

BUSINESS

New Web-Based Vermont Innovation Marketplace Is Lauded As A Success

BY KIM J. GIFFORD

Vermont Innovation Marketplace, designed to connect innovations and inventions by Vermont entrepreneurs and businesses with potential investors, distributors and manufacturers, has officially launched with great success.

The Web-based marketplace, launched April 20, is a project of the Vermont Manufacturing Extension Center (VMEC), which is an affiliate of the U.S. Department of Commerce National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP) program and Merwyn Inc. Eureka! Ranch has also been a key player in the effort.

Only eight days after its launch, the Vermont Innovation Marketplace had already received over a half-million inquiries, according to Patricia Giavara, supply chain services manager for VMEC.

"These were people who had gone on and either looked at innovations there or posted requests for innovations," said Giavara. "We are seeing a lot of traffic.

"We are excited about this launch, because Vermont is a very entrepreneurial state," she said. "By several measures, we generate a lot of patents in the state – many from IBM, but many inside other companies – (and) the marketplace creates an opportunity to take those ideas and turn them into a real business, and to help accelerate those connections to do so."

Benefits for the innovator include "60-second business credibility," said Giavara.

"Inventors' ideas are taken more seriously by companies, because each idea comes with an independent research report and sales forecast that can be understood in 60 seconds."

The buyer benefit, she noted, is "smarter, faster, cheaper innovation development. The innovation marketplace provides companies access to a virtual innovation department that is as much as three times more successful than their own R & D (research and development)."

Samples of requests for innovation include Proctor & Gamble, which wanted to purchase innovations that offer new and effective delivery methods or ingredients that can improve scalp health or eliminate dandruff for use in a consumer product, as well as a leading home improvement specialty retailer wanting to distribute quieter wind turbines for home use.

Recent innovation postings included a "hide-a-tank" decorative enclosure for

propane tanks and a wireless bridge assessment system.

The Vermont Innovation Marketplace is a subset of the USA National Innovation Marketplace, and is one of only four early adopter states including Arkansas, Kansas and Maine.

"The launch of the Vermont and USA National innovation Marketplace represents a significant step forward in addressing a clear need to accelerate customer-focused innovation in American products and services, profitable company growth, and entrepreneurship in our state – especially in this tough economy," said Robert Zider, director and chief executive officer of VMEC.

"Over the next four to five years, we expect the marketplace will become a recognized source of new economic stimulus for Vermont," Zider said.

Individual inventors or businesses then have the opportunity to have their products evaluated for their viability and translated into an understandable and marketable language.

Zider said the Vermont Innovation Marketplace is "a 21st century tool" to help create and accelerate profitable growth opportunities for existing companies, inventors, researchers, investors and entrepreneurs. He noted it fits in with the growing "suite of profitable growth services now being offered by VMEC."

Giavara noted that a 2008 study by Georgia Tech researchers of 738 manufacturers found that companies that compete on the basis of innovative products or processes have a three-year average profit margin that is more than 50 percent higher (14.5 percent versus 9.2 percent) than companies that rely on other marketing strategies such as lower prices, higher quality or listening to focus groups and customer demand.

The Vermont Innovation Marketplace offers three services – translation training, valuation forecasting and access to buyers, investors, manufacturers and distributors – to individual

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inventors or businesses with products to offer.

These individual inventors or businesses, referred to in marketplace lingo as “innovators,” then have the opportunity to have their products evaluated for their viability and translated into an understandable and marketable language to best reach those with a potential interest in their products.

After participating in a Merwyn Business Translation workshop, available online or in a live, half-day session, innovators learn how to translate their ideas, inventions or technology into “a customer-focused product or service description” that can be easily understood by the average businessperson, according to VMEC’s Web site.

For instance, after participating in a translation workshop, one company saw its product description transformed from “barrier compositions and article produced with the compositions” to “cancer-safe fast food wraps” – something any potential investor or person off the street could understand, according to a press release about the launch of the marketplace.

In addition to helping entrepreneurs come up with more marketable language, the Merwyn Business Simulation report provides a valuation or assessment of products and ideas in terms of a concept score. This score rates how well the concept translates into an actual business opportunity in terms of sales, profits and fair market royalty. It provides scenarios for different marketing support strategies, and details the development and proprietary protection status.

Finally, the Vermont Innovation Marketplace provides innovators with access to manufacturer connections via the 1,600 members of the NIST/MEP network.

There are several advantages to having an individual state marketplace, said Giavara, including the opportunity for Vermont inventors to more easily connect with Vermont manufacturers, distributors and investors.

“States without a marketplace don’t have this visibility, and their innovations and requests are lumped together in the National Innovation Marketplace,” she said.

She also noted the state marketplace provides a platform for innovation development synergy among state economic development organizations such as state and regional economic development departments, the Small Business Development Center and business incubators.

“It also provides a basis for policy development or other economic development strategies and funding because there is visibility to the innovation inventory or pipeline,” said Giavara.

“For example, if a large number of innovations in the Vermont marketplace were in one technology sector, then supporting policy and infrastructure to support commercialization in this sector could be prioritized. If the average propriety protection of innovations is low, then funds may be directed toward a patent program.”

The marketplace also can serve as a place to generate ideas, Giavara said. For example, when she saw a posting on the Canada Innovation Marketplace involving a honey drop product, she immediately saw a connection to Vermont in the form of a similar maple drop product and the opportunity for “value-added agriculture” in Vermont.

There is no cost for companies who want to participate in the online version of the Merwyn Business Translation Workshop or buyers registering requests for innovations. However, the five-page Merwyn Business Simulation Research report costs \$2,000. Posting the report, however, on the marketplace Web site is free.

According to VMEC’s Web site, until the end of 2009, an opportunity remains to become a founding sponsor of the Vermont Innovation Marketplace, with three levels of sponsorship available. Founding sponsors receive year-round exposure on its Web site, including their logos and link to their Web sites. For more information, visit www.planeteureka.com/marketplace.