

Marketing, the Bridge for Growing from Engineer to Entrepreneur



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Doing Your Own Market Research





Criteria for building a great medical business:

- Huge market
- Measurable improvement in outcomes
- Sustainable competitive advantage



Two Types of Markets:

- Existing Markets. Your new product is:
 - Smaller
 - Cheaper
 - Faster
- New Markets. No frame of reference.
 - Customers always exist, even if they don't know it.



Knowing your customer:

- Is your idea worthy of your efforts?
 - Most ideas are not!
- Questions you might want to answer:
 - How many can you sell?
 - How can you sell more?
 - How many can the competition sell?
 - Who could kill you?
- Customer economics:
 - What's the customer's business or life like?



Sources of Information

- Scholarship
 - Databases & library materials
 - Investment materials
 - Government data
- Interviews
 - Workers in field
 - Industry watchers/Consultants
 - Professional Investors



Data Bases and Library Materials:

- Magazine & newspaper articles
 - Business journals, professional literature
- Reference materials
 - Don't forget almanacs!
 - Directory of Associations
 - Thomas Industrial Register
- Multi-Client Published Studies
 - Good for established markets;
not so useful for new markets



Scholarship

- Investment Materials
 - SEC financial disclosure: EDGAR on web
 - Public companies investment relations office
 - Stock Brokers
- Government data
 - Census data, US Statistical Abstract
 - NTIS, SBIR grants
 - Reports/Sup't of Documents



Interviews — Phone Skills:

- Get your message over quickly
- Work from a questionnaire,
call reports when you're done



Interviews — Whom to call:

- The people whom you uncovered doing scholarship
- Anyone else who can help
- Very few people don't return well placed calls
- Use fax and e-mail creatively
- The first hour is free, even from consultants



Interviews — Whom to Visit:

- People who are nearby
- People with whom you “clicked” on the phone
- People who have something to show you



Interviews — Goodies:

- Always take something with you:
 - Demo unit
 - Video tape
 - Sketch
- Always leave something behind.



Should you do your own research?

- Yes, it gives you first-hand market knowledge and insight.
- Keeps you in control of your business.
- Makes for greater credibility when seeking investment.



When Should You Hire a Consultant?

- When you know the \$\$\$ are worth it
- To answer second order questions



Keep doing research...

- Until you don't get surprised by what you learn.
- Until you've spent as much time studying the market as you have conceptualizing the product and developing the prototype.



Conclusions:

- Doing your own marketing research is fun and very, very cerebral.
- Marketing mistakes are much more costly than product mistakes. Take the time to learn your market.