
New Product Marketing

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How Important is the Evaluation Process to Your Invention?

We are frequently asked the question of the worth of an outside evaluation, early in the invention process, by inventors seeking to qualify whether or not such evaluations are necessary and whether they are worth the money they cost to perform. I would like to share some of my own thoughts, and perhaps a few additional resources, to this question.

Are these evaluations worth the price? Let's take a moment and define exactly what a good evaluation should consist of.

First, it should take into consideration the thought process behind the invention. It should also take into careful consideration the marketing aspects, including "known" competition that the invention will compete with.

And it should have a section devoted entirely to some sort of Success Probability Rating, or a similar equation that says if this happens, then that should be the expected result. It should be market-based, not strictly academic-based, and it should be no less than three to five pages in length, depending on the technologies employed.

It should be strong enough in its assumptions that it will help form the decision-making process as to whether you will proceed or divert the creative abilities you have into another channel, before you spend a lot of money on the invention being evaluated!

Now let's put the evaluation process into something everyone feels a bit more comfortable about, real estate!

If you had a home you wanted to sell, or even lease, you would undoubtedly call an appraiser for a estimate of fair-market price, would you not? As a prospective buyer, you might wish to do the same to make sure the price quoted was indeed fair-market value.

The negotiating factors come into play, and either the house is sold or bought, or the deal goes poof! Sound familiar? It should! This experience almost echoes that of thousands of inventors every year.

But the unfortunate thing is that many inventors never first seek out an

appraisal -- the excuses for this are many, and yet the reasons are few! If your invention were real estate, this would be commonplace, but since it is "just" an invention, no way!

How many of you know personally an appraiser who would come out and appraise and estimate your real estate holding for nothing, as a free service? A professional appraiser will either save you money or make you money, based upon the recommendation he makes that you follow. And most real estate investments are long-term, not short term -- very similar to the innovation process.

If the appraiser is not known to you personally, how many of you would put a lot of stock in what he did for you on a pro bono basis? Those who are regular readers have probably heard me say this before, "but you get what you pay for"!

If your property investment, whether real property, intellectual property, or otherwise, is not worth the cost of an appraisal, or putting a little money into, then you really should have no business being involved. Free rides are great, they generally generate a good memory, but nothing of long-standing value.

Prices for evaluating inventions will vary, much as the technology involved varies. On the low end, I would think \$100 for a mini-evaluation -- some large companies pay many thousands of dollars for up-front evaluations, so I would have to place the cost for a good evaluation that contains the above criteria somewhere in that range.

Before going with an Evaluation Service, whether it be private, government-based, University-based, or other, find out what the evaluation will consist of. Solve as many of the market variables as you can before you submit the idea for evaluation. This will save the evaluator time, and that will end up saving you money.

All in all, I think an average of around \$250 per evaluation should deliver a sturdy framework for most inventions that are low to mid-tech in their specifications, and this evaluation is a very handy thing to have down road in the marketing process, especially if your ultimate goal is to seek a licensee.

I have offered free evaluations in the past to all independent inventors that wished me to review their ideas. Some of these ideas have been under Non-Disclosure Agreements -- others were patented or patent-pending.

But I am now seeing more and more of the nefarious "scam" companies offering free evaluations as well, so I have begun deviating from free evaluations. It is only prudent, it is only fair, and I will continue to maintain a sense of separateness in all operational attitudes of what I do for the American Inventive Community versus what these "scammers" do.

I am also pleased to announce that I have formed yet another alliance with

Huston Resources, Inc. (HRI), a captial-holding group company out of Tulsa, OK, who will evaluate, develop, and market new ideas and inventions.

The founder of this company is Todd Huston, named one of the Ten Outstanding Young Men in America for 1998 -- I am pleased to have formed a friendship with this group, it shall bode well for my inventor friends in times to come. HRI will soon be mailing out a brochure to all inventor groups -- rest assured he is for real, and I stand solidly behind him in their endeavors.

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