On 29 April 2021, Mr Martin Schweiger, Managing Director and author of the book: 'The 4x4 Innovation Strategy', will speak at our next 'Thursdays with the SGC' session.

Starting from a negative example on Kickstarter.com, he will explain how to use blockchain technology for setting up a proprietary crowdfunding environment for developing a new product.

Blockchain tokens are used as pre-sales indicators that tell whether or not the targeted market is willing to put money on the table for the planned new product.

4x4 Innovation Financing
Meets
Blockchain technology

You Find A Recording Of This Talk At

www.ip-lawyer-tools.com

4x4 Innovation Financing
Meets
Blockchain technology

A Talk Before The German Singapore Chamber of Commerce SGC

29 April 2021

by Martin Schweiger

What Successful Innovation Is

Converting a novel product or a novel service idea into money on the table.

- „novelty“ is always „local novelty“ and never „global novelty“
- “no money on the table“ = „no successful innovation“

Five ways to finance innovation when there is not yet a free cash-flow from sales

- Subsidies
- Investors
- Loans
- Savings
- Pre-Sales cash-flow

… or a mix of all five.

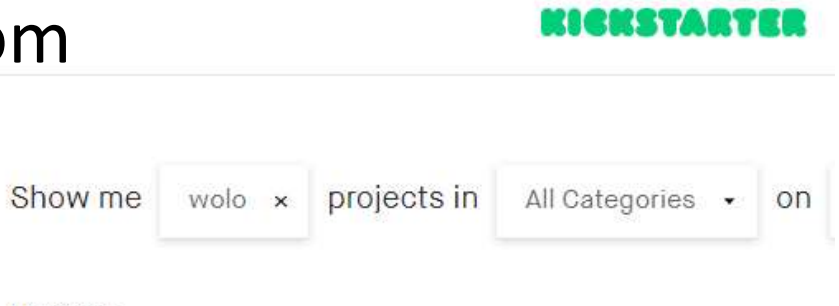
Typical dilemmas:
A. my money vs. someone else‘s money
B. free hand vs. reporting vs. subjection

plus risk of failure: will you innovate something that nobody wants to buy?

Everything seems to suggest pre-sales

- Early income
- No inventory
- Consumer demand testing
- Price level testing
- Sales team testing
- User feedback collection
- Retain entrepreneurial freedom
- Reduce failure risk

www.kickstarter.com



Teach us to number our days, that we may gain a heart of wisdom. (Psa 90:10)

Movies:
- Seconds (1966)
- In Time (2011)
- Countdown (2019)

- Crowdsourcing
- You must have a working prototype
- Pledges/Backers
- If you hit your goal by the deadline, everyone´s credit card gets charged and you are good to go
- If you do NOT hit your goal by the deadline, nothing happens

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Why Kickstarter and similar crowd-sourcing initiatives do NOT work in practice

- not perceived as „professional“
- commission
- not scalable
- most important reason for failure: inventors are forced into providing a Minimum Viable Product (MVP), without intermediate stages

mothership News GE2020 Covid-19 Lifestyle Abroad Weekend Environment + More Search Videos

S'pore Kickstarter product fails to deliver after raising more than S$30,000

There have been no updates since April 2016.

Mandy How | Belmont Lay | April 18, 2017, 12:57 PM

Update, April 20, 2017, 15.05pm (See bottom of article for updates): *Gabriel*

Events

Search for „wolo kickstarter failure“

Starting point: How might we …

… provide pre-sales to customers with:

- push-type purchaser-insight after payment (facilitates marketing)
- direct contact with purchasers upon pre-sales (facilitates R&D)
- enable purchasers to exit at any time (reduces risk for purchasers)
- enable transactions fast, and with low overhead costs
- Provide goodies such as anti-counterfeiting support, inventory management, VIP services, logistics support

And here comes Blockchain technology

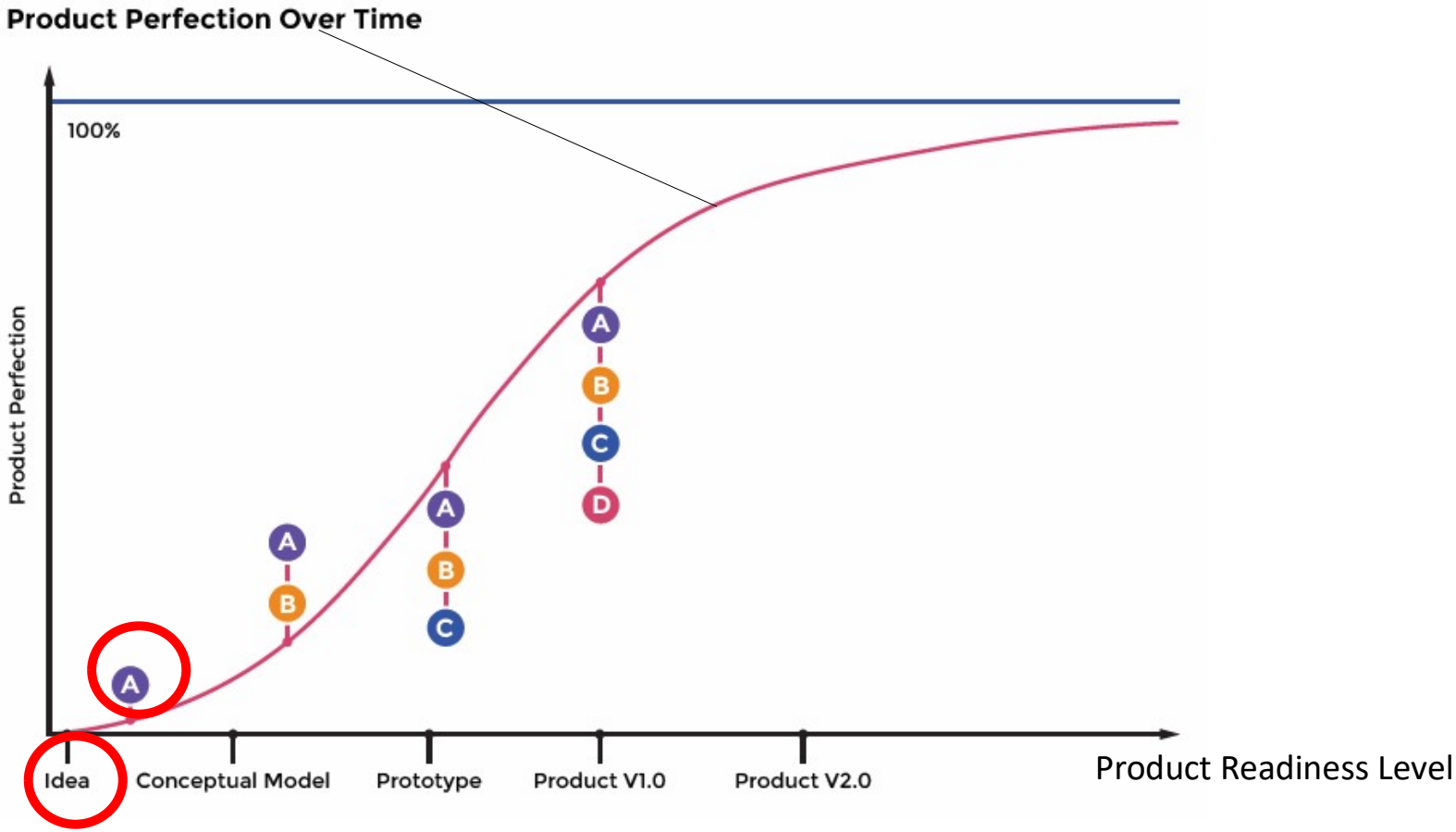
- a safe way to provide tokens that can be linked to almost anything
- existing technology for easy exchange between users
- tokens can be traded against fiat money or against assets
- official regulations are in place that provide the rule of law in trading

Before we continue: let´s synchronize our language

download my FREE e-book here

bit.ly/4x4-innovation

Innovation Analytics



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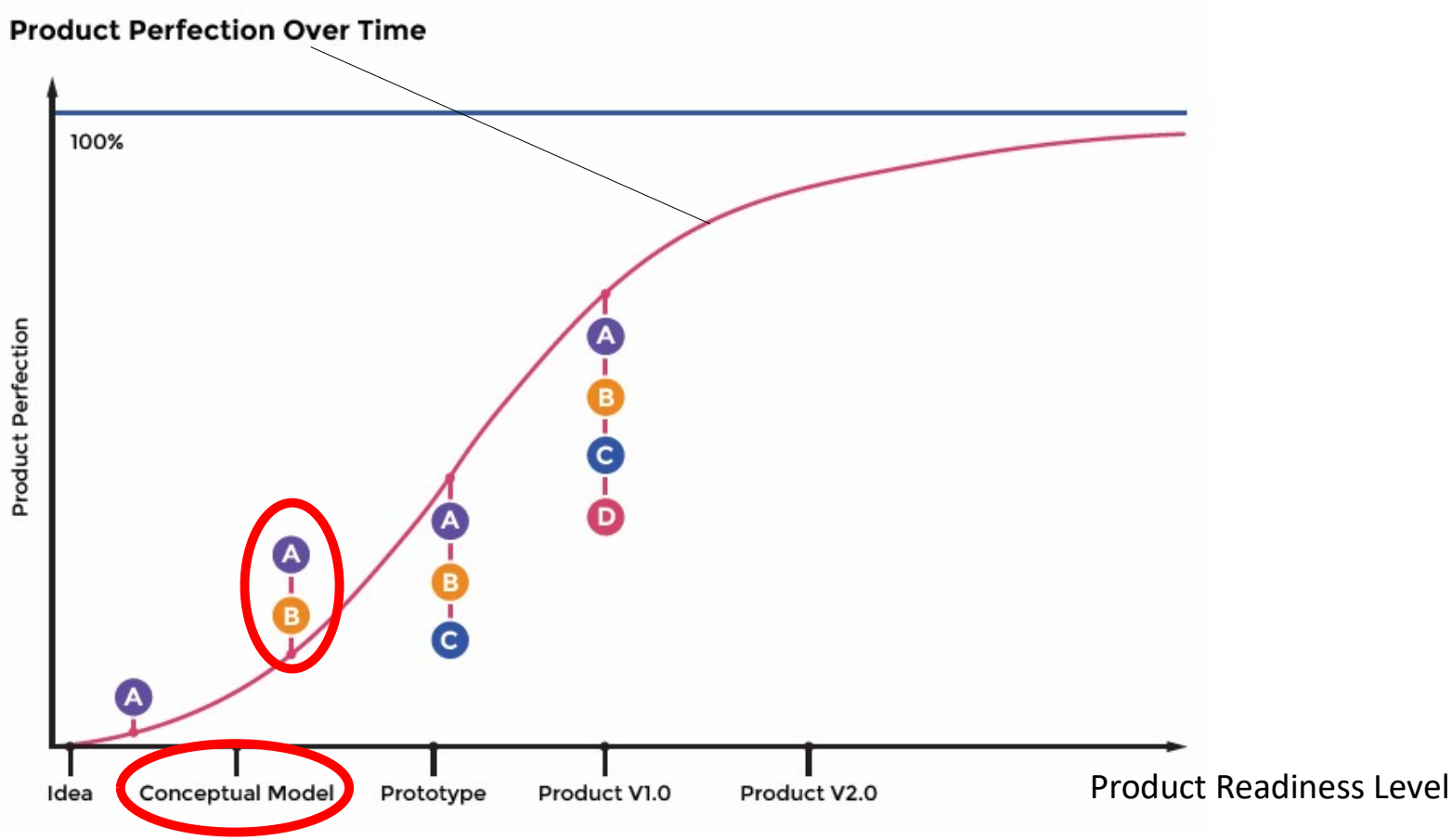
Innovation Analytics



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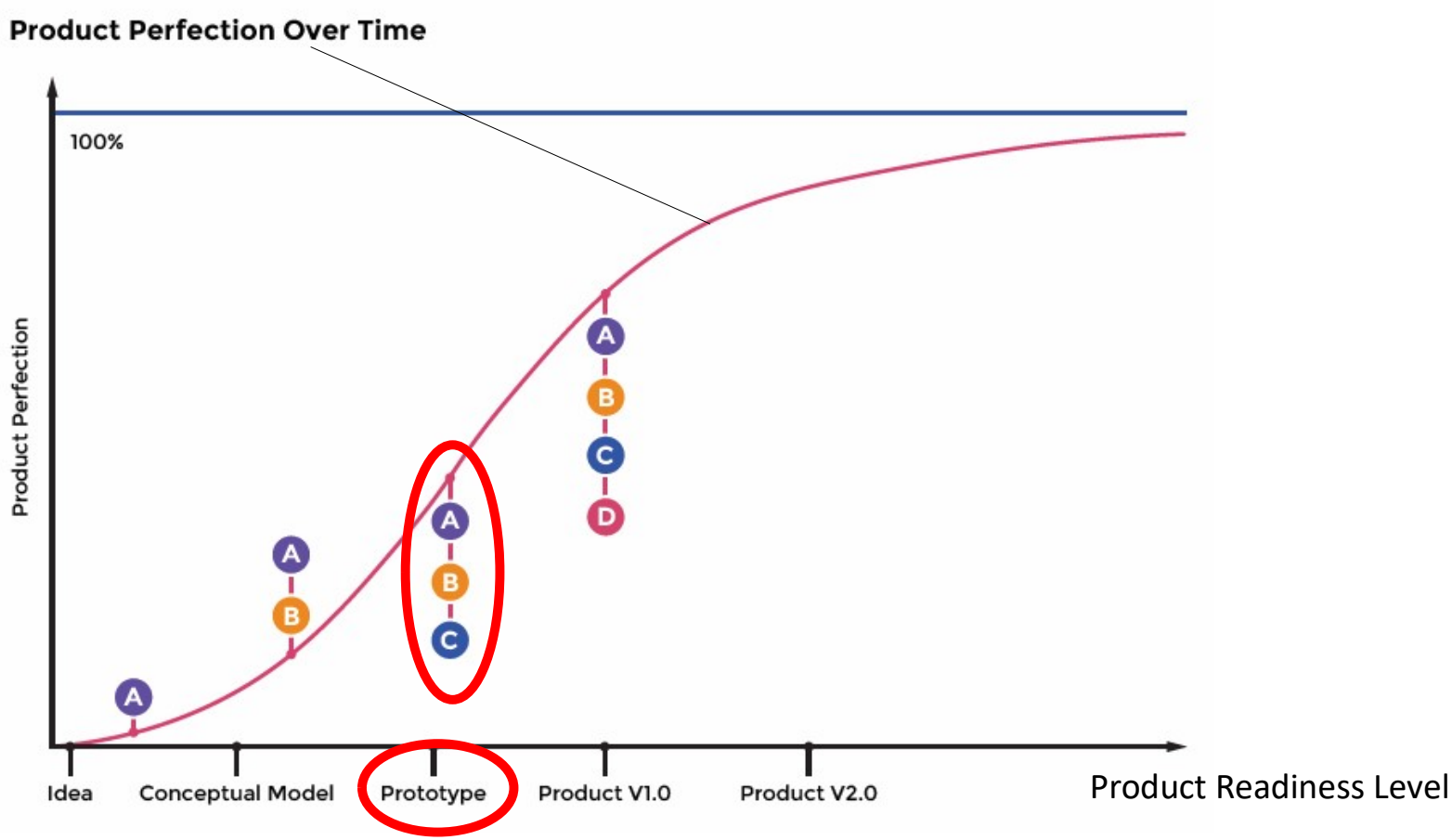
Innovation Analytics



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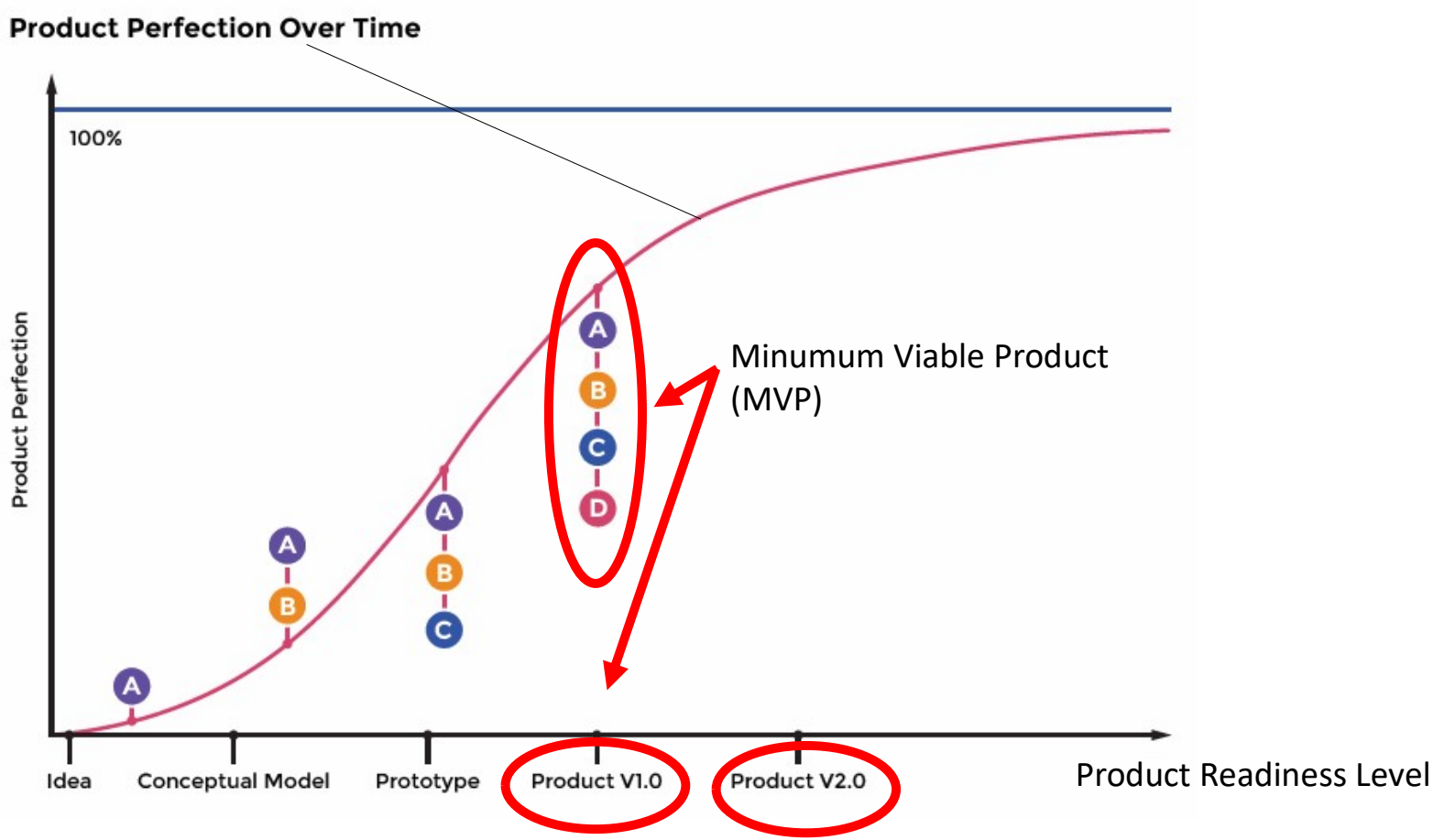
Innovation Analytics



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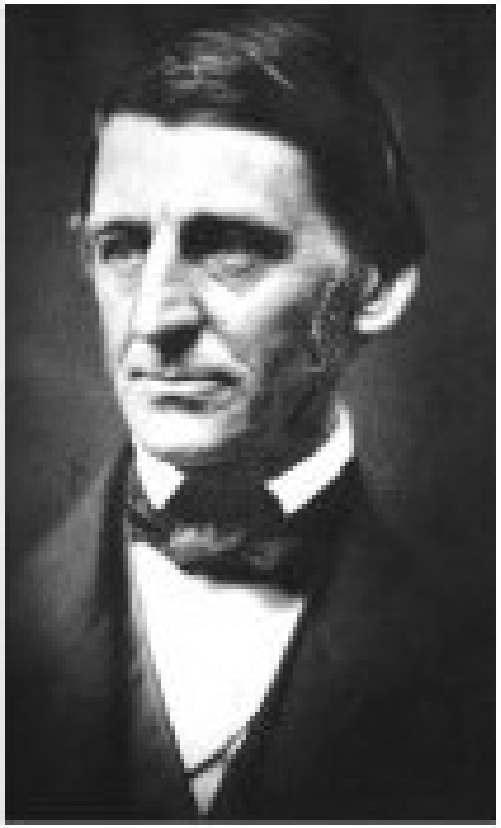
Build a better mousetrap
and the world will beat
a path to your door.

- Ralph Waldo Emerson
(1803 – 1882)



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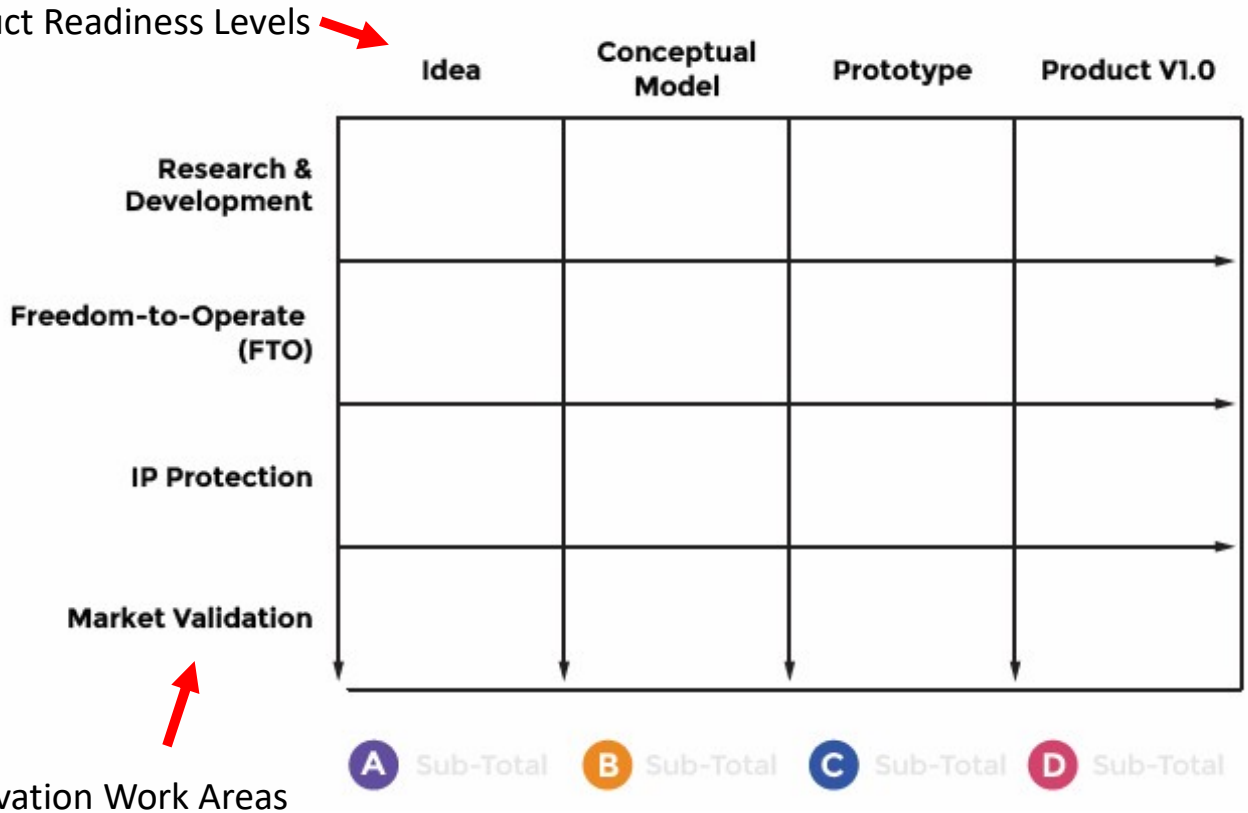
The 4x4 Innovation Strategy = How To Build And Sell An Elephant



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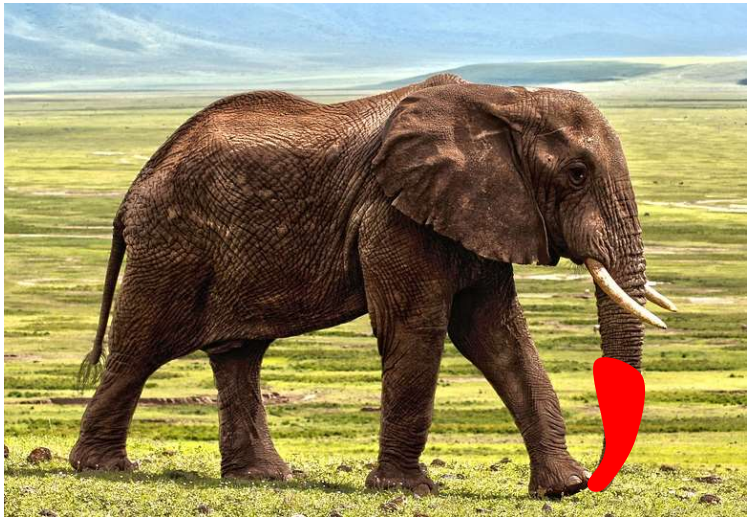
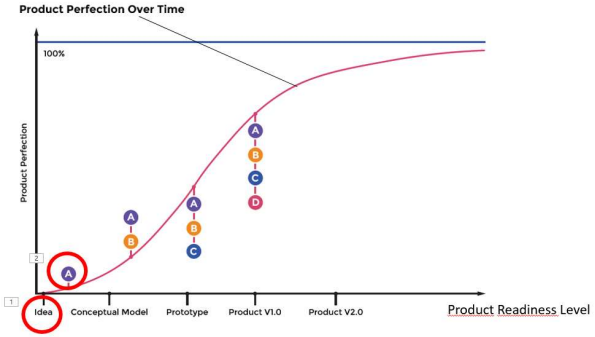
My favorite inventor

Gene

Ralph Waldo Emerson Approach



Gene taps into his savings



	Idea	Conceptual Model	Prototype	Product V1.0	Total Stage Cost
Research & Development	$5,000	$25,000	$125,000	$1.25m	$1.405m
Freedom-to-Operate (FTO)				$15,000	$15,000
IP Protection				$15,000	$15,000
Market Validation				$170,000	$170,000
	A Sub-Total $5,000	B Sub-Total $25,000	C Sub-Total $125,000	D Sub-Total $1.45m	Total $1.605m

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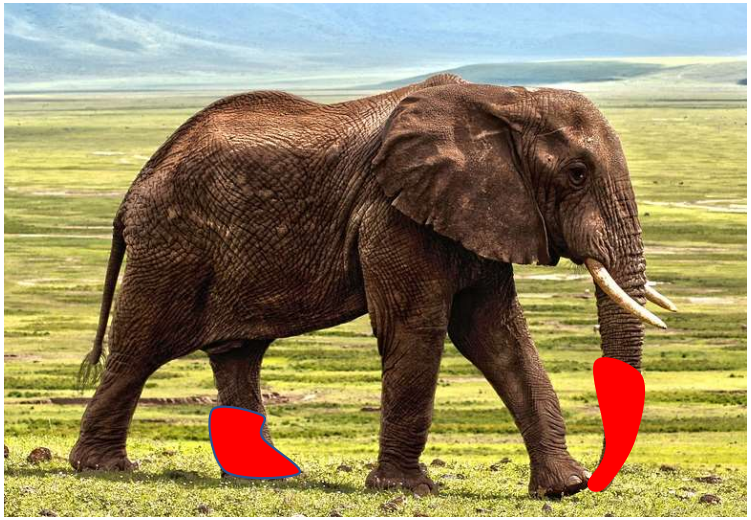
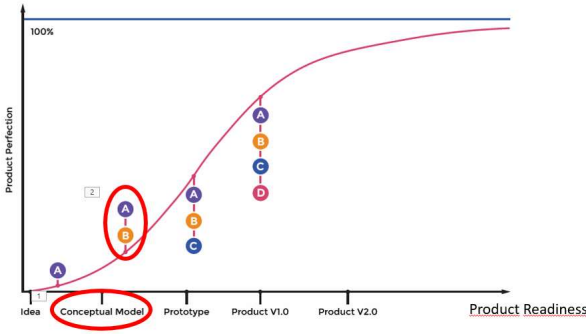
Ralph Waldo Emerson Approach



Gene does a credit card overdraft



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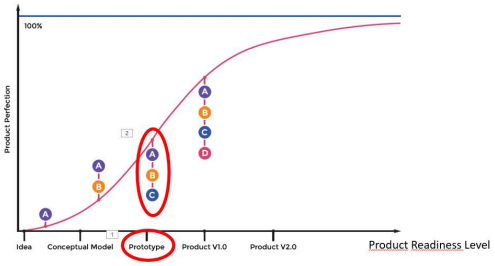
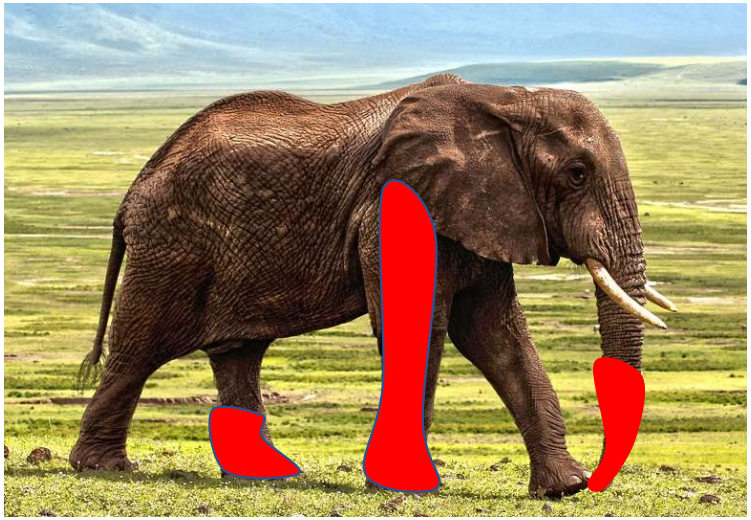


Gene`s friends chip in



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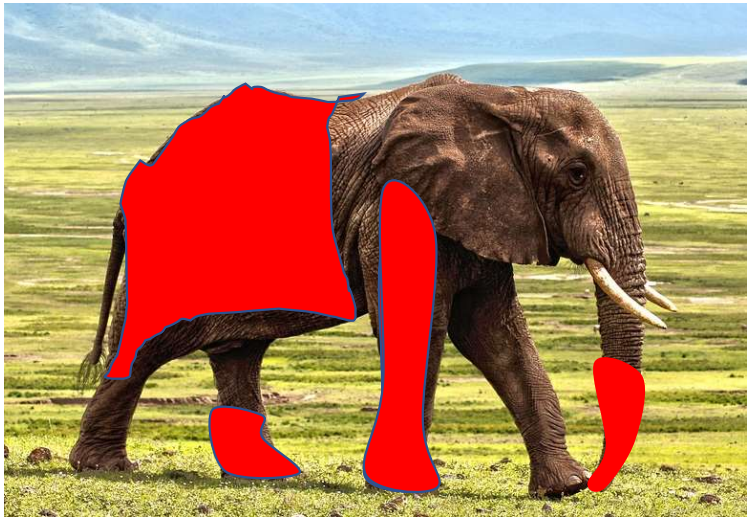
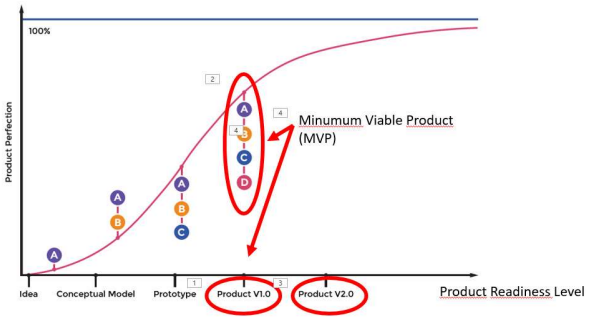
Ralph Waldo Emerson Approach





Gene`s mom sells her apartment for her son`s idea

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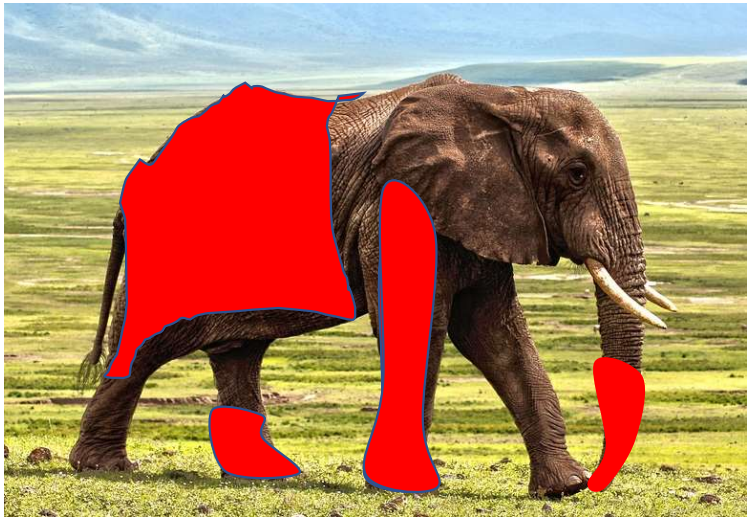
The Truth About Failed Innovation

If you build a better mousetrap, and you do not have a marketing plan, you will die alone and broke with a garage full of mouse traps.

Mac Ross (+ 2006)

Ralph Waldo Emerson Approach



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Zero Orders

No Early IP

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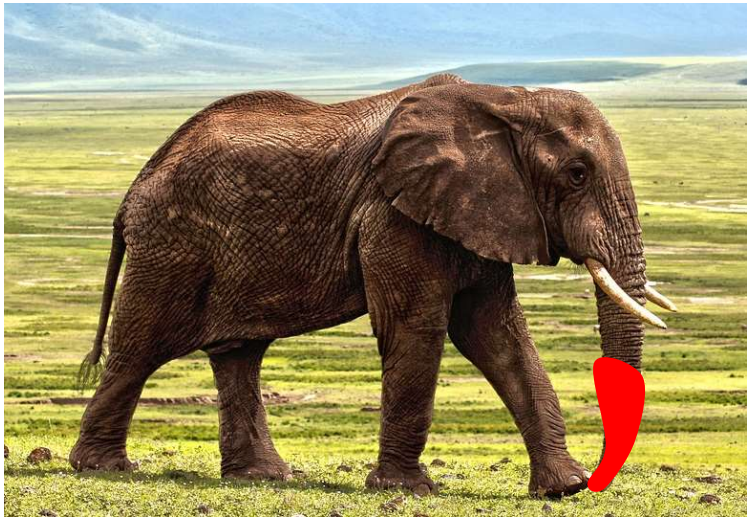
Let`s Do Something NEW

The 4x4 Innovation Strategy applied

NEW: The 4x4 Innovation Strategy applied



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A Sub-Total $20,000

Results/Outcome: 3 Letters of Intent

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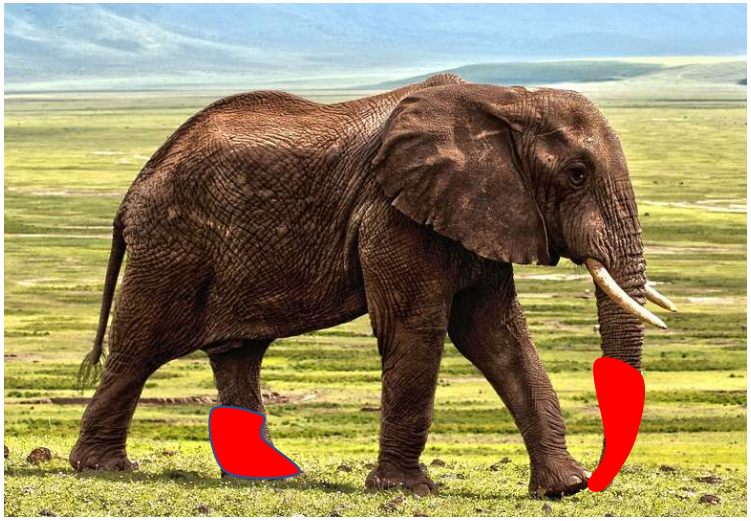
The 4x4 Innovation Strategy applied



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	A Sub-Total $20,000	B Sub-Total $50,000			
Results/Outcome	3 Letters of Intent	3 Paid Reservations			

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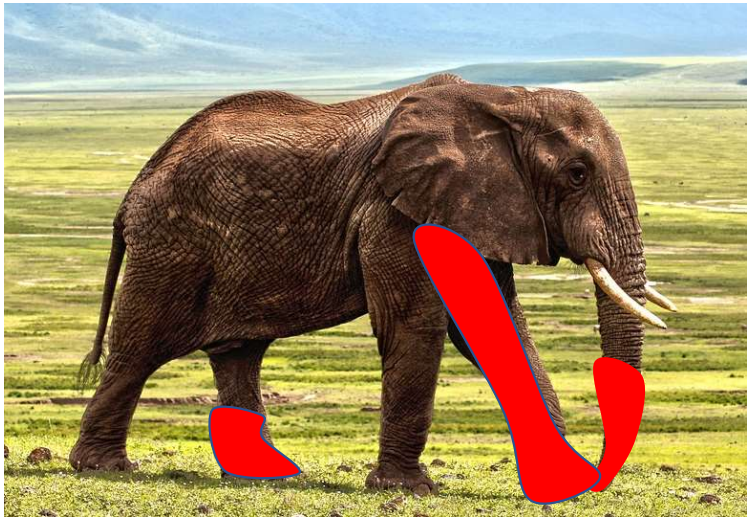
The 4x4 Innovation Strategy applied



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	A Sub-Total $20,000	B Sub-Total $50,000	C Sub-Total $185,000		
Results/Outcome	3 Letters of Intent	3 Paid Reservations	3 Paid Pre-Orders		

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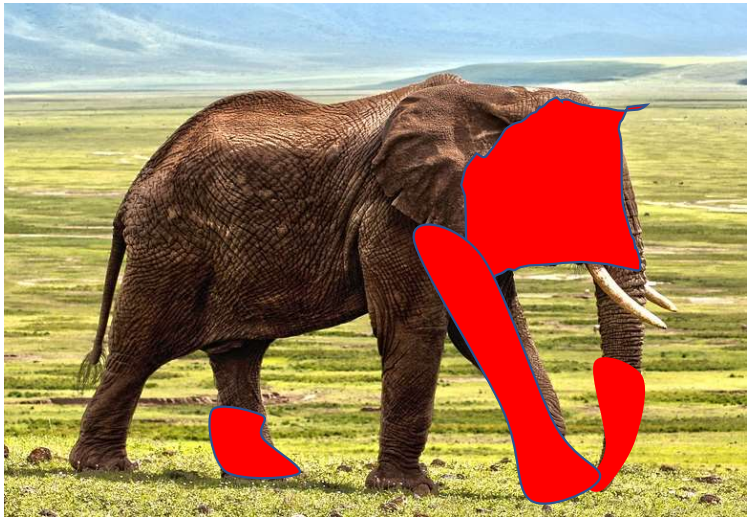
The 4x4 Innovation Strategy applied



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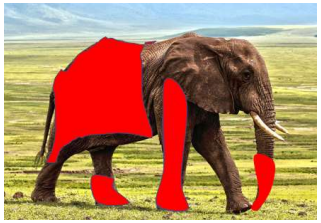

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Results/Outcome	3 Letters of Intent	3 Paid Reservations	3 Paid Pre-Orders	3 Paid Orders	

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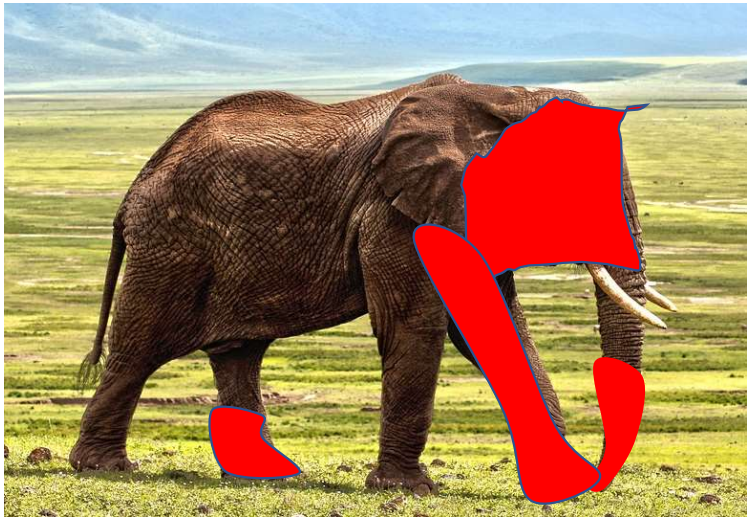
The 4x4 Innovation Strategy applied



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Results/Outcome	3 Letters of Intent	3 Paid Reservations	3 Paid Pre-Orders	3 Paid Orders	Thorough FTO + Early Patents

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Tokens Meet Not-Yet-Existent Products

- Think of a queuing number system
- Produce as many tokens as needed
- Tokens can be made of paper, metal, or electrons
- Assign one token (or a fraction of it) to each one of the future products
- Sell the tokens
- Once the products are ready, exchange the tokens against the products

Block Chain Token Technology In A Nutshell

A blockchain is (in the simplest of terms)

- a time-stamped series of records of data
- that series of data is managed by a cluster of computers, usually not owned by any single entity
- each one of these records of data (i.e. blocks) is secured and bound to each other using cryptographic principles (i.e. chain). That makes them "immutable".

A token is a pre-defined data structure on a given blockchain data base.

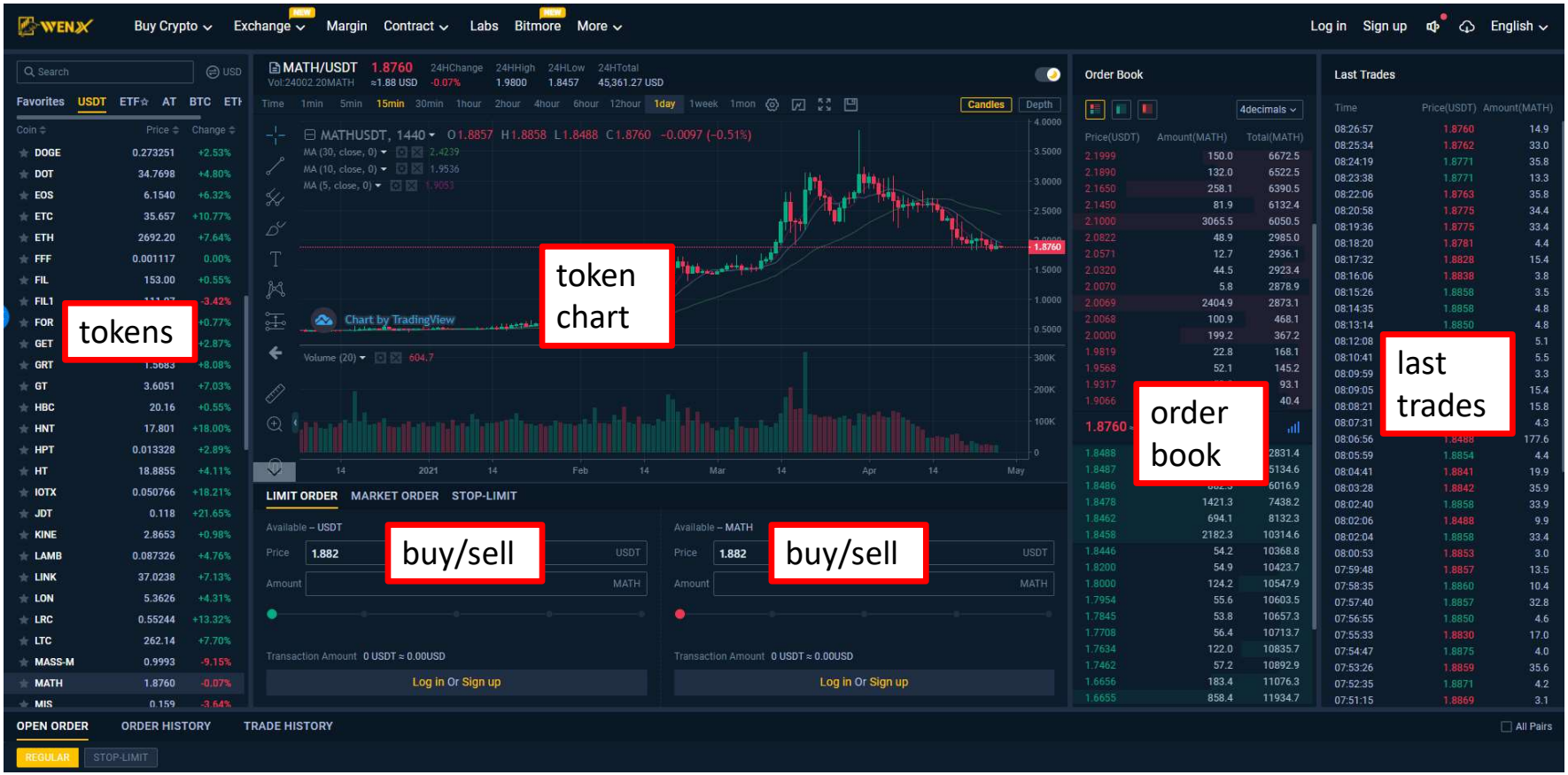
"Coins" are native to their own blockchain. Whilst "tokens" have been built on top of another blockchain.

Some Financial Token Definitions

- Security Tokens - most tokens issued by ICO are security tokens. The person buying them is investing their money in the ICO with the expectation of profit. “Security” is a fixed term in finance.
- Equity Tokens - if a token represents some stock or equity in the company that issues it, it’s an equity token. Main question: what is legal and what is not?
- Utility Tokens - also called application tokens. They are used to provide people with access to a product or a service. They are still rare because today tokens are expected to mainly gain in value based on their limited supply.
- Payment Tokens - payment tokens have no other purpose than to pay for goods and services. E.g. Bitcoin. Value increases according to Metcalfe´s law.

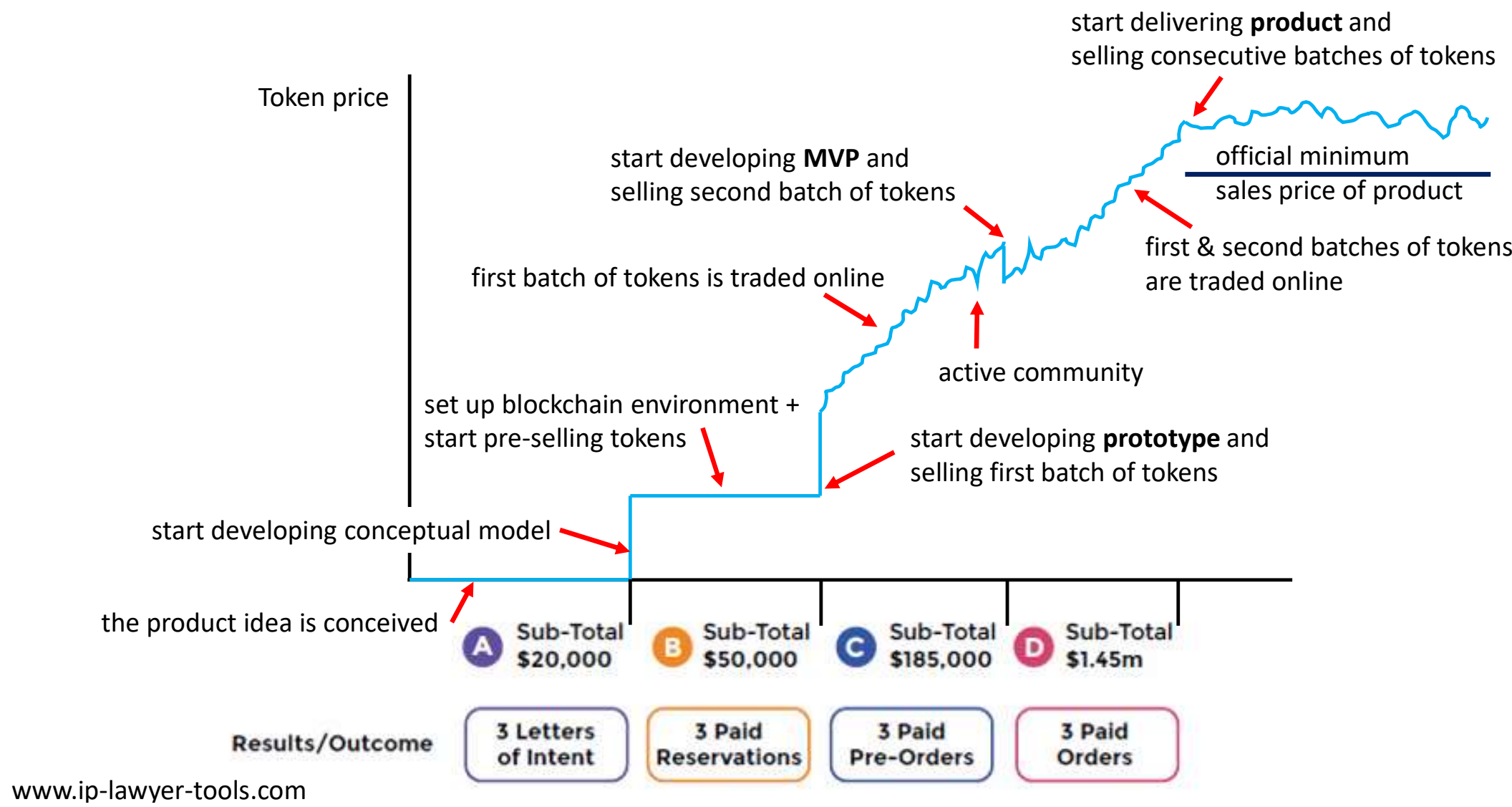
We are talking about Utility Tokens here

Blockchain Token Exchange (example)



The 4x4 Innovation Strategy meets Blockchain

- Idea phase: same as without blockchain, produce Letters of Intent
- Conceptual model phase: set up blockchain environment, solve tax matters, solve tokenomics, solve token logistics, start pre-selling tokens
- Prototype phase: List token at Internet exchange, sell tokens for the next product-readiness level
- Product phase: minimum viable product (MVP) is ready for delivery, activate the other blockchain token features


start delivering **product** and
selling consecutive batches of tokens
Token price
start developing **MVP** and
selling second batch of tokens
official minimum
sales price of product
first & second batches of tokens
are traded online
first batch of tokens is traded online
active community
set up blockchain environment +
start pre-selling tokens
start developing **prototype** and
selling first batch of tokens
start developing conceptual model
the product idea is conceived
A Sub-Total $20,000
B Sub-Total $50,000
C Sub-Total $185,000
D Sub-Total $1.45m
Results/Outcome
3 Letters of Intent
3 Paid Reservations
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This solution provides pre-sales to customers with:

- push-type purchaser-insight after payment (facilitates marketing)
- direct contact with purchasers upon pre-sales (facilitates R&D)
- enables purchasers to exit at any time (reduces risk for purchasers)
- enable transactions fast, and with low overhead costs
- provide add-on features such as anti-counterfeiting support, inventory management, VIP services, logistics support
- non-fungible tokens (**NFT**) are data stored on a digital ledger that certifies a digital asset to be unique and therefore not interchangeable. **NFTs** can be used to represent items such as photos, videos, audio, and other types of digital files. Copies of these digital items can be made but NFTs provide the owner with a proof of ownership that supports copyright claims

There is a myriad of applications for utility tokens

Combinations of pre-sales AND

- trade with limited unique goods (wine bottles, gold bars, diamonds, artworks, etc.)
- tracking & tracing of specific sub-sets of commodities (waste) and related services (transport, incineration)
- network marketing
- Research & Development (R&D)

download my FREE e-book here

bit.ly/4x4-innovation