5 SERIES OF MENTORING PROGRAM

RESEARCH 2 BUSINESS

Mohamad Fani bin Sulaima

MTU Showcase: Bring Innovation
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Part 3: How to Secure Fund for Business Startup

Exposé the audience with the abundance of pre-commercialisation grant that are available in RMK-10. What are the agencies involved in providing the grant and what are their focus areas?

Discuss other funds that can be raised for business start-up and how to pitch for the different panels. For example, venture capitalists want plans with huge growth rates, in high-growth industries. They will not tolerate high risk ventures. The same goes for angel investors, but they are willing to accept less ownership shares and returns. Most VCs and angel investors, that I have met were not willing to sign an NDA, this could create conflict with protecting the interest of researchers.

‘Crowd funding’ is coming and will become trend for future startup.

Pitching for fund should start with a convincing business plan. You have to start with presenting a solid team with strong foundation on the science and the technology (know how). Know your market segment and how much you need? You also need to show positive growth and sustainability strategies for the product and future business.
R2B – Part 1
BUILDING YOUR NICHE

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INDUCTION

1. Do you have an idea/IP for product development?

2. Have you won medals for your product?
   • National level (G / S / B)
   • International level (G / S / B)

3. Have you received any pre-comm grant for your prototype?

4. Do you know your market?

5. Do you have a plan?

6. What are your expectations?

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Part 2: Protect Your Interest

The second part of this training programme highlights both the technical aspects of ‘Intellectual Property (IP)’, as well as the strategy that can be implemented to secure and manage your IP.

The rule of thumb is to keep the idea or invention to yourself, until you file or register for an IP. This module will also guide you on how to protect your idea or prototype and preparation of an NDA document.

Understand the main reason for securing IP right in order to develop a better strategy for your long term plan. IP is the right to prevent other people from doing the same thing that you are trying to protect. Ideas that are released without any protection will either attract others to undercut the inventor or hamper further progress due to lack of potential values.

Next, presentation on the different types of IP, and strategy to pursue based on what is best for your kind of product(s). If you want to commercialize your idea or prototypes you must know the difference of each IP type and exploit full benefit from it. In addition, you will also learn to manage issues regarding joint IP.

Finally, the scope of information that you should reveal. Once your idea is published it is too late to file a patent application. Therefore, you must know what materials to publish and still be able to secure your IP.

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Tonight we met with Jeff Bohanan, founder, owner, and CEO of Protomet Precision Manufacturing, a high-end machine shop in Oak Ridge. Jeff founded the company in 1997 after having worked at the Y-12 nuclear complex for about ten years following his graduation from UT with a degree in Mechanical Engineering. Protomet was different than most of the places that we have visited in that it is primarily a manufacturing facility.

Jeff described how he founded the company after leaving Y-12 “cold turkey” in his words. With a partner, he started in an office doing contract manufacturing with no manufacturing equipment. After struggling to get paying customers, Protomet was able to land a deal with Mercedes-Benz making a seat belt clamp for the ML320 SUV. This first job allowed Jeff to buy the equipment needed to get the business up and running.

Protomet makes a point of working closely with its customers to design parts for manufacturability, helping them reduce costs and at the same time making Protomet more competitive compared to other contract manufacturers who do not work as tightly with their clients. Protomet employs full-scale CNC machining, utilizing lean manufacturing techniques to produce a high level of production from a small labor force.

Jeff also gave us some personal thoughts on being a technopreneur. He described the difference between invention and innovation as invention as having a new idea, and innovation as being able to improve upon that idea and monetize it. He has certainly been able to do that with Protomet. Its success is based on optimizing processes, maintaining a skilled talent base, and exploiting synergy between design and manufacturing. He likened running a business to driving a car—you have to look far enough ahead to ensure that you don’t overcorrect for small errors.

Jeff also emphasized the importance of being persistent and resilient, putting a positive spin on things and moving forward even when failure seems unavoidable. He likened being an entrepreneur to receiving a ‘gut punch’ every 90 days, citing examples of unexpected issues such as customers threatening to pull out after an order has been placed.

The lessons we learned tonight are valuable to any industry that aims for world-class performance. The ability to work with customers and clients to improve not just their product but also your own is a crucial lesson for anyone wanting to enter a business, particularly in the design and manufacturing industry.
More to come for 3-D

THREE young Singaporeans who went online to raise US$100,000 (RM306,000) so they could start making the world’s cheapest 3-D printer are suddenly thinking bigger.

"If things keep up, we could break the US$2 million (RM4.9 million) or maybe even the US$3 million (RM7.3 million) mark," said Brendan Goh, ZS, a materials science and engineering graduate of Nanyang Technological University (NTU) and co-founder of the start-up Pirate3D.

The reason for his optimism? Within just 10 minutes of launching their 30-day fundraising bid on crowdfunding site Kickstarter.com on May 30, they hit their US$100,000 target. And the money’s been rolling in, at the rate of an average of US$81,000 (RM248,000) a day ever since. As of 11pm on Saturday, the total had hit US$760,000 (RM2.3 million).

The Kickstarter site lists various projects that need funding and anyone can pledge money to ideas they like, giving anything from US$1 (RM3.06).

Kabbage issues loans as small as $500 and as large as $100,000, based on your real-life business data.

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Part 4: Required Softskills and Attributes

Discuss new skillsets that one need to learn in order to embark into commercialisation and business venture. You must be ever willing to learn new things everyday. This module will expose and guide you to the relevant skills needed:

- Learn to be a leader and champion your product all the way for business.
- You must also identify your strengths and polish them to propel your dream into reality.
- Negotiation skills are also important for you to master. You also need to acquire the basic knowledge in marketing, finance, and management.
- To be a technopreneur you will also learn the art of effective execution and not to loose focus in your endeavour.
- Have a mindset that focus on giving the best service to your client and always be responsive the need of your customer.
- Learn to be passionately confident yet polite.
- Learn and master the different types of pitching for your ideas.
- Attributes of a technopreneur: Passionate; Endurance (It is like running a marathon); Technology know-how; Market know-how; Risk management; etc. 

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Tomorrow's illiterate will not be the man who can't read; he will be the man who has not learned how to learn.

Herbert Gershow

**WHEN PITCHING TO INVESTORS**

1. Introduce yourself: Keep your introduction as succinct as possible, but make it clear what your business does.
2. Address the problem in the marketplace: Show evidence that the problem both exists and in desperate need of a solution.
3. Outline your solution: Highlight the "uniqueness" of your service or product.
4. Highlight your successes so far: Let the investors know what stage you're up to and the achievements you've made along the way.
5. Identify your target market: Not everyone will want your product or service, which type of person are you targeting? Be specific!
6. Identify your competitors: Show off your market research and explain who your direct and indirect competitors are.
8. Identify your funding needs: Ten.
9. Introduce your team: Briefly outline your operational team and advisors and their credentials. Many investors invest in the team rather than the idea or product.
Background Reading
Ben Kaufman turns homespun ideas into hot-selling gadgets with his company Quirky.com

Brian Cohen, vice chairman of investment group New York Angels, said Kaufman and Quirky are tapping into the rise of social media and crowd sourcing, where large groups get to offer their views on a project. "It fits the time. There is desire on the part of young people to contribute," Cohen said.

The challenge for Kaufman, he said, will be executing on multiple types of products while fending off copycats. "I don't understand what prohibits anyone from doing this tomorrow," Cohen said.

Kaufman has challenged conventional wisdom before. He became an entrepreneur at age 18. Sitting in his Huntington, L.I., high school math class, he got an idea for an iPod shuffle case you can wear around your neck. He called it the Song Sling. The high schooler convinced his parents - mom owned a merchandising company, his dad is a lawyer - to mortgage their home for $185,000 and flew to China to find a factory to make his gadget.

Kaufman attended college for six weeks but dropped out after raising $1.5 million to launch his iPod accessories company, named Mophie, for his dogs, Molly and Sophie. Within a year, he won Best in Show at Macworld. He returned a year later without a new product, but with an idea.

Why not let the crowd design his next product? He handed out 8000 notepads and another winner evolved: an iPod shuffle case that's also a bottle opener, dreamed up by a 17-year-old. It went on to sell tens of thousands of units.

Kaufman realized that groupthink might be the best business of all.

He sold Mophie in 2007 and started to build Kluster, a group decision making technology that harnesses a crowd's contributions and tracks their influence. It became the foundation for Quirky. "We developed this amazing platform," Kaufman said, "Now I'm ready to bring the world in."
Part 5: Business Growth

Start your business, first by building your brand and credibility.
Don’t go for perfection but ‘Just do something’!
Start as early as possible and find mentor(s) that can coach you.
Always willing to learn new things and be alert to new opportunities.
Learn to prepare an attractive business plan which include: Cover page, Executive summary, Detailed costing, Product description, Future growth, Market analysis, Marketing strategies, Milestones, Company’s structure, and Return of investment (ROI).

Prepare a long term growth strategies which include:
- How to be the market leader in your core business?
- Products and services that you can offer as extension to you ‘cash cow’ core product.
- Diversification strategy to promote growth beyond the core business.
- Strategic partnership or franchising opportunities for further business growth.
- How much to invest in R&D activities to ensure sustainability of your business?