Contents

Preface — V

List of Figures ---- XIV

About the Authors — XVIII

Introduction --- 1

Part A: The Business Side of Innovation

1	Starting Out with Due Diligence and Early-Stage Market
	Research —— 15
1.1	The Life Cycle of a Company —— 15
1.1.1	Life Cycle Deviations —— 18
1.2	What is Due Diligence? —— 18
1.2.1	Why Conduct Due Diligence? —— 20
1.3	Types of Due Diligence —— 23
1.4	Performing Market Research —— 24
1.4.1	Utilizing Market Reports and Other Resources —— 25
1.4.2	Bringing It All Together with an Example —— 27
1.4.3	Identifying Target Consumers —— 29
1.4.4	Closely Scrutinize Competitors —— 31
1.5	At the Conclusion of Due Diligence and Market Research, Prepare
	A Value Proposition —— 32
2	Validating Your Business Model —— 34
2.1	Business Validation —— 34
2.1.1	Will the Market Support the Business Model? —— 36
2.1.2	SWOT Analysis —— 39
2.1.3	Validate Business Models with Stakeholders — 40
2.2	Concept Validation —— 40
2.2.1	Defining User Requirements —— 41
2.2.2	Early-Stage Market Research Overlaps with Concept
	Validation —— 43
2.2.3	Validate Throughout Development —— 43
2.2.4	Final Thoughts on Concept Validation —— 45
2.3	Stakeholder Analysis —— 46
2.3.1	Stakeholder Feedback on Human Factors — 48



2.4	Carefully Analyze the Voice of Your Prospective Customer –
	Survey and Focus Group Design —— 49
2.4.1	Getting Started —— 50
2.4.2	Psychology of VOC —— 51
2.4.3	Designing the Survey/Focus Group —— 51
2.4.4	Drawing Conclusions About Human Factors (Regarding the
	Concept/Product) from VOC Results —— 53
2.4.5	Conduct Customer Surveys — 54
2.4.6	Extracting Useful Information from VOC Data Through Statistical
	Analysis — 56
2.4.7	Two Practical Examples —— 58
3	Forming a Business Around Your Technology —— 65
3.1	What Is a Business? —— 65
3.1.1	Sole Proprietorship —— 68
3.1.2	Partnership —— 68
3.1.3	Corporation —— 70
3.1.4	Limited Liability Company (LLC) —— 71
3.2	Support Structures for Startups and Small Companies — 72
3.2.1	Small Business Administration (SBA) — 73
3.2.2	State Programs —— 74
3.2.3	Small Business Development Centers (SBDCs) —— 74
3.2.4	Economic Development Corporations (EDCs) —— 75
3.2.5	Incubators —— 75
3.2.6	Accelerators — 76
3.3	De-risking Innovation and De-risking Investment — 76
3.3.1	De-risking Innovation —— 76
3.3.2	De-risking Investment —— 77
3.4	Establishing a Team —— 78
3.4.1	Leadership of the Team —— 80
3.4.2	Mentors, Advisors, and Board Members —— 81
4	Laying the Groundwork for a Business Plan and Preparing a Business
	Plan —— 83
4.1	The Process of Developing a Business Plan – Preparation for a
	Business Plan —— 83
4.2	Developing a Marketing Strategy and a Sales Strategy —— 84
4.2.1	Marketing Strategy: Using the Four Ps of Marketing to Achieve
	Marketing and Promotion Objectives —— 85
4.2.2	Marketing Strategy: Conduct Competitive Analysis —— 86
4.2.3	Marketing Strategy: Technology-Based Considerations —— 88

4.2.4	Documenting Your Marketing Strategy and Sales Strategy in a Marketing Plan and a Sales Plan —— 89
4.3	Expansion Strategy: Planning for Entry into Future Markets —— 97
4.4	IP Strategy and Plan — 98
4.5	Technology Plan —— 98
4.5.1	Technology Life Cycle —— 99
4.5.2	When Cutting Edge Innovation Satisfies Unmet Consumer Need,
	Commercial Success Isn't Far Behind —— 103
4.5.3	The Importance of Technology Forecasting —— 105
4.5.4	Developing a Technology Portfolio —— 106
4.5.5	Developing a Realistic Timeline —— 107
4.5.6	Writing a Technology Plan —— 109
4.5.7	Transitioning from Research to Development and Beyond — 114
4.5.8	Planning for Special Considerations for Your Technology —— 117
4.6	Preparing a Business Plan —— 117
4.6.1	Executive Summary — 120
4.6.2	Company Description —— 120
4.6.3	Marketing Plan —— 121
4.6.4	Sales Plan —— 121
4.6.5	Technology Plan —— 122
4.6.6	Organizational Chart and Management Team — 122
4.6.7	Operating Procedures —— 124
4.6.8	Financial Models —— 125
4.6.9	Attachments —— 128
5	Understanding Intellectual Property as It Relates to Your
	Business —— 129
5.1	Patents —— 131
5.1.1	Provisional and Non-Provisional Patent Applications —— 133
5.1.2	Example Questions to Ask Your Patent Attorney —— 135
5.2	Trademarks and Service Marks —— 135
5.3	Copyrights —— 137
5.4	Trade Secrets —— 137
5.5	Developing an Intellectual Property Strategy and IP Portfolio —— 139
5.5.1	Start by Deciding on Which IP Rights You Need —— 140
5.5.2	Developing a Timeline —— 140
5.5.3	Developing an International IP Strategy —— 140
5.5.4	Perform an IP Audit to Determine if You are Missing Any Key IP
	Rights —— 143
5.5.5	Monitor Your Intellectual Property Rights, and Your
	Competitors' —— 143

5.6	The Importance of Freedom to Operate —— 144
5.6.1	FTO Legal Opinions —— 144
5.7	Licensing Agreements —— 145
6	Funding Methods —— 147
6.1	Start with the End in Mind: Know Your Exit Strategy — 147
6.1.1	Stages of Funding —— 150
6.2	Funding —— 152
6.2.1	Risk and De-Risking —— 152
6.2.2	Pre-seed Funding/Bootstrapping —— 153
6.2.3	Types of Funding: Equity, Debt, and Non-dilutive Funding —— 154
6.3	Lessons Learned from Pitching to Prospective Investors —— 164
6.4	Understanding Investor Expectations —— 172
6.5	Common Early Startup Challenges —— 173
7	Launching Your Innovation to Market – Strategy then
	Implementation —— 175
7.1	Introduction —— 175
7.1.1	Strategy versus Implementation —— 177
7.1.2	Strategic Implementation Plan (SIP) —— 178
7.2	Hiring Strategy Planning and Implementation —— 178
7.2.1	Identifying Types of Resources —— 178
7.2.2	Hiring Strategy Planning —— 181
7.2.3	Hiring Strategy Implementation —— 183
7.3	Vendor Management —— 187
7.3.1	Assessing Vendors —— 188
7.3.2	Vendor Risk Management —— 192
7.3.3	Assessing Service Providers and Contract Manufacturers —— 194
7.3.4	Scope Creep —— 195
7.3.5	The Importance of Vendor Management —— 196
7.4	Marketing and Sales Strategy and Implementation —— 197
7.4.1	Marketing and Sales Strategy —— 199
7.4.2	Marketing and Sales Implementation —— 202
7.5	Postlaunch: Evaluating Effectiveness and Planning for Further
	Expansion —— 203
7.5.1	Postlaunch Surveillance and Analytics Strategy —— 205
7.5.2	Postlaunch Surveillance and Analytics Implementation —— 207
8	Technology Project Management —— 209
8.1	Introduction —— 209
8.2	Tools for "First-Time" Project Managers —— 212
8.2.1	Scope Management —— 213

8.2.2	Risk Management and Scenario Planning —— 216
8.2.3	Project Communication —— 221
8.3	Managing Technical and Strategic Risk and Creating Realistic
	Project Timelines —— 228
8.3.1	Managing Technical Risk —— 228
8.3.2	Managing Strategic Risk —— 231
8.3.3	Creating Realistic Project Timelines —— 232
8.4	Effective Technology Management —— 234
8.4.1	Establish Central Governance —— 234
8.4.2	Utilize a Project Management Office —— 234
8.4.3	Design an Employee Performance Incentive Program —— 235
8.4.4	Execute Best Practices in Project Management —— 236
8.5	Change Management —— 236
8.5.1	Step 1: Assess and Understand the Current State of the
	Project —— 237
8.5.2	Step 2: Research, Analyze, and Agree to the Problem —— 237
8.5.3	Step 3: Communicate a Vision —— 238
8.5.4	Step 4: Design and Implement a Project to Deliver the
	Change 238
8.5.5	Step 5: Assess How the Change is Impacting the
	Organization —— 240
8.5.6	Table Top Workshops - A Live Example of Executing Change
	Management —— 240
8.5.7	Final Thoughts on Change Management —— 241
8.6	Problem-Solving Techniques —— 241
8.6.1	What is the Problem? —— 241
8.6.2	Finding Solutions —— 242
8.7	Brainstorming (Ideation) Techniques —— 243
8.7.1	Do your Homework —— 243
8.7.2	Facilitation Techniques —— 244
8.7.3	Do Not Settle with a List, Take it Further! —— 245
8.7.4	Follow Through, Be Proactive! —— 246
8.8	Conclusion —— 247

Part B: Engineering the Innovation

9	Needs Finding, Concept Generation, and Prototyping—— 252
9.1	Needs Finding Process —— 257
9.1.1	Observations, Unmet Needs, and Needs Statements — 257
9.1.2	Need Statement Selection —— 260
9.2	Concept Generation Process — 263

9.3	Preparing for Needs Finding Process and Concept Generation
	Process —— 268
9.3.1	Preparedness —— 268
9.3.2	Alternative Decision-Making Models —— 272
9.4	Decision-Making Walkthrough —— 273
9.5	Needs Finding and Concept Generation for Startups —— 276
9.6	How a Concept Becomes a Product —— 278
9.6.1	Prototype Development —— 279
9.6.2	Design for Manufacturing (DFM) and Design for Assembly
	(DFA) —— 280
9.6.3	Sourcing —— 283
9.7	Finding Resources —— 284
9.7.1	Hardware and Physical Components —— 284
9.7.2	Computer-Aided Design (CAD) and Computer-Aided
	Manufacturing (CAM) — 285
9.7.3	3D Printing —— 285
9.8	Moving on to Product Development —— 287
10	Product Development and Manufacturing —— 288
10.1	Product Development through Manufacturing — 288
10.1.1	Minimum Viable Product (MVP) —— 289
10.1.2	Planning How to Develop a Product/Technology with a
	Technology Development Plan —— 290
10.1.3	Product Development —— 296
10.1.4	Transfer to Manufacturing — 306
10.2	Documentation —— 307
10.2.1	Design Controls — 309
10.2.2	Revision Histories —— 316
10.2.3	Bill of Materials —— 316
11	An Introduction to Quality —— 319
11.1	A World of Quality —— 319
11.1.1	Making Consistent Quality Products: An Overview of Quality
	Management —— 320
11.2	Quality Management Systems (and Examples) —— 322
11.2.1	Types of Quality Management Systems — 322
11.2.2	Design of Quality Management Systems — 324
11.2.3	Checks and Balances within Quality Management
	Systems —— 327
11.3	Total Quality Management (TQM) Tools —— 330
11.4	Six Sigma and Lean Six Sigma —— 333
11.4.1	Lean 333

11.4.2	Six Sigma —— 337
11.4.3	Lean Six Sigma —— 339
12	Medical Devices —— 341
12.1	Introduction —— 341
12.1.1	Impact of Medical Devices —— 341
12.1.2	Overview of Medical Technologies —— 344
12.2	Unique Management Aspects of Bringing Medical Devices to
	Market —— 346
12.2.1	Medical Device Value Propositions —— 346
12.2.2	Medical Device Business Models —— 349
12.2.3	Medical Device Fundraising —— 352
12.2.4	Medical Device Leadership —— 354
12.2.5	Medical Device Startup Operations —— 356
12.3	Unique Technical Aspects of Bringing Medical Devices to
	Market —— 357
12.3.1	Medical Device Research and Development: Transitioning from
	Bench to Bedside —— 357
12.3.2	Medical Device Validation Testing Requirements —— 359
12.4	Other Unique Aspects of Bringing Medical Devices to Market — 364
12.4.1	Medical Device Regulatory Strategy — 364
12.4.2	Medical Device Labeling —— 370
12.4.3	Medical Device Clinical Trials —— 374
12.4.4	Medical Device Reporting —— 377
12.4.5	Medical Device Marketing —— 379
12.4.6	Medical Device Reimbursement in the United States —— 380
12.5	Closing —— 382

List of Acronyms and Initialisms —— 384

Further Reading —— 387

Subject Index --- 389