

CHAPTER 3

FROM NO-WHERE TO NOW-HERE, BRINGING PRODUCTS TO MARKET

BY THEO PRODROMITIS

MY WHY

Did you ever have a pivot point in life and get turned in a direction that is extremely uncomfortable or uncertain? One of mine was when I was anticipating the birth of my first child. Prior to that, I enjoyed a successful career in the professional beauty industry, as a national sales trainer. All the luxuries I had enjoyed in my travels that included spa visits, would now take time and I just didn't have a lot of that. My mom and dad had passed away years ago; I missed their wisdom, and I needed advice on how to balance it all! Their amazing spirits resonated in my heart and mind. Thankfully, I had my incredible older sister Themie, with four children, to help guide me. I was determined to figure out how to include a little luxury in my new role and to launch a movement of self-care. My brother Dean, a beauty industry expert and I collaborated and came up with a plan. Our brand, Spa Destinations, was born.

THE LAUNCH

We decided to sell through an in-home party plan because it made sense to meet our target customers in the comfort and privacy of their homes. Not surprisingly, our budget was bigger than our personal funds, or small angel investors could handle. We found multimillion-dollar investors to serve in a key strategic, advisory role (and surrounded ourselves with incredible people). Our mission was now in motion!

BOOM

The journey was off to an amazing start. It was a combination of the hardest work I had ever done and the bliss of enjoying my new family. I was building a dream and legacy (no pressure). Life had another plan for us with the housing crisis/recession of 2008. Time to pivot again. This time I had three children under the age of five, was newly divorced, and everybody was hit hard financially. In-home parties declined, and unfortunately, so did our sales. We scaled back to the basic, most profitable products. Time to reinvent ourselves, stay true to the mission or go bankrupt. For the next several years, we held on tight. (We call those the white-knuckle years.)

EARLY ADOPTERS

E-commerce and the Amazon platform were gaining traction, but many of my colleagues feared Amazon. The magic of being able to reach customers 24/7 across the nation was quickly very clear. Having Amazon, an enormous logistics and marketing giant on our side (the 800-pound gorilla) was the spark that lit my fire again. I was invited to a Women's Entrepreneurship Conference. I was learning from an entirely new world of experts. While our growth has been exponential, we stay humble and flexible.

STAY RELEVANT

In 2018, we rebranded and relaunched our entire line of products, have been featured on TV, national publications, podcasts and more. I can't wait to share the biggest lessons we have learned.

A. Identify Why you want to launch

The most crucial question that needs to be answered before planning a product launch is ...why? The top answers are (a) to make lots of money, (b) to help the world, (c) to leave your day job and (d) to share your genius and gain recognition.

Solution Products: These products solve unmet needs (usually of the inventor/ creator) and of course thousands (maybe hundreds of thousands) of others. This holy grail of products solves real problems that you are certain that others have. To come up with your own idea, simply walk through your house and make a list of every little thing that bothers you. Solution product ideas are born out of necessity. If it rains 70% of the time and your umbrella holder does not accommodate wet umbrellas dripping, a solution product is born. *This category has the highest percentage of patents.*

Passion Products: Do you just love a “work around” you came up with? A passion product is something you absolutely love and evangelize about without any compensation. Finally, it occurs to you (when other people keep saying, “wow, that is a great idea,”) that it could be marketed. These are products that improve on an existing category that the creator knows well. For example, if a busy mom mixes her kid's yogurt, liquid vitamins and muffin together in a container because there is nothing that offers all three, she is creating a passion product. Passion products find you; you don't have to go looking for them. There is incredible potential here to build a brand known for ideas. *A trademarked name is critical to establish credibility.*

Private Label Products: In this day and age, you can get almost anything made for you to sell. The saying goes that “imitation is the greatest form of flattery.” Are you creating something logical to complement your business? A yoga instructor can offer private label yoga pants and the finest yoga mats. Their clients already have a built-in need for the item, so tremendous value and convenience comes from the expertise in offering high quality. This product category has the lowest barrier to entry so you can focus most of your resources on marketing. The key is finding existing manufacturing in the USA or abroad, that can accommodate consistent quality and scaling quantity. *Don't be fooled if it appears too good to be true, do your research!*

THE TEST

Are you adding value for customers by creating it, combining it or making it available? Value can come from inventing it, creating it, sourcing it, putting it together or simply marketing it and bringing it to the attention of customers.

SUCCESS FORMULA TIP: Play the long game. Be certain that your financial needs and goals are in alignment. Most product launches will not produce an income for at least 18 months.

B. Money, Money, Money, Money

A crucial part of launching a product line is to figure out how you are going to pay for it. Many people are looking for a “get-rich-quick” plan, but they're missing some of the pieces of the story. Three ways to finance a project include:

- #1. Your own money
- #2. Friends and Family money
- #3. Other people's money (crowd funding, angel investors, venture capital firms)

Most entrepreneurs start with #1 and grow into #2 and #3. Anything that can happen... and will happen during the research and development phase and bringing it to market. Be brutally honest with yourself. Do you have the grit, risk tolerance or desire to utilize other people's money? It's always going to cost more than you think. Finally, investing in quality is the single, most impactful action you can take.

Take a close look at your finances and budget what you can afford to invest. 100% funding may mean 100% control – however, you will be limited to what you know. Beware of falling in love with your idea because it can cloud your judgment or get you overextended. Once you have determined how much you will invest, the second option is family and friends who believe in your idea. You can often secure family and friends' investments with a conversation because they are investing in you (not just the product). Draft a simple agreement to ensure you have a mutual understanding that protects the relationship and the investment.

Demonstrate your professionalism, clarity of communication and understanding of business needs by developing an executive summary (one page or one sheet). Traditional investors, investment firms and venture capitalists will require it. This is a succinct overview and reference in an industry-standardized format. An executive summary includes:

- One-line product description
- Business Summary
- Management Team
- Customer Problem Solved
- Product
- Target Customers, Target Market
- Sales and Marketing Strategy
- Revenue Model (show me the money)
- Competitors
- Points of Difference (Competitive Advantage)

Watch episodes of “Shark Tank” where the very savvy, multimillion and billion-dollar investors ask the same questions over and over regardless of the product, service or category.

Do you have any intellectual property?

What are your current sales?

How much does it cost to make and how much do you sell it for?

Then they consider the entrepreneur’s drive, upside potential and scalability. Key insights from the most successful entrepreneurs are revealed in this formula. Answer these questions for yourself as you go.

SUCCESS FORMULA TIPS: Track every dollar spent in research and development. Make formal agreements (even with friends and family) for all money invested. Consider hiring a fundraising professional when the time is right. You will be glad you did.

C. What is Intellectual Property Anyway?

An extremely important facet of launching a product is answering the question of intellectual property... is it protectable? One of my wisest investments has been working with amazing intellectual property lawyers. These key concepts will directly affect the success of your product launch journey. What is a trademark, a patent and a copyright?

Trademarks

A **trademark** is a word, phrase, symbol, and/or design that identifies and distinguishes the source of the goods of one party from those of others. (www.uspto.gov)

A **service mark** is a word, phrase, symbol, and/or design

that identifies and distinguishes the source of a service rather than goods. Some examples include: brand names, slogans, and logos. (www.uspto.gov)

A trademark can be either a word mark or design symbol or a combination of both, and these are registered with the United States Patent and Trademark Office (USPTO). There is an online application for up to \$400 per product category. (automotive, beauty, etc.) Ensure accuracy and protection with your attorney, they know the nuances that will provide protection in the future. Don't cut corners on legal advice (or product quality).

Beware of scams/commercial sites or official-looking notices in the mail that attempt to interject themselves in the process but are not affiliated with the official agency. They often use government terms and Washington, DC addresses to confuse applicants. Third party website ownership can be researched at: www.whois.com. Use the official United States Patent and Trademark Office site: www.uspto.gov.

Patents

A property right granted by the Government of the United States of America to an inventor "to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States" for a limited time in exchange for public disclosure of the invention when the patent is granted. (www.uspto.gov)

There are two different kinds of patents – utility patents and design patents. The patent process is intense, creative and requires incredible detail and resolve (and is far more expensive than a trademark). For products that are going to have a unique design feature, it will be critical to begin the patent process and to do the research on existing products in that category. You will need a technical drawing or

engineering rendering before applying. Avoid marketing scams that target “inventors” by promising to make it easy and cheap. Intellectual Property Attorneys will advise you on accomplishing your goals with either United States (www.uspto.gov) or the World Intellectual Property Organization (www.wipo.int).

Copyrights

(a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. – United States Copyright Office (USCO), online at www.copyright.gov.

Copyrights can extend to literary, musical, dramatic works, pictorial, motion pictures, sound recording, architectural works. They do not protect ideas, procedures, processes, systems, methods of operation, concepts, principles or discoveries.

Do You Use Independent Contractors?

Please consider some sage advice about hiring independent contractors to do creative work for your company, like website developers, graphic artists, photographers, ad copy writers, researchers, etc. Although state laws vary, a general rule is that independent contractors will own the work product that they create for you – not you. You will need them to sign a written assignment to you (or your company) to ensure ownership. Work done by employees as part of their job duties, on the other hand, is generally owned by the company. Best practices include having all employees sign a written assignment when they create valuable work for your company.

Liability

In addition to registering trademarks, patents and copyrights, it is equally important to avoid infringing on the intellectual property of others. This is crucial because “ignorance is no defense” under the law (although knowingly infringing can lead to enhanced damages against you in court). Imagine launching a big ad campaign only to get a “cease and desist” demanding that you change your trademark. “Corporate shield” protection that comes with incorporating may not protect you. Liability for these types of claims is personal, meaning you could be on the hook personally for damages even if your company cannot pay.

SUCCESS FORMULA TIPS: Understand Trademarks, Patents and Copyrights (having them doesn’t guarantee that your product will sell). Always consult your IP Attorney.

D. Manufacturing

There are benefits of physically making the product yourself in the beginning. Iron out the kinks before seeking any type of patent or trademark protection. Gather market feedback and make revisions for maximum efficiency. For manufacturers, the key questions to ask include; set up fees, minimum quantities, volume discounts and lead times. Private label products can be made in the U.S. or abroad and most times are not considered for patents because they are not proprietary.

Thomasnet (www.thomasnet.com) can help steer you to U.S. manufacturing depending on the materials utilized, high-tech or low-tech components and intellectual property. When you are physically making a product, you will be responsible for the ingredients/ components and performance with increased liability. Manufacturers will carry their own liability insurance to help mitigate the risk. The truth is that many other countries do not recognize or respect trademarks and patents when manufacturing and it is expensive to seek remedies for infringements.

Manufacturing Pros and Cons

U.S. Manufacturing

Governed by US laws
& USPTO

Higher Cost (generally)

Quality Control

Shorter Turnaround time

**International
Manufacturing**

Manufacturing is not and
subject to US Trademark
and Patent law but sales in
the US are.*

Lower Cost

Low to No control over
quality without direct
representation in that
country.

Subject to longer lead
times, higher cost to
expedite orders
internationally, political
changes and tariffs.

* It is an infringement to
make, use, sell, or offer
to sell a product in the US
that is the subject of a US
patent. Ignorance is no
defense – you can be
liable even if you don't
know about the patent.

Research whether international counterfeit/knock offs are an
issue in your industry.

SUCCESS FORMULA TIPS: Production quality, availability and volume capacity can make or break your product. Quality builds sustainable brands.

BRAND PROMISE

Your product can help bring a brand to life but is not “the brand.” Core values, practices, integrity, customer experiences and impressions create the feeling and story of a brand. A brand lives in a sacred place in the hearts and minds of consumers and drives engagement and purchasing behavior.

Thank you for taking this journey with me.

Time to Light Your Fire. Opa!



About Theo

Theo's lifelong passion for business is born of "philotimo," a distinctly Greek personal and cultural imperative that life has a deeper meaning through larger contributions; to honor your God-given gifts by improving the lives of others.

Theo Prodrimitis learned business values, ethics and tenacity at an early age from her vivacious, business-savvy, Greek family. She ran her first retail venture at age 8, naturally thriving amid the personal connections, science and craft of her entrepreneurial success.

Through decades of visionary executive leadership as a CEO, successful Amazon entrepreneur and expert marketing strategist, she creates exponential growth and profits for her own companies and hundreds of others. Theo's expertise spans business development and intellectual property, manufacturing and logistics, and to marketing and strategic communications. She is a sought-after spokesperson and fierce advocate for the interests of women in business and small businesses nationwide.

Under her leadership as co-founder and CEO of Spa Destinations, the company became an early adopter of the emerging Amazon Marketplace platform, rocketing its post-recession growth trajectory. Theo was selected for the Amazon Women's Entrepreneur Conference and spoke at Amazon's BOOST Conference.

Theo Prodrimitis became an Amazon Business Advocate, as well as taking on a leadership and advocacy role in support of favorable national policies for small businesses. In that capacity, she led the Amazon Business Advocate Delegate meeting with seven Congressional leaders on the Small Business Committee. She was nominated by Amazon and won a 2018 National Retail Federation "Champions of Retail" Award. As an honoree, Theo lobbied Congressional leaders on behalf of the 42 million Americans in retail and serves on the NRF Small Business Retail Advisory Council.

As Founder and CEO of Out Front Brands, Theo consults in branding, product development, sustainability and fast-growth businesses. Clients develop unique brand DNA, align marketing communications, discover opportunities

for corporate evolution, and implement creative e-commerce strategies.

Theo Prodromitis is an award-winning trainer and national speaker. She has been a guest speaker at Amazon Headquarters, Seattle, WA, Voice America, Working Women of Tampa Bay, University of South Florida, St. Petersburg's Entrepreneurship Program, National Retail Federation podcast, a productivity trainer for Fortune 500 companies, and a presenter at The Home Depot Innovation Center. She was a Cultural Sensitivity Training Specialist for The International Indian Film Academy (IIFA) Awards, Visit Tampa Bay and Downtown Tampa Partnership Guest Experience Training.

She has been featured in the *National Retail Federation Retail Gets Real*, *Small Business Journal* on International Women's Day, *Business News Daily*, *Tampa Bay Times* and *Small Biz Daily*. Features include: Amazon Blog, Day One, Stories of Entrepreneurship, Storefront Women-Owned Business feature and Storefront of the Week, Yahoo Finance, Bay News 9, ABC Action News, FOX 13 and NBC.

Theo champions many philanthropic causes, including women and children's health and safety and sustainability. She holds a Political Science degree from the University of South Florida and Yale University Certificate in The Science of Well Being.

Theo is the dedicated mother of Mary, Jacqueline and Spero as well as the organizer of her big Greek family reunions.