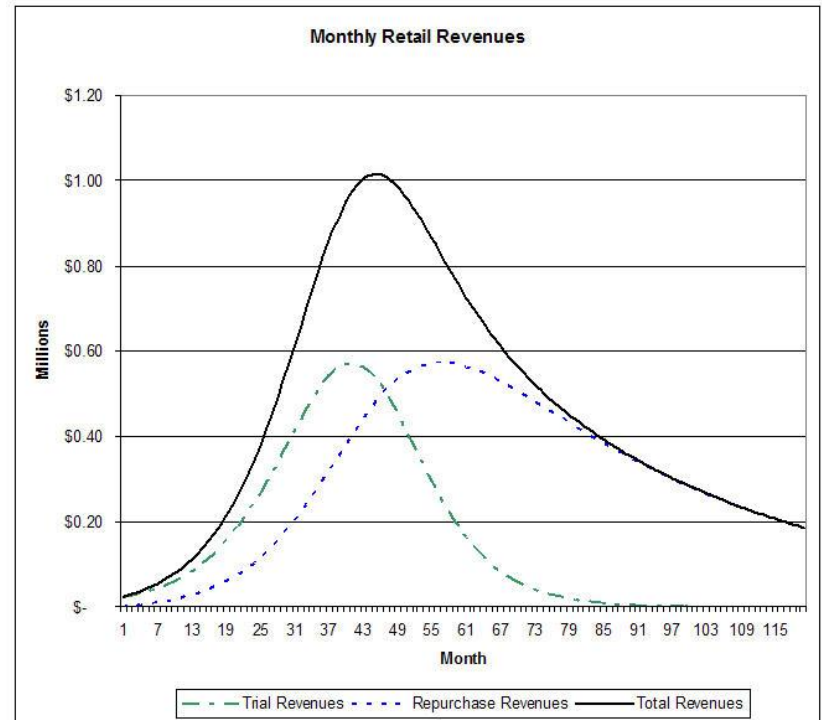
People overwhelmingly prefer the status quo. Most people are generally reluctant to abandon existing things and choose new ones instead. In order to understand how your idea's advantages are going to convince them, you must understand the perceived disadvantages of choosing your idea.

If you haven't had time to conduct any user feedback, use this slide to outline how you would go about testing your concept against targeted users who are willing and able to provide *critical* feedback.

Rule#9: Estimate the potential revenue of the idea.

# Estimated Revenue

What is your best estimate of the retail revenue of your idea over time? What key assumptions are you making about the size of the core market? Awareness levels? Distribution coverage? Sustained market share? Margins? Repurchase rates and repurchase cycles?



*Rule#10: Show that there is inherent intellectual property that can be defended.*

# Status of Intellectual Property Asset

Licensing normally requires robust IP such as a utility patent.

However that is not the only kind of intellectual property. Proprietary processes, economies of scale, exclusive supply deals, speed to market or a major brand name all create barriers to entry and leverage for negotiation.

All to make dealing with you the easiest, most logical option for licensees, partners, suppliers.

Oh, and have you Googled it and done a USPTO check?,

*Rule#11: Admit that there are unanswered questions (even doubts) about the idea.*

## Key Uncertainties

Of the roughly 30,000 new products introduced by the consumer packaged goods industry every year, 70% to 90% are not be in the market after 12 months. The same applies to services and new retail ideas. Clearly, there is no such thing as a “sure thing” in this business. Your presentation will have more credibility if it acknowledges those areas where your uncertainty is greatest.

What kind of information would make you more confident that your idea’s value proposition will be validated by users? Your IP package will be sufficient to support a licensing or sale transaction? The market will be large? Your idea can be designed, manufactured, and distributed in a manner that delivers the promised benefit at a cost that allows competitive pricing relative to a broad range of alternatives?

Telling potential partners your doubts encourages them to think of solutions.

*Rule#12: Demonstrate that this could form a growing business.*

## Expansion Opportunities

How could you extend this idea beyond the core market? What kind of opportunities might there be to develop a line of related offerings? Once you've developed the credibility of the *central* idea in the previous pages, now is the time to describe the broader view.